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File No. 037484-0006

# LATHAM & WATKINS LLP

October 9, 2007

**VIA FEDEX**

CALIFORNIA ENERGY COMMISSION  
Attn: Docket No. 06-AFC-4  
1516 Ninth Street, MS-4  
Sacramento, California 95814-5512

<b>DOCKET</b> <b>06-AFC-4</b>	
<b>DATE</b>	OCT 09 2007
<b>RECD.</b>	OCT 09 2007

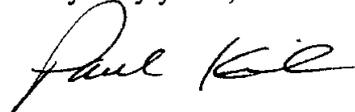
Re: Vernon Power Plant Project: Docket No. 06-AFC-4

Dear Sir/Madam:

Pursuant to California Code of Regulations, title 20, sections 1209, 1209.5, and 1210, enclosed herewith for filing please find a letter from the City of Vernon to South Coast AQMD regarding the above-referenced project.

Please note that the enclosed submittal was filed today via electronic mail to your attention and to all parties on the CEC's current electronic proof of service list.

Very truly yours,



Paul E. Kihm  
Senior Paralegal

Enclosure

cc: CEC 06-AFC-4 Proof of Service List (w/ encl.)  
Michael J. Carroll, Esq. (w/ encl.)



**LIGHT & POWER DEPARTMENT**  
Donal O'Callaghan, Director of Light & Power

September 17, 2007

Mr. Chandrashekhar S. Bhatt  
South Coast Air Quality Management District  
21865 Copley Drive  
Diamond Bar, CA 91765

Dear Mr. Bhatt:

This letter responds to the August 16, 2007 letter from Mr. Mohsen Nazemi of your agency requesting that the City of Vernon provide documentation demonstrating that the proposed Vernon Power Plant ("VPP") will comply with the requirements of South Coast Air Quality Management District ("SCAQMD") Rule 1309.1 as amended on August 3, 2007. Mr. Nazemi's letter indicates that the SCAQMD staff has made a preliminary determination that the VPP is located in an Environmental Justice Area ("EJA"), as defined in Rule 1309.1, which we will assume to be the case for purposes of this response. The letter also correctly points out that the VPP will have an output of greater than 500 megawatts.

The attached information (Attachments A and B) documents the ability of the VPP to meet the requirements applicable to an electric generating facility of greater than 500 megawatts in an EJA, as set forth in the attachment to Mr. Nazemi's letter.

We would also like to take this opportunity to request that the SCAQMD formally initiate the process for obtaining Governing Board approval of the plan to invest the anticipated mitigation fees from the VPP pursuant to paragraph (d)(13) of the revised rule. While the City would welcome an opportunity to participate in this process, we assume that it will be largely a SCAQMD staff driven process with input from the local community. Please let us know what the next steps in this process will be.

Mr. C.S. Bhatt  
September 17, 2007  
Page 2 of 2

Please contact Dr. Krishna Nand at (323) 583-8811, Ext 211, if you have any questions or if you need additional information.

Sincerely,



Donal O'Callaghan  
Director of Light & Power

Attachments

cc: Mohsen Nazemi, SCAQMD  
Roger Johnson, CEC  
James Reede, CEC  
Mike Carroll, Latham & Watkins LLP  
John Carrier, CH2MHill  
Krishna Nand  
Document Control

**Attachment A**  
**Supporting Documentation for Compliance Demonstration with Amended Rule**  
**1309.1 for the Proposed Vernon Power Plant**  
**(located in an Environmental Justice Area and Capacity greater than 500 MW)**

<b>TOXIC REQUIREMENTS</b>		
<b>Parameter</b>	<b>Amended Rule 1309.1 Requirement</b>	<b>Value for the Proposed Vernon Power Plant</b>
Cancer	< 0.5 in-a-million	Maximum cancer risk is estimated at 0.276 in-a-million
Hazard Index	< 0.1	Maximum chronic and acute hazard indices are estimated at 0.0198 and 0.0537, respectively.
Cancer Burden	< 0.05	Cancer burden is 0.007 for a cancer risk of 1-in-10 million (1-in-10-million risk level).
<b>CRITERIA POLLUTANT REQUIREMENTS</b>		
PM10 Emission Controls	NG Only & $\leq 0.035$ lb/MW-hr	NG Only & 0.0312 lb/MW-hr (also see Attachment B)
NOx Emission Controls	$\leq 0.050$ lb/MW-hr	0.0495 (also see Attachment B)
Total Combined Gas Turbines PM10 Hourly Emissions	$\leq 30.0$ lbs/hr	PM10 hourly emissions from three combustion gas turbines and three duct burners have been estimated at 29.7 lbs/hr.
Total Combined Gas Turbines PM10 24-hr Impact	$\leq 2.5$ $\mu\text{g}/\text{m}^3$	Maximum 24-hr impact from three combustion gas turbines and three duct burners has been estimated at 1.96 $\mu\text{g}/\text{m}^3$ .
Total Combined Gas Turbines PM10 Annual Impact	$\leq 0.5$ $\mu\text{g}/\text{m}^3$	Maximum annual impact from three combustion gas turbines and three duct burners has been estimated at 0.45 $\mu\text{g}/\text{m}^3$ .
Annual Hours of Operation Limit, if Simple Cycle	$\leq 3,000$ hrs/yr	Not Applicable. Vernon Power Plant will be a Combined Cycle Facility

