

1.0 INTRODUCTION

The City of Vernon (City) submitted an Application for Certification (AFC) to the California Energy Commission (CEC) for the construction and operation of the Malburg Generating Station (MGS or Project) on December 21, 2001. The CEC staff reviewed the MGS AFC for data adequacy and provided its recommendations. This document contains the City's responses to the CEC's data adequacy review of the City's Application for Certification for the Malburg Generating Station Project. A response for each of the technical areas that was not found to be adequate is contained in separate sections of this document. These responses provide the information that was indicated as being required to make the AFC conform to all the applicable rules and regulations.

In addition to the responses to the CEC's data adequacy recommendations, the MGS Project Overview and compliance demonstration with Article 7 (new) - Additional Provisions for Considering Expedited Applications Under Public Resources Code Section 25550 are also provided below.

1.1 Project Overview

The Malburg Generating Station, a 134 megawatt (MW) combined cycle power plant will be located on approximately 3.4 acres of the City's existing Station A. The site is owned by the City. The Project will be located in an industrial land use area in Vernon. The project site has been an active electrical generation and distribution station since 1933; thus, expansion of the onsite facilities is consistent with historical land use practices. The general location of the MGS is shown on Figure 1-1, which also shows the nearby local communities of Huntington Park and Maywood.

The objectives of the MGS are to serve the electric load in the area and to provide an efficient, cost effective, and reliable source of power. The MGS will build upon the existing site and area infrastructure, including the existing Vernon Substation, the electrical interconnection capacity, the potable water supply, and the established wastewater discharge and treatment systems.

The MGS will include two gas combustion turbine generators (CTGs) that will burn natural gas and a steam turbine generator (STG) driven with steam produced by two heat recovery steam generators (HRSGs). Each CTG and the STG will be connected to one of three separate electric generators. The new generation will be connected to the existing 69-kilovolt (kV) bus in the Vernon Substation on the MGS. The power generated by these three generators will be distributed through the existing Vernon Substation. No new transmission lines are required.

The CTGs will be provided with the state-of-art air pollution control systems, such as dry low-NO_x Combusters, Selective Catalytic Reduction (SCR), and carbon monoxide catalyst systems. These controls will reduce the oxides of nitrogen (NO_x), carbon monoxide (CO), and volatile organic compounds (VOC) emissions to 2 ppmvd, 2 ppmvd, and 1.2 ppmvd, respectively. These emission levels are significantly lower than the California Air Resources Board (CARB) approved Best Available Control Technology (BACT) limits of 2.5 ppmvd, 6 ppmvd, and 2 ppmvd, respectively for large CTGs. The emissions of sulfur dioxide (SO₂) and particulate matter (PM₁₀) will also be reduced using only natural gas fuel.

The above air pollution control systems will reduce criteria pollutants as well as air toxics emissions to the lowest achievable levels for similar class of CTGs.

The Project will use available reclaimed water for the cooling tower make up, purchased by the City and supplied by the Central Basin Municipal Water District (CBMWD). Potable water will only be utilized for domestic and sanitary use. The City will provide potable water from its existing water system.

The MGS will comply with applicable wastewater treatment standards. The wastewater will flow through the County Sanitation District of Los Angeles County (CSDLAC) existing treatment facility. No improvements to the treatment facility are required. The treatment facility is capable of handling all wastewater flows from the MGS.

The MGS will avoid or minimize potential environmental impacts through Project siting and design, and incorporation of mitigation measures. The City intends that the MGS be constructed and operated without any significant impacts to the environment.

1.2 Compliance Demonstration with Article 7 (new) - Additional Provisions for Considering Expedited Applications Under Public Resources Code Section 25550

According to the Article 7 (new), any applicant requesting that the CEC reach a decision on an application for certification within six months after acceptance of the application shall meet all the requirements of Section 2022. A compliance demonstration for the MGS Project with all the Section 2022 requirements is presented below.

Requirement: Substantial evidence that the Project as proposed in the application will comply with all standards, ordinances, and laws applicable at the time of certification.

Compliance Demonstration: The MGS Project will comply with all standards, ordinances, and laws applicable at the time of certification as demonstrated in various sections of the AFC and in Sections 2 through 12 of this document.

Requirement: Provide substantial evidence that the project as proposed in the application will not cause a significant adverse impact on the environment.

Compliance Demonstration:

1. A dispersion modeling analysis was performed to assess the potential cumulative air quality impacts that may occur as a result of the MGS and other reasonably foreseeable projects within a six-mile radius of the MGS site. The results of the dispersion modeling analysis indicated that the cumulative impacts from the MGS and other modeled sources would not exceed the State or Federal Ambient Air Quality Standards. Additional details of the cumulative impact analysis are provided in Section 2, Air Quality Responses.
2. The City has provided the details of the initial commissioning phase of the CTGs, including the air dispersion modeling analysis in Section 8.1 of the AFC (Air Quality). The results of the air dispersion modeling analysis indicated that the commissioning emissions impacts would be insignificant.

Subsequent to the submission of the AFC, it was determined that maximum 1-hour NO_x impact would occur on day 23 of commissioning. This is the day when CTG 2 will be running on 25 percent load, and CTG 1 would be under warm start-up. The dispersion modeling results showed that the maximum 1-hour NO_x impact would be 420.5 micrograms per cubic meter (µg/m³) (82.1 µg/m³ modeled plus 338.4 µg/m³ background), which is below the state ambient air quality standard (AAQS) of 470 µg/m³.

3. The City Council passed the Resolution 7876 on November 28, 2001, authorizing the City Administrator to obtain, purchase and secure all the ERCs and RECLAIM Credits that are necessary to permit, commission, start-up, and operate the Malburg Project.

