



South Coast Air Quality Management District

21865 E. Copley Drive, Diamond Bar, CA 91765-4182
(909) 396-2000 • <http://www.aqmd.gov>

NOTICE OF INTENT TO ISSUE PERMIT PURSUANT TO AQMD RULES 212 AND 3006

This notice is to inform you that the South Coast Air Quality Management District (AQMD) has received and reviewed permit applications for a power generating facility to be operated by Pegasus Power Partners, LLC. The AQMD intends to issue a facility permit at the end of this 30-day public comment and review period and after the applicant demonstrates full compliance with all requirements.

The AQMD is the air pollution control agency for the four county region including Orange County and parts of Los Angeles, Riverside and San Bernardino Counties. Anyone wishing to install or modify equipment that could control or be a source of air pollution within this region must first obtain a permit from the AQMD. Under certain circumstances, before a permit is granted, a public notice, such as this, is prepared by the AQMD and distributed by the applicant.

The AQMD has evaluated the permit applications listed below for the following facility and determined that it meets all applicable AQMD rules and regulations subject to the conditions described below.

FACILITY: Pegasus Power Partners, LLC
5595 Eucalyptus Avenue
Chino, CA 91710
ID # 127954

CONTACT: Mr. Jay Rolland
Pegasus Power Partners, LLC
C/O Delta Power Company
89 Headquarters Plaza, North Tower, 14th Floor
Morristown, NJ 07960

AQMD APPLICATION NUMBERS

385563	Turbine #1
385564	Turbine #2
385565	Turbine #3
385566	Turbine #4
385556	Ammonia Storage Tank
385555	Selective Catalytic Reduction System #1
385559	Selective Catalytic Reduction System #2
385561	Selective Catalytic Reduction System #3
385562	Selective Catalytic Reduction System #4
385567	Title V Application

PROJECT DESCRIPTION

The project consists of four new electric generating gas turbines and the associated air pollution control equipment. Each turbine has a nominal rating of 45 megawatts, totaling 180 megawatts for all four turbines. It is expected that this facility will be operational by September 30, 2001 to supply electricity to the California electrical grid system and is being permitted pursuant to Governor Gray Davis' Executive Orders [D-24-01, D-26-01]. The applicant has selected to operate under Regulation XX – RECLAIM for NOx pollutant. The proposed permits to construct will require these turbines to be equipped with air pollution control equipment that will meet the following emissions levels: 5 ppmv NOx @ 15% O₂, 6 ppmv CO @ 15% O₂ and 2 ppmv ROG @ 15% O₂. The air pollution control equipment will consist of Selective Catalytic Reduction (SCR) with oxidation catalyst for CO and ROG. SCR requires the use of ammonia to react with NOx emissions in the exhaust gases; therefore, an ammonia storage is also being proposed.

PROJECTED EMISSIONS

Due to the critical need for electricity this summer and since the construction schedule does not allow for installation of air pollution control equipment prior to September 2001, in implementing the Governor's Executive Orders, the turbines will initially for the first few months be operated without air pollution control equipment and under a Compliance Order that Pegasus will obtain from the AQMD. Upon achieving full operating load, the following emissions are expected from operation of these turbines with and without air pollution control systems:

Pollutant	Controlled Emissions lbs/day	Uncontrolled Emissions lbs/day
CO	584	2,432
NOx	799	3,996
PM ₁₀	286	286
VOC	111	167
SOx	34	34
NH ₃	317	0

Emissions from the proposed project contain pollutants that are considered toxic under AQMD Rule 1401-New Source Review of Toxic Air Contaminants. Therefore, a health risk assessment was performed for this project. The health risk assessment uses health protective assumptions in estimating actual risk to an individual person. Even assuming this health protective condition, the evaluation shows that the maximum individual cancer risk increase from the project is less than one-in-one-million. This level of estimated risk is within limits established for new or modified sources.

This project will not cause or contribute to violations of any state or federal ambient air quality standards for any attainment pollutants.

The AQMD will issue the permits to construct for the equipment described above after the applicant demonstrates full compliance with all applicable rules and regulations meeting the following requirements:

- Pegasus Power Partners must provide emission offsets, or provide contractual agreement to provide emission offsets for NO_x emissions. Emission offsets will either be in the form of RECLAIM Trading Credits in the amount of 907,051 pounds for the first RECLAIM compliance year or be purchased from the State-Funded Emission Reduction Credit Bank, established pursuant to the Governor's Executive Order D-24-01.
- Pegasus Power Partners must also provide Emission Reduction Credits (ERCs) in the amount of 968 pounds per day to offset CO emissions, 356 pounds per day to offset PM₁₀ emissions, 140 pounds per day to offset ROG emissions and 44 pounds per day to offset SO_x emissions. Some or all the emission offsets for PM₁₀ may also be obtained from the AQMD's Priority Reserve pursuant to the AQMD's proposed amendments to Rule 1309.1

This facility is classified as a Federal Title V facility and has filed an application for a Title V permit. Pursuant to AQMD Rule 3006, any person may request a proposed permit hearing on an application for a Title V significant permit revision by filing with the Executive Officer a complete Hearing Request Form (Form 500G) for a proposed hearing within 15 days of the date of publication of notice. On or before the date the request is filed, the person requesting a proposed permit hearing must also send by first class mail a copy of the request to the facility address and contact person listed above.

The proposed permit and other information are available for public review at the Chino Branch Library, 13180 Central Avenue, Chino, CA 91710, (909) 517 - 1525. Additional information including the facility owner's compliance history submitted to the AQMD pursuant to Section 42336, or otherwise known to the AQMD, based on credible information, is available at the AQMD for public review by contacting Mr. Chandrashekhar S. Bhatt at Engineering and Compliance, South Coast Air Quality Management District, 21865 Copley Drive, Diamond Bar, CA 91865-4182, (909) 396-2653. Anyone wishing to comment on the air quality elements of these permits should submit the comments in writing within 30 days of the distribution/publication date. Submit written comments to the AQMD, attention Ms. Pang Mueller, Senior Engineering Manager. If you are concerned primarily about zoning decisions and the process by which the facility has been sited in this location, contact your local city or county planning department or the California Energy Commission at (916) 653-0062.

DISTRIBUTION DATE: May 23, 2001