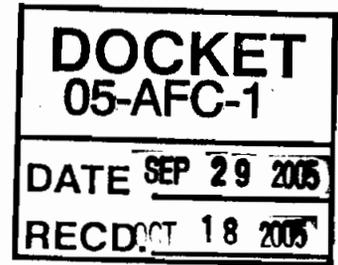


CALIFORNIA ENERGY COMMISSION

1516 NINTH STREET
SACRAMENTO, CA 95814-5512

September 29, 2005



Mr. David Warner
Director of Permit Services
San Joaquin Valley Air Pollution Control District
2700 M Street, Suite 275
Bakersfield, CA 93301-2373

Re: Comments on Preliminary Determination of Compliance (PDOC)
Project Number: S1052027 – Pastoria Energy Facility, LLC (Expansion)
(05-AFC-01)

Dear Mr. Warner,

The California Energy Commission staff would like to commend the District on its timely and comprehensive PDOC for the Pastoria Energy Facility Expansion Project. Staff has reviewed the PDOC and has the following comments for your consideration.

Combustor Tuning Emissions - Daily Emissions Compliance

While District PDOC conditions 34 and 35 define and list allowable combustor tuning event emissions, condition 34 only exempts combustor tuning emissions from compliance with condition 31 (normal hourly emission limits). That creates the potential for non-compliance with the NO_x, CO, and VOC daily emission limits specified in PDOC condition 38 (maximum daily emission limits). We recommend either that condition 34 specify both conditions 31 and 38 in its first sentence, or that a separate condition be developed to define maximum daily NO_x, CO, and VOC emissions for days with combustor tuning events.

Combustor Tuning Events – Single Event Limitation

It is CEC staff's understanding (CEC data response 33, Attachment AQ-33) that the applicant has asked for 6 hours per year for combustor tuning, but did not specify that a maximum of one event would occur each year. If the applicant comments on the event limitation in PDOC Condition 34, CEC staff would not object if the District modifies the last sentence in Condition 34 to remove the once per year limitation, as long as the 6 hours per year limitation remains.

Interpollutant Offset Ratio Calculations

The applicant used an older calculation methodology, first performed for the La Paloma siting case, and the current District-accepted Chemical Mass Balance (CMB) method to verify the proposed NO_x for PM₁₀ interpollutant offset ratio. However, staff is

PROOF OF SERVICE (REVISED 7-25-05) FILED WITH
ORIGINAL MAILED FROM SACRAMENTO ON 10-18-05
E. Johnson

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concerned that the CMB method interpollutant offset ratio calculation only addresses a single worst-case event and does not address an average or annual case to determine the amount of NOx emission reductions that may be needed to offset the PM10 emissions on a regular and long-term basis. Additionally, the CMB method uses both daily event data (worst-case PM10 event data) and annual or annual average data for other inputs (regional ammonium nitrate background, other PM10 source contribution, emission inventory values) to the calculation, which creates an "apples and oranges" calculation approach.

Staff believes that the offset ratio should be designed to offset all of the emissions as required under District rules, not to just mitigate emission impacts during a single worst-case event. Therefore, staff recommends that the District provide a CMB method calculation based on the annual average input values for all CMB method parameters to justify that the proposed NOx for PM10 interpollutant offset ratio of 2.22:1 is reasonable to offset the project's PM10 emissions on an annual basis.

If you have any questions, please contact Keith Golden of my staff at (916) 653-1643 and/or Will Walters of our consultant staff at (818) 597-3407 (ext. 328). Thank you for the opportunity to comment on the San Joaquin Valley Energy Center Project Preliminary Determination of Compliance.

Sincerely,

A handwritten signature in black ink, appearing to read "Paul c Richins". The signature is fluid and cursive, with a large initial "P" and "R".

PAUL RICHINS
Environmental Protection Office Manager

cc: dockets

**BEFORE THE ENERGY RESOURCES CONSERVATION AND DEVELOPMENT COMMISSION
OF THE STATE OF CALIFORNIA**

IN THE MATTER OF:

**APPLICATION FOR CERTIFICATION FOR THE
PASTORIA ENERGY FACILITY (PEF)
160 MW EXPANSION
BY CALPINE CORPORATION**

**DOCKET No. 05-AFC-1
PROOF OF SERVICE LIST
[ESTABLISHED 7/25/05]**

DOCKET UNIT

Instructions: Send an original signed document plus 12 copies or an electronic copy plus one original paper copy to the address below:

CALIFORNIA ENERGY COMMISSION
DOCKET UNIT, MS-4
Attn: Docket No. 05-AFC-1
1516 Ninth Street
Sacramento, CA 95814-5512
docket@energy.state.ca.us

Also send a printed or electronic copy of all documents to each of the following:

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INTERVENORS

No Intervenors to date.

INTERESTED AGENCIES

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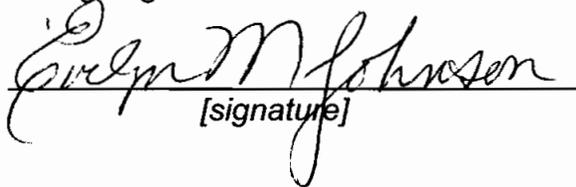
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DECLARATION OF SERVICE

I **Evelyn M Johnson** declare that on **October 18, 2005**, I deposited copies of the attached **Letter to Mr. David Warner, San Joaquin Valley Air Pollution Control District from Paul Richins, CEC, re: Comments on Preliminary Determination of Compliance (05-AFC-1)** in the United States mail at **Sacramento, CA** with first class postage thereon fully prepaid and addressed to those identified on the Proof of Service list above. Transmission via electronic mail was consistent with the requirements of California Code of Regulations, title 20, sections 1209, 1209.5, and 1210.

I declare under penalty of perjury that the foregoing is true and correct.


[signature]

* * * *

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