



San Joaquin Valley
Air Pollution Control District

OCT 18 2006

DOCKET 06-AFC-5
DATE OCT 18 2006
RECD. OCT 26 2006

Gary Chandler
Panoche Energy Center, LLC
63 Kendrick Street
Needham, MA 02494

Re: Notice of Receipt of Complete Application
Project Number: C-1062518

Dear Mr. Chandler:

The District has received your Authority to Construct application for the installation of a 400 MW power plant, at West Panoche Road in Firebaugh, CA. Based on our preliminary review, the application appears to be complete. This means that your application contains sufficient information to proceed with our analysis. However, during processing of your application, the District may request additional information to clarify, correct, or otherwise supplement, the information on file.

Emissions from your project will exceed the public notification thresholds of District Rule 2201. Your project must therefore be public noticed for a 30-day period at the conclusion of our analysis, prior to the issuance of the final Authority to Construct. It is estimated that the project analysis will take 100 hours, and you will be charged at the weighted hourly labor rate in accordance with District Rule 3010. The current weighted labor rate is \$80.87 per hour, but please note that this fee is revised annually to reflect actual costs and therefore may change. No payment is due at this time; an invoice will be sent to you upon completion of the public notice process.

The project proposal involves utilizing SO_x emission reduction credits for PM₁₀ increases at a ratio of 1.8 lb-SO_x per lb-PM₁₀. Additional Emission Reductions Credits may be required before final issuance of the Authority to Construct. Please be aware that EPA has expressed the opinion that SO_x credits cannot be used to offset PM₁₀ emissions: The District disagrees with EPA and is pursuing a reversal of EPA's opinion.

We will begin processing your application as soon as possible. In general, complete applications are processed on a first-come first-served basis.

Seyed Sadredin
Executive Director / Air Pollution Control Officer

Northern Region Office
4800 Enterprise Way
Modesto, CA 95356-8718
(209) 557-6400 • FAX (209) 557-6475

Central Region Office
1990 East Gettysburg Avenue
Fresno, CA 93726-0244
(559) 230-6000 • FAX (559) 230-6061
www.valleyair.org

Southern Region Office
2700 M Street, Suite 275
Bakersfield, CA 93301-2373
(661) 326-6900 • FAX (661) 326-6985

Mr. Chandler
Page 2

Please note that this letter is not a permit and does not authorize you to proceed with your project. Final approval, if appropriate, will be in the form of an "Authority to Construct" permit after application processing is complete. If you have any questions, please contact Mr. Arnaud Marjollet at (559) 230-5900.

Sincerely,

David Warner
Director of Permit Services



Arnaud Marjollet
Permit Services Manager
DW:jh

Cc: John Lague
URS Corporation
1615 Murray Canyon Road, Suite 1000
San Diego, CA 92108

Dave Jenkins
Cinergy Services Inc.
1000 East Main Street
Plainfield, IN 46168-1782

Will Walters
Aspen Environmental Group
30423 Canwood St. Suite 215
Agoura Hills, CA 91301-4316

James Reede
Project Manager
California Energy Commission
1516 Ninth Street
Sacramento, CA 95814