22-202.1,3

Notice of Decision by the California Energy Commission

To: X Office of Planning and Research
P.O. Box 3044
1400 Tenth Street, Room 222
Sacramento, CA 98512-3044

X California Resources Agency
1416 9th Street, Room 1311
Sacramento, CA 95814

Clearinghouse No: _____ 01-AFC-18C

CALIF ENERGY COMMISSION

JUL 29 2003

RECEIVED IN DOCKETS

From: California Energy Commission
1516 9th Street MS-2000
Sacramento, CA 95814

Subject: Filing of Notice of Decision in compliance with Public Resources Code Section 21080.5 and Title 20, California Code of Regulations, Section 1768

Project Title: REDUCE EMISSION REDUCTION CREDIT REQUIREMENTS AND MODIFY METHOD OF CALCULATING EMISSIONS DURING STARTUP AND SHUTDOWNS FOR THE HENRIETTA PEAKER PROJECT

Energy Commission Docket Number: 01-AFC-18C

Energy Commission Contact Person: Lance Shaw Telephone: 916-653-1227

Project Location: The facility is located west of Lemoore, in an unincorporated part of Kings County, California.

Project Description:

These modifications will allow GWF to reduce PM10 emission limits, and subsequently, to lower the amount of PM10 emission reduction credits it is required to surrender to the District to mitigate the project's PM10 emission impacts. The proposed modifications will also clarify and simplify the methodology for tracking and reporting emissions during startups and shutdowns and eliminate the restriction on the number of startups and shutdowns. However, the maximum daily and annual emission limits will remain unchanged.

On July 23, 2003 the California Energy Commission approved the above-described project pursuant to a regulatory program certified by the California Secretary of Resources under Section 21080.5 of the California Public Resources Code.

1. The project will not have a significant effect on the environment.
2. Mitigation measures were made a condition of approval of the project.
3. A statement of Overriding Considerations was not adopted for the project.

The Commission's docket files containing the final Commission Decision and other information regarding the project are available to the public at: California Energy Commission, 1516 9th Street, Sacramento, California, 95814. The final Decision and other information regarding the project are also available on the Commission's web site--www.energy.ca.gov.

Lance Shaw
Signature

July 28, 2003 Lance Shaw Compliance Proj. Mgr.
Date Title

RECEIVED
JUL 29
STATE CLEARING HOUSE
OPR:

Rec'd by
Office of the Secretary
Resources:

JUL 29 2003
Resources Agency of California

Revised June 2001

CALIFORNIA ENERGY COMMISSION
1516 NINTH STREET
SACRAMENTO, CA 95814-5112

STATE OF CALIFORNIA
State Energy Resources
Conservation and Development Commission

In the Matter of:	)	Docket No. 01-AFC-18C Order No. 03- 0723-08
HENRIETTA PEAKER PROJECT	)	
Petition for Proposed Modifications: Reduce emission reduction credit requirements and modify method of calculating emissions during startup and shutdowns	)	**COMMISSION ORDER APPROVING PROJECT MODIFICATION**

On February 5, 2003, GWF Energy, LLC submitted a request to amend the Commission Decision on its Henrietta Peaker Project. The request amends six air quality conditions of certification Air Quality (AQ): AQ-2, 17, 18, 19, 20, and 21.

At a regularly scheduled Business Meeting on July 23, 2003, the Commission considered staff's analysis and approved the Petition and the proposed revised conditions in accordance with Title 20, section 1769(a)(3) of the California Code of Regulations.

COMMISSION FINDINGS

Based on staff's analysis, the Energy Commission concludes that the proposed changes will not result in any significant impact to public health and safety, or the environment. The Energy Commission finds that:

There will be no new or additional unmitigated significant environmental impacts associated with the proposed changes.

The facility will remain in compliance with all applicable laws, ordinances, regulations, and standards, subject to the provisions of Public Resources code section 25525.

The change will decrease the total allowable particulate matter (PM10) emission rates based on compliance source testing and will decrease the total PM10 emission reduction credits required to offset the emission rates.

