

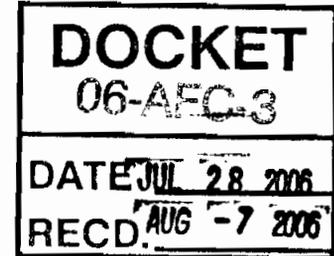


**Air Pollution Control Board**

Greg Cox                    District 1  
Dianne Jacob             District 2  
Pam Slater-Price        District 3  
Ron Roberts              District 4  
Bill Horn                 District 5

July 28, 2006

BILL PFANNER  
CALIFORNIA ENERGY COMMISSION  
1516 NINTH STREET  
SACRAMENTO CA 95814 5112



Dear Mr. Pfanner:

The San Diego Air Pollution Control District (District) received the Application for Certification (AFC) for the South Bay Replacement Project (SBRP), submitted by the LSP South Bay, LLC on July 14, 2006. In accordance with the July 10, 2006 request from the California Energy Commission for Agency Participation in the review of the application during this data adequacy phase, the District presents the following comments:

1. The SBRP will be a replacement of the existing South Bay Power Plant (SBPP). Emission reductions from the shutdown of the existing SBPP would ensure that there is no net emission increase of criteria pollutants, and even a net emission decrease of criteria pollutants. The SBRP, therefore, would be exempt from providing emission offsets and being evaluated for Prevention of Significant Deterioration (PSD), in accordance with the requirements of District New Source Review Rule 20.3. However, according to the AFC for SBRP, the SBPP will be retired after successful commissioning of SBRP. During the time period in which the existing SBPP is in operation while SBRP is undergoing commissioning, there will be emission increase resulting from both plants operating at the same time. This emission increase will not allow the SBRP from being exempt from the emission offsets and PSD requirements during this period.
2. The emission reductions analysis in the AFC for SBRP is being reviewed for accuracy and data adequacy. Some conflicts in the emission calculation result are being closely verified to ensure there will be an emission reduction.
3. Additional data will be requested from the applicant, including records of the SBPP boilers operations used to calculate emission reductions, literature from manufacturers for the turbines, the selective catalytic reduction system, the dry low-NOx system, and the continuous monitoring system.

At this time the district has only had the information on this project before reviewing staff for 13 days. It is likely that additional issues will arise as the preliminary review proceeds. At this time the District does not consider this submittal data adequate nor complete in accordance with the District's Rules and Regulations.

The District's Rules and Regulations provide for a 180 day evaluation period after an application has been deemed complete. District completeness differs from data adequacy in that completeness requires adequate information to complete the evaluation where data adequacy is based on adequate information to commence the evaluation. The expressed limit of 180 days will have the effect of shortening the District's evaluation period by imposing a limit of 180 days after data adequacy is established. Although this may be enough time to complete the evaluation, it is substantially shorter time than the District has been provided on previous projects.

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If you have any questions regarding these comments, please contact the undersigned at (858) 586-2747.

Sincerely,

  
CAMQUI NGUYEN  
Associate Air Pollution Control Engineer

I.D.#: 17 334A

Cc: Compliance Division