## Attachment B

### Vernon Power Plant (VPP) Compliance Determination New SCAQMD Rule 1309.1 (August 3, 2007) at 59 deg F

#### NOTE:

1. PM10 and NOx emission limits in lb/MW-hr are based on gross output (see SCAQMD Final Staff Report, page 20, dated July 2007), Ref. 1.
2. Emission limits applicable to the Vernon Power Plant are from the Mohsen Nazemi's letter dated August 16, 2007 to the City of Vernon.

#### 1. Compliance with PM10 Emission Limit of 30 lb/hr (all three CTGs and three Duct Burners)

Duct Burner Firing Condition (Design Basis Duct Burner, 142 MMBtu/hr, HHV), Evaporative Cooler ON:  
VPP will be in compliance (PASS)

PM10 emission rate/CTG plus Duct Burner	9.9 lb/hr	Ref. 2
PM10 emission rate/3 CTGs and 3 Duct Burners	29.7 lb/hr	

#### 2. Compliance with PM10 lb/MW-hr Emission Limit of 0.035

Duct Burner Firing Condition (Design Basis Duct Burner, 142 MMBtu/hr, HHV), Evaporative Cooler ON:  
VPP will be in compliance (PASS)

PM10 emission rate/CTG plus Duct Burner	9.9 lb/hr	
PM10 emission rate/3 CTGs and 3 Duct Burners	29.70 lb/hr	
Facility Gross Power Output (includes power from steam turbine)	951 MW/hr	Ref. 2
<i>Emission in lb/MW-hr</i>	<i>0.0312 lb/MW-hr</i>	

#### 3. Compliance with NOx lb/MW-hr Emission Limit of 0.050

Duct Burner Firing Condition (Design Basis Duct Burner, 142 MMBtu/hr, HHV), Evaporative Cooler ON:  
VPP will be in compliance (PASS)

NOx emission rate/CTG plus Duct Burner	15.70 lb/hr	Ref. 2
NOx emission rate/3 CTGs and 3 Duct Burners	47.10 lb/hr	
Facility Gross Power Output (includes power from steam turbine)	951 MW/hr	Ref. 2
<i>Emission in lb/MW-hr</i>	<i>0.0495 lb/MW-hr</i>	

**SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT**

**Final Staff Report**

**Proposed Amended Rule 1309.1 – Priority Reserve; and  
Proposed Re-Adopted Rule 1315 – Federal New Source Review Tracking System**

July 2007

**Deputy Executive Officer  
Planning, Rule Development and Area Sources  
Elaine Chang, DrPH**

**Assistant Deputy Executive Officer  
Planning, Rule Development and Area Sources  
Laki Tisopulos, Ph.D., P.E.**

**Planning & Rules Manager  
Planning, Rule Development and Area Sources  
Larry M. Bowen, P.E.**

---

**Author:** Shams Hasan – Air Quality Specialist

**Reviewed By:** Robert R. Pease, P.E. – Program Supervisor  
William Wong – Senior Deputy District Counsel  
Barbara Baird – Principal Deputy District Counsel  
Mohsen Nazemi, P.E. – Assistant Deputy Executive Officer

**Contributors:** Mike Mills, P.E. - Senior Air Quality Engineering Manager  
Mitch Haimov, P.E. – AQ Analysis and Compliance Supervisor  
John Yee, P.E. – Senior Air Quality Engineer

conditions. The actual operating conditions will then be converted to ISO conditions of 59 degrees Fahrenheit, 60% relative humidity, and 14.7 psia; and using gross MW output.

**Comment:** Are the PM10 and NOx emissions rates based on net output or gross output?

**Response:** *The PM10 and NOx emissions rates are based on gross output.*

**Comment:** Is the hourly limit on mass emissions of PM10 intended to apply to all equipment, permitted and exempt at the facility, or only to electrical generating units?

**Response:** *For new EGFs with a generation capacity of greater than 500 MW and located in Zone 3 or in an EJ Area, the cumulative hourly limit based on mass emissions of PM10 shall apply only to proposed electrical generating equipment requiring permits at the facility. It shall not apply to existing permitted equipment, Rule 219 exempt equipment, or new non-electric producing equipment.*

**Comment:** Are the limitations on 24-hour and annual modeled PM10 impacts based on emissions from all equipment, permitted and exempt at the facility, or only to electrical generating units?

**Response:** *The cumulative PM10 24-hr and annual impacts as required under Zones 2, 3, and the EJ Areas shall apply only to proposed electrical generating equipment requiring permits at the facility, but they apply to all new or modified equipment. It does not apply to existing permitted equipment, Rule 219 exempt equipment, or new non-electric producing equipment.*

**Comment:** What is the rounding convention that will be applied to the proposed standards? For example, if the standard is 0.050, will a level of 0.0503 be deemed compliant?

