



# South Coast Air Quality Management District

21865 Copley Drive, Diamond Bar, CA 91765-4178  
(909) 396-2000 • www.aqmd.gov

July 30, 2008

Dr. Krishna Nand  
Southeast Regional Energy Project (148553)  
4305 Santa Fe Avenue  
Vernon, CA 90058

<b>DOCKET</b>	
06-AFC-4	
<b>DATE</b>	JUL 30 2008
<b>RECD.</b>	AUG 07 2008

Dear Dr. Nand:

On May 16, 2008, the U.S. Environmental Protection Agency (EPA) released their final NSR rule for PM2.5 and published it in the Federal Register. The effective date of the Final NSR Rule for PM2.5 is July 15, 2008. The Final Rule specifies that for areas which are non-attainment for PM2.5 NAAQS, the state and local agencies must adopt and submit non-attainment NSR rules to implement the PM2.5 requirements for EPA's approval into the State Implementation Plan no later than July 11, 2011. However, in PM2.5 non-attainment areas such as the South Coast Air Basin, the permitting agencies must implement the requirements of NSR for PM2.5 through Appendix S which is the rule used for NSR implementation in non-attainment areas.

This letter is to inform you that as of July 15, 2008, all South Coast Air Quality Management District (AQMD) permit applications for facilities with PM2.5 emissions must be evaluated for compliance with PM2.5 requirements that are included in Appendix S to Part 51 of Title 40 of the Code of Federal Regulations. As you may know, PM2.5 refers to particulate matter with an aerodynamic diameter of less than 2.5 microns and Appendix S refers to the EPA's 'Emission Offset Interpretive Ruling' for New Source Review.

Some of the NSR provisions in Appendix S include the major source PM2.5 threshold (100 tons per year), significant PM2.5 emissions rate (10 tons per year), offset ratios for PM2.5 (1:1), interpollutant trading for offsets and applicability of PM2.5 precursors. All AQMD applications currently under review for PM2.5 sources must comply with Appendix S PM2.5 requirements. Please note that the requirements of Appendix S will not apply to facilities if the facility emissions, including existing equipment and equipment currently proposed, will result in a potential to emit of less than 100 tons of PM2.5 per year. You must therefore either demonstrate compliance with Appendix S or that your facility's potential to emit will not exceed 100 tons per year after installation of the proposed equipment.

As this information is critical to the processing of your applications, please provide the AQMD additional information documenting either compliance with Appendix S requirements or that it is not applicable to your facility as soon as possible. Please submit this information directly to Mr. Chandra Bhatt, AQ Engineer, along with a copy to Mr. Mike Mills within the next 30 days.

Any comments or questions regarding your applications should be directed to Mr. Mike Mills, Senior Air Quality Engineering Manager at (909) 396-2578 or Mr. John Yee, Senior Engineer at (909) 396-2531.

Very truly yours,

Mohsen Nazemi, P.E.  
Deputy Executive Officer  
Engineering and Compliance

MN:MM:JTY:sr  
Attachment

cc: Kurt Wiese, Barbara Baird, Chandra Bhatt, of AQMD  
✓ Mike Monasmith, CEC

**PROOF OF SERVICE (REVISED 7/10/08) FILED WITH ORIGINAL MAILED FROM SACRAMENTO ON 8/8/08**

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

**APPLICATION FOR CERTIFICATION  
FOR THE VERNON POWER PLANT PROJECT  
BY THE CITY OF VERNON**

**DOCKET NO. 06-AFC-4  
PROOF OF SERVICE LIST  
(REVISED 7/10/2008)**

**INSTRUCTIONS: All parties shall (1) file a printed, original signed document plus 12 copies OR file one original signed document and e-mail the document to the Docket address below, AND (2) all parties shall also send a printed OR electronic copy of the document, plus a proof of service declaration, to each of the entities and individuals on the proof of service list:**

CALIFORNIA ENERGY COMMISSION  
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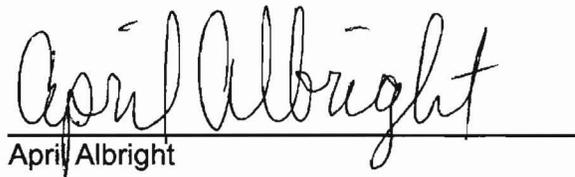
### DECLARATION OF SERVICE

I, April Albright, deposited copies of the attached South Coast Air Quality Management District Letter Regarding USEPA's Final NSR Rule for PM2.5 in the United States mail on August 8, 2008 at Sacramento, CA with first-class postage thereon fully prepaid and addressed to those identified on the Proof of Service list above.

OR

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.

  
\_\_\_\_\_  
April Albright