



CALPINE

WESTERN REGION OFFICE

3875 HOPYARD RD.

PLEASEANTON, CA 94588

The Power of Innovation

DOCKET	
01-AFC-7C	
DATE	FEB 14 2007
RECD.	FEB 20 2007

Date: 2/14/07
To: Jeri Scott

Phone:
Fax: (916) 654-3882

From: CALPINE CORPORATION

Phone: 925-479-6744
Fax: 925-479-7300

Subject: Comments on proposed ammendment
cc: to Los Medanos decision

Number of pages including cover sheet: 3

If you do not receive the number of pages indicated above, please call Marrianna at 925-479-6682

Message: Also sent via e-mail

PRIVILEGED AND CONFIDENTIAL

The information contained in this facsimile is intended for the named recipient only. It may contain privileged and confidential information. If you are not the intended recipient, you must not copy, distribute or take any action in reliance on it. If you have received this facsimile in error, please notify us immediately at (925) 479-6682 and return the original to the sender by mail.

February 12, 2007

Ms. Jeri Zene Scott
Compliance Project Manager
California Energy Commission
1516 9th Street, MS-2000
Sacramento, CA 95814

**RE: COMMENTS ON PROPOSED AMENDMENT TO LOS MEDANOS
ENERGY CENTER'S CONDITIONS OF CERTIFICATION
Docket Number 98-AFC-1C**

Dear Ms. Scott:

Calpine is submitting the following comments to the proposed amendment to the Commission Decision for the Los Medanos Energy Center (LMEC) issued January 18, 2007.

The staff analysis states that staff recommends returning the excess PM10 emission reduction credits (ERCs) to the owner as a combination of both PM10 and SOx credits. As stated in permit application documents submitted to the Bay Area Air Quality Management District (BAAQMD) and CEC dated September 29, 2006, Calpine desires all credits be refunded as PM10. Calpine has discussed this issue with BAAQMD staff, and BAAQMD has agreed to issue all refunded credits as PM10.

The 131.6 tons of PM10 credits that were surrendered to the BAAQMD for the project were comprised of 98.13 tons of PM10 credits and 133.88 tons of SOx credits (based on a 4:1 interpollutant ratio). Based on the reduced PM10 emission limit, BAAQMD will refund 62.4 tons of credits (131.6 tons originally surrendered minus the new annual limit of 69.2 tons). Because the credit refund (62.4) is less than the credits originally surrendered as PM10 (98.13), all returned credits are eligible to be PM10 credits.

Please note that the staff analysis is based on originally licensed project PM10 emissions of 123.55 tpy and does not include the additional 8.05 tons of PM10 credits that were surrendered as part of Amendment 3 (May 2000). The staff analysis should be revised to reflect currently licensed project emissions of 131.6 tpy and a refund of 62.4 tons of PM10 credits.

Please contact Dave Williams at (925) 479-6744 or me at (925) 252-2003 if you have any questions regarding this submittal.

Sincerely,

A handwritten signature in black ink, appearing to read 'Chris German', with a long horizontal flourish extending to the right.

Chris German
Plant Manager
Los Medanos Energy Center

cc: Barbara McBride
Jeff Sorenson
Dave Williams
Rosemary Antonopoulos
Kurt Seel
Duncan Brown