**Response:** *There is no rounding convention. For example, for Zone 3, the rule requires the rate of NOx emissions does not exceed 0.050 lbs/MW-hr. Any emission level above this, such as 0.0503, would not be in compliance. Staff has reviewed the rounding convention used in other District rules, other air quality data and standards and the rounding convention used by other public agencies for similar standards. Staff proposes to use that same rounding convention for the purposes of the standards in paragraph (b)(5). The values to be rounded up or down using the digit just beyond the given number of decimal places of the standard according to the standard rounding conventions that values below 5 round down, while those that are equal to or greater than 5 round up. For example, for the standard of 0.050, the value of 0.0504999 or less rounds to 0.050 and would comply.*

# SIEMENS

September 13, 2007

Mr. Donal O'Callahan  
City of Vernon  
4305 Sante Fe Avenue  
Vernon, CA 90058

Subject: Vernon SCC6-5000F 3x1 Emissions

Dear Donal:

We understand that the City of Vernon would like to have the following data for the proposed Vernon Power Plant to show compliance with the South Coast Air Quality Management Districts Amended Rule 1309.1:

1. PM10 emissions from one combustion turbine generator and one duct burner in pounds per hour at full load at 59 deg F, 60% relative humidity, and 14.7 psia pressure.
2. NOx emissions from one combustion turbine generator and one duct burner in pounds per hour at full load at 59 deg F, 60% relative humidity, and 14.7 psia pressure.
3. Gross power generation from the Vernon Power Plant in MW/hr (all three combustion turbine generators and the steam turbine) at full load at 59 deg F, 60% relative humidity, and 14.7 psia pressure.

Siemens has reviewed the Gas Turbine Performance data for the proposed Vernon Power Plant Project and we are pleased to provide the above information in the following Table 1:

**Table 1**  
**Vernon Power Plant Gas Turbine Performance Data**

Parameter	Siemens SGT6-5000F Gas Turbine Estimated Performance Data
PM10 emissions from one combustion turbine generator and one duct burner at full load at 59 deg F, 60% relative humidity, and 14.7 psia pressure. <b>Note: Duct burner heat input is 142 MMBtu/hr (HHV)</b>	9.9 lb/hr
NOx emissions from one combustion turbine generator and one duct burner at full load at 59 deg F, 60% relative humidity, and 14.7 psia pressure. <b>Note: Duct burner heat input is 142 MMBtu/hr (HHV)</b>	15.7 lb/hr
Gross power generation from the Vernon Power Plant (all three combustion turbine generators and the steam turbine) at full load at 59 deg F, 60% relative humidity, and 14.7 psia pressure. <b>Note: Duct burner heat input is 142 MMBtu/hr (HHV)</b>	951 MW/hr

Best regards,

  
Jerry Stretch  
District Sales Manager

CC: Thomas Karastamatis

**Siemens Power Generation, Inc.**

4400 Alafaya Trail  
Orlando, FL 32826-2399

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

In the Matter of:	)	Docket No. 06-AFC-4
	)	
Application for Certification, for the VERNON POWER PLANT PROJECT by the City of Vernon	)	<b>ELECTRONIC PROOF OF SERVICE LIST</b>
	)	
	)	(Revised August 22, 2007]
_____	)	

Transmission via electronic mail and by depositing one original signed document with FedEx overnight mail delivery service at Costa Mesa, California with delivery fees thereon fully prepaid and addressed to the following:

DOCKET UNIT

**CALIFORNIA ENERGY COMMISSION**

Attn: DOCKET NO. 06-AFC-4  
1516 Ninth Street, MS-4  
Sacramento, California 95814-5512  
[docket@energy.state.ca.us](mailto:docket@energy.state.ca.us)

Transmission via electronic mail addressed to the following:

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VERNON POWER PLANT PROJECT  
CEC Docket No. 06-AFC-4

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VERNON POWER PLANT PROJECT  
CEC Docket No. 06-AFC-4

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VERNON POWER PLANT PROJECT  
CEC Docket No. 06-AFC-4

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VERNON POWER PLANT PROJECT  
CEC Docket No. 06-AFC-4

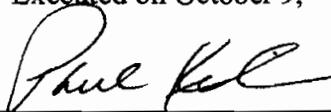
**DECLARATION OF SERVICE**

I, Paul Kihm, declare that on October 9, 2007, I deposited a copy of the attached:

**LETTER FROM THE CITY OF VERNON TO SOUTH COAST AQMD, DATED  
SEPTEMBER 17, 2007**

with FedEx overnight mail delivery service at Costa Mesa, California with delivery fees thereon fully prepaid and addressed to the California Energy Commission. I further declare that transmission via electronic mail was consistent with the requirements of California Code of Regulations, title 20, sections 1209, 1209.5, and 1210. All electronic copies were sent to all those identified on the Proof of Service List above.

I declare under penalty of perjury that the foregoing is true and correct. Executed on October 9, 2007, at Costa Mesa, California.

  
\_\_\_\_\_  
Paul Kihm