The change will also revise the startup/shutdown emission limits from a lb/hour basis to a lb/event reporting basis; and eliminate the limitation on the number of annual

startup/shutdown events. This will result in no change for any hourly, daily, or annual permitted emission limits for the power plant

ORDER

The California Energy Commission hereby approves the Henrietta Peaker Project petition to Amend air quality Conditions of Certification AQ-2, AQ-17, AQ-18, AQ-19, AQ-20, and AQ-21, to allow for modification to the conditions as shown below:

REVISIONS TO EXISTING CONDITIONS OF CERTIFICATION

(Added text is underlined, deleted text is shown in ~~strikethrough.)~~

The conditions of certification to be revised are shown below. Staff edits to condition **AQ-18** include correcting the condition number referenced and defining the maximum number of hourly startup/shutdown events. (*It should be noted that the District's offset condition (AQ-2) shows the NO_x offset requirement as the quantity of ERCs required at an offset ratio of 1.5:1 and shows the PM_{10} offset requirement as the baseline offset quantity prior to the application of appropriate offset ratios.)*

AQ-2 Upon implementation of C-3929-1-0 and C-3929-2-0, emission offsets shall be provided to offset emissions increases in the following amounts: PM_{10} - Q1: ~~8,~~500 700 lb, Q2: ~~8,500~~ 700 lb, Q3: ~~8,500~~ 700 lb, and Q4: ~~8,500~~ 700 lb and NO_x (as NO_2) - Q1: 29,055 lb, Q2: 30,210 lb, Q3: 30,210 lb, and Q4: 29,055 lb. Offsets shall be provided at the appropriate offset ratio specified in Rule 2201. SO_x offsets provided to offset PM_{10} increases shall be at a ratio of 1.4:1 at the appropriate distance ratio. [District Rule 2201]

Verification: The project owner/operator shall submit copies of ERCs surrendered to the SJVAPCD in the amounts shown above to the CPM prior to initiation of project construction.

AQ-17 During startup or shutdown of any gas turbine engine, combined emissions from the two gas turbine engines (C-3929-1 and C-3929-2) shall not exceed the following: NO_x (as NO_2) - 15.4 lb, CO - 15.4 lb, and VOC - 1.4 lb ~~in any one hour~~ per event . [California Environmental Quality Act]

Verification: The project owner/operator shall provide records of compliance as part of the quarterly reports of Condition **AQ-31**.

AQ-18 A ~~S~~ startup event is defined as the period beginning with turbine initial firing until the unit meets the lb/hr and ppmvd emission limits in Condition **AQ-~~21~~ 19**. A ~~S~~ shutdown event is defined as the period beginning with initiation of turbine shutdown sequence and ending with cessation of firing of the gas turbine engine. Startup and shutdown of gas turbine engine shall not exceed a time period of one hour per

occurrence. The number of startups and shutdowns shall not exceed 4 events per hour (i.e. two startup/shutdown cycles).[District Rule 2201]

Verification: The project owner/operator shall provide records of compliance as part of the quarterly reports of Condition AQ-31.

AQ-19 Emission rates from this unit, except during startup and shutdown events, shall not exceed any of the following: NO_x (as NO_2) – 6.21 lb/hr and 3.6 ppmvd @ 15% O_2; VOC (as methane) – 1.17 lb/hr and 2.0 ppmvd @ 15% O_2; CO – 6.25 lb/hr and 6.0 ppmvd @ 15% O_2; PM_{10} – ~~3.3~~ 2.0 lb/hr; or SO_x (as SO_2) - 0.33 lb/hr. All emission concentration limits are three-hour rolling averages. [District Rules 2201, 4001, and 4703]

Verification: The project owner/operator shall provide records of compliance as part of the quarterly reports of Condition **AQ-31**.

AQ-20 Maximum daily emissions from this unit shall not exceed any of the following: NO_x (as NO_2) –150.5 lb/day; VOC – 28.1 lb/day; CO – 151.5 lb/day; PM_{10} – ~~79.2~~ 48.0 lb/day; and SO_x (as SO_2) - 7.9 lb/day. [District Rule 2201]

Verification: The project owner/operator shall provide records of compliance as part of the quarterly reports of Condition **AQ-31**.

AQ-21 Maximum annual emissions from this unit, including startup and shutdown emissions, shall not exceed any of the following: NO_x (as NO_2) – 49,510 lb/year; VOC – 2,844 lb/year; CO – 21,830 lb/year; PM_{10} – ~~26,400~~ 16,000 lb/year; and SO_x (as SO_2) – 2,640 lb/year. [District Rule 2201]

Verification: The project owner/operator shall provide records of compliance as part of the quarterly reports of Condition **AQ-31**.

IT IS SO ORDERED.

STATE OF CALIFORNIA
ENERGY RESOURCES
CONSERVATION AND
DEVELOPMENT COMMISSION

William J Keese

DATE

WILLIAM J. KEESE
Chairman