The City has purchased 108 pounds of VOCs and 25,000 pounds of NO_x from the local open market. The City is also in the process of purchasing an additional 22 pounds of VOCs and 40 pounds of CO from the open market. The City has identified an open market source for the required CO and PM10. It is realized that PM10 and CO emission reduction credits (ERCs) available for acquisition on the open market are scarce. As a result, SCAQMD has created a Priority Reserve for CO and PM10 ERCs. (Rule 1309.1). The City will meet the CO and PM10 emission offset requirements from the SCAQMD Priority Reserve in case the ERCs are not available from the open market. The SCAQMD requires that all ERCs and NO_x RTCs should be procured before the permits are issued. The City will procure all the required ERCs and NO_x RTCs as required under SCAQMD's new source review rule before the permits are issued. Additional

details of the emission offset requirements are provided in Section 2, Air Quality Responses.

4. The dispersion modeling analysis performed for the MGS Project for the operational scenario indicated that the impacts of criteria pollutant emissions would be insignificant. The construction scenario impacts, which will be of temporary nature, are predicted to be significant. Thus, mitigation measures have been proposed to control exhaust emissions and fugitive dust emissions. The details of these mitigation measures are presented in Section 8.1.4 of the AFC.
5. A health risk assessment performed for the emissions of toxic substances from normal facility operation indicated that the impacts would be below the significance thresholds. Additional details of the health risk assessment are provided in Section 8.6 of the AFC.
6. The wastewater from the project will not be discharged to the receiving waters but will flow through the County Sanitation District of Los Angeles County (CSDLAC) existing treatment facility. No improvements to the treatment facility are required and the treatment facility is capable of handling all wastewater flows from MGS. The industrial wastewater discharge permit application has been prepared and submitted to the City of Vernon. The draft permit application was included in Appendix P of the AFC. In addition, the City also submitted the following permit applications for the construction and operation of the MGS to the State Water Resources Control Board (SWRCB).
 - i. Notice of Intent (NOI) – General Permit to Discharge Storm Water Associated with Construction Activities.
 - ii. Notice of Intent – General Permit to Discharge Storm Water Associated with Industrial Activities.

The SWRCB has assigned the Identification Numbers 419S317697 and 419S017169 for the construction and industrial activities, respectively.

The City has also prepared the draft Industrial and Construction activities Storm Water Pollution Prevention Plans and Monitoring Plans. These plans are provided in a separate binder. Additional details of the NOIs and the above plans are provided in Section 11.

7. The results of the biological resources analysis indicated that native fish and wildlife species of commercial and/or recreational values are not present in the project area and, therefore, would not be impacted by the MGS Project. Additional details of the biological resources are provided in Section 8.2 of the AFC.

8. The MGS project will not store any regulated substance in a liquefied gas form. The MGS Project will not require the storage of gaseous flammable or explosive materials in quantities greater than 25,000 standard cubic feet. Aqueous ammonia (19 percent strength), which is a regulated substance will be stored and used at the MGS project. No worst-case accidental release would result in a plausibility (risk greater than 1 in 1,000,000) of an impact above the Emergency Response Planning Guideline, Level 2 (ERPG 2) at the nearest public receptor. Additional details of the impact analysis are provided in Section 8.12, Hazardous Materials Handling in the AFC.

Requirement: Provide substantial evidence that the project will not cause a significant adverse impact on the electrical system.

Compliance Demonstration: The System Impact Study (SIS) performed for the MGS Project indicated that the project would not cause a significant adverse impact on the electrical system. The CAL-ISO staff has approved the results presented in the SIS report. It may be noted that no new transmission lines will be required as part of the MGS Project. Additional details of the SIS report are provided in Section 9.

Requirement: Demonstrate that the project, if certified, is likely to be constructed and operated.

Compliance Demonstration:

1. The MGS will be located at the existing power plant Station A in the City of Vernon. The site is owned by the City of Vernon; thus, the City is in full control of the proposed MGS Project site.
2. The City has entered into binding agreements to purchase the combustion turbine generators (CTGs), post combustion air pollution control equipment, steam turbine generator (STG), gas compressors, step up transformers, generator circuit breakers, condensers, and a cooling tower. The City has already paid 100% of the contract price for the CTGs, 37% of the STG, 41% of the HRSG, and 10% of the condenser. Two of the three step up transformers have been received and are stored at one of the City's storage yard. The City has already purchased 108 pounds of VOC and 25,000 pounds of NO_x from the local open market. The City is in the process of purchasing 40 pounds of CO from the open market.
3. The Request for Proposal for selecting an Engineering-Procurement-and Construction (EPC) contractor has also been issued. The bids for EPC contract are due by April 30, 2002. In addition, the City is in the process

of designing necessary pipelines for these utility services. Thus, the City is fully geared-up to start the construction of the MGS Project as soon as CEC certification and SCAQMD permits are received.

4. The MGS Project will use available reclaimed water for the cooling tower make up, purchased by the City and supplied by the CBMWD. Potable water will only be utilized for domestic and sanitary use. The City will provide potable water from its existing water system. The MGS Project has been issued the will-serve letters from the City of Vernon Department of Community Services & Water for Potable Water and from Central Basin Municipal Water District for Reclaimed Water.
5. The City has prepared the NOIs for construction and industrial activities and the SWRBC has assigned the Waste Discharge Identification Numbers (WDID) for both activities.
6. The industrial wastewater discharge permit application has been prepared and submitted to the City of Vernon.
7. The City has also prepared the draft Industrial and Construction activities Storm Water Pollution Prevention Plans and Monitoring Plans, which are currently at the City pending commencement of construction and operation of the proposed MGS. At that time, the SWPPP and MP will be kept at the site.

