



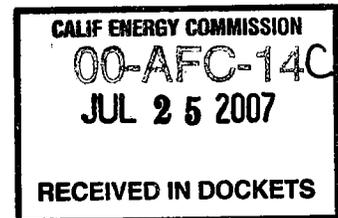
770 L Street, Suite 800  
Sacramento, California 95814  
main 916.447.0700  
fax 916.447.4781  
www.stoel.com

July 23, 2007

SETH D. HILTON  
Phone: (916) 447-0700  
sdhilton@stoel.com

**BY HAND DELIVERY**

Mr. Christopher Meyer  
Compliance Project Manager  
California Energy Commission  
1516 Ninth Street, MS-15  
Sacramento, CA 95814



**Re: El Segundo Power Redevelopment Project (00-AFC-14C)  
South Coast Air Quality Management District's Data Adequacy Response to  
ESPR's Application for Permit to Construct**

Dear Mr. Meyer:

Please find enclosed herein for docketing the requisite copies of a letter dated June 29, 2007 from the South Coast Air Quality Management District ("SCAQMD"), which deems "data adequate" El Segundo Power Redevelopment ("ESPR") project's application for Permit to Construct. In addition, we have been informed by SCAQMD staff that the ESPR modeling protocol related to the recently filed Petition to Amend has been approved.

Please contact me at the number above should you have any questions.

Very truly yours,

A handwritten signature in black ink, appearing to read "Seth D. Hilton".

Seth D. Hilton

SDH:kjh

Enclosure

cc: Mr. George Piantka, El Segundo Power II LLC

Oregon  
Washington  
California  
Utah  
Idaho



# South Coast Air Quality Management District

21865 Copley Drive, Diamond Bar, CA 91765-4178



(909) 396-2000 • www.aqmd.gov

June 29, 2007

Mr. Tim Hemig  
Director, Environmental Business  
NRG West  
1819 Aston Avenue Suite 105  
Carlsbad, CA 92008

RE: El Segundo Power Redevelopment Project (ESPR) to be located at 301 Vista Del Mar,  
El Segundo, CA 90245

Dear Mr. Hemig:

The South Coast Air Quality Management District (AQMD) has finished its initial review regarding the adequacy of the information provided with your applications for Permit to Construct for the proposed 573 MW El Segundo Power Redevelopment Project (AQMD ID No. 115663). As of June 28, 2007, your applications are hereby deemed "data adequate" meaning that sufficient information has been provided in order to begin our engineering analysis. A summary of this determination is provided below:

| A/N    | Date Received | Equipment Description        | Application Determination | Comments |
|--------|---------------|------------------------------|---------------------------|----------|
| 470652 | June 21, 2007 | Gas Turbine, 219 MW          | Data Adequate             | None     |
| 470656 | June 21, 2007 | Gas Turbine, 219 MW          | Data Adequate             | None     |
| 470653 | June 21, 2007 | SCR/CO Catalyst              | Data Adequate             | None     |
| 470654 | June 21, 2007 | SCR/CO Catalyst              | Data Adequate             | None     |
| 470655 | June 21, 2007 | Title V Significant Revision | Data Adequate             | None     |

Please make reference to the above application numbers (A/Ns) during future correspondence with AQMD. Also, please note that applications deemed "data adequate" are not guaranteed to receive approval and additional information may be needed during the course of our full engineering evaluation. The following issues have been identified during the adequacy determination:

- The facility needs to demonstrate that it holds sufficient offset credits for PM10, VOC, and SOx before the Permit to Construct can be issued. Additionally, the facility needs to demonstrate that it holds a sufficient amount of NOx RTCs before the project could commence operation. The following is a preliminary estimate of the offsets required for this project based on your submittal:

| Pollutant | Amount  | Source                                   |
|-----------|---|--|
| NOx       | 194,966 lb first year ; 181,940 lb subsequent years | RTC                                      |
| PM10      | 216 lb/day  | R-1304 Exemption, Priority Reserve / ERC |
| VOC       | 142 lb/day  | R-1304 Exemption, ERC                    |
| SOx       | 28 lb/day   | R-1304 Exemption, ERC                    |

- Public Notice – Our initial review indicates that the project will require public notice per Rule 212 and Rule 3006. The AQMD will prepare and distribute the public notice. In accordance with Rule 212, ESPR may be required to also distribute the notice to nearby residents.

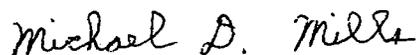
- The California Energy Commission (CEC) is the lead agency for this project (00-AFC-14) and will address all CEQA related issues. CEC will review and amend the original environmental impact report (EIR) issued in February 2005 to account for the recent proposed changes in the project design which were proposed after February 2005.
- Based on the agreement with AQMD reached on May 23, 2007, El Segundo Power, LLC agreed to submit new applications for the proposed design changes, which will replace and supersede the existing open applications. The following table illustrates this transaction:

| Equipment                    | Existing Open Applications | New Applications |
|------------------------------|----------------------------|------------------|
| Gas Turbine                  | 378766                     | 470652           |
| Gas Turbine                  | 378767                     | 470656           |
| SCR/CO Catalyst              | 378771                     | 470653           |
| SCR/CO Catalyst              | 378773                     | 470654           |
| Title V Significant Revision | 379905                     | 470655           |

Therefore, please submit a letter requesting cancellation of the above existing open applications at your earliest convenience.

If you have any questions regarding the subject applications, please call Mr. Kenneth L. Coats at (909) 396-2527 ([kcoats@aqmd.gov](mailto:kcoats@aqmd.gov)).

Sincerely,



Michael D. Mills, P.E.  
General Commercial & Energy Team  
Engineering and Compliance

cc: Mohsen Nazemi, AQMD  
Christopher Meyer, Compliance Project Manager, CEC  
Mr. Steve Odabashian, El Segundo Power, LLC