



# South Coast Air Quality Management District

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## DOCKET 07-AFC-9

June 11, 2009

DATE 06/11/09

RECD. 06/17/09

Andrew R. Muth, P.E.  
City Engineer  
City of Placentia  
401 East Chapman Avenue  
Placentia, CA 92870

Subject: Canyon Power Plant (Facility ID No. 153992)  
Title V Public Hearing Request

Dear Mr. Muth:

Thank you for your March 12, 2009 e-mail to the South Coast Air Quality Management District (AQMD) requesting a public hearing regarding the proposed initial Title V Permit to Construct for the City of Anaheim's proposed Canyon Power Plant (CPP). The CPP is a new 200 megawatt (MW) power plant to be located at 3071 E. Miraloma Avenue in Anaheim, California. This request was submitted in response to the AQMD's public notice ("Notice of Intent to Issue Permit Pursuant to AQMD Rules 212 and 3006") distributed on February 25, 2009, regarding the City of Anaheim's applications to construct and operate the proposed CPP. The AQMD Form 500-G--Public Hearing Request Form was received within the required 15 calendar days from the date of the public notice. The request was followed by a March 23, 2009 letter to the AQMD which stated that the project should incorporate a combined cycle system instead of simple cycle technology.

As you may know, although the California Energy Commission (CEC) is the lead agency for licensing of the proposed CPP, the AQMD is also the permitting agency responsible for the Title V air permit for the proposed CPP. After a careful review and evaluation of your public hearing request and your other comments by the AQMD staff, your request was found to not meet the public hearing criteria specified in subparagraph (a)(1)(F) of AQMD Rule 3006 - Public Participation. This subparagraph specifies that the request shall include all of the following information: (1) specific identification of the portion or portions of the proposed permit or revision to which objection is made; (2) specific identification of the regulatory requirement or requirements, or provisions of these rules,

with which the proposed permit or revision is inconsistent, and the reasons the inconsistency is believed to exist; (3) identification of proposed permit terms or conditions, if any, which would eliminate the inconsistency; and (4) a statement of the reason or reasons the requester believes a public-hearing would clarify one or more issues involved in the permit decision. In addition, the above criteria is summarized on Form 500-G under Section III – Basis for Requesting a Public Hearing, as follows: “The reasons for requesting and holding a hearing must be specific to air quality regulations and based on the permitting action described in the public notice. The public hearing request is subject to AQMD approval. A public hearing will be held if: 1) there is evidence that the proposed permit is not correct or is not adequate to ensure compliance with regulatory requirements, and (2) a hearing will likely provide additional information that will affect the drafting and/or issuance of the permit.” As your comments do not meet the above public hearing criteria, AQMD determined that a public hearing on the proposed CPP project is not required. However, in order to provide the City of Placentia and the public in general an added opportunity to provide additional comments and input, AQMD decided to hold a Public Consultation meeting which was held as a joint public meeting with the CEC in the City of Anaheim on May 21, 2009.

In response to your comment regarding the possible installation of a combined cycle system, please note that the CEC is the state agency with primary licensing authority for power plants greater than 50 MWs. As part of the licensing process, the CEC is the lead agency responsible for preparing environmental documentation and the CEC’s licensing process under State law is equivalent to the California Environmental Quality Act (CEQA). The evaluation of project alternatives, including alternative electricity generation technologies are considerations under CEQA that are handled by the CEC. Although the AQMD is not the lead agency in the evaluation of project alternatives, in general the AQMD encourages the use of the lowest emitting and most energy efficient power production which is required under the Lowest Available Emission Rate (LAER) or Best Available Control Technology (BACT). We will therefore consider the possibility of a combined cycle peaking power plant as part of our continued efforts in development of latest BACT/LAER determinations.

Also as indicated earlier, a formal public hearing was not required, however, in response to your public hearing request the AQMD held a joint public meeting with the CEC on Thursday, May 21, 2009, at the City of Anaheim, City Hall Council Chambers, where we responded to comments and questions from interested members of the public. Also a copy of the public notice of the meeting was mailed to the City of Placentia in advance of the meeting. At the meeting, a consultant representing the City of Yorba Linda gave a presentation regarding the advantages of a once-through steam generation (OTSG) combined cycle system over a simple cycle system. It is our understanding that the CEC intends to also consider the comments raised during that presentation before it issues the Preliminary Staff Assessment.

The AQMD appreciates your comments regarding the CPP project. If you should have any further questions or need additional information, please call Mr. Michael Mills, Senior A.Q. Engineering Manager at (909) 396-2578. In addition, you may obtain information about the CEC licensing process for this project-by-contacting Eric-Solorio ([ESolorio@energy.state.ca.us](mailto:ESolorio@energy.state.ca.us)), CEC Project Manager, at (916) 651-0966.

Sincerely,



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

MN:MDM:vl

cc:  Steve Sciortino, City of Anaheim  
 Eric Solorio, CEC

(Response to Placentia Hearing Request)