South Coast
Air Quality Management District
21865 Copley Drive, Diamond Bar, CA 91765-4178
(909) 396-2000 · www.aqmd.gov

DOCKET
05-AFC-3
DATE JAN 3 1 2007
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January 31, 2007

Mr. Robert Worl, Project Manager
California Energy Commission
1516 9th Street
Sacramento, CA 95814-5512

SUBJECT: Edison Mission Energy (EME), Proposed 500 Megawatt Power Plant; Facility ID No. 146534, Location: Sun Valley Energy, LLC (SVE), 29500 Rouse Road, Romoland, CA 92585; (05-AFC-3)

Dear Mr. Worl:

The South Coast Air Quality Management District (AQMD) has received and reviewed permit applications for the subject gas turbine power plant project. EME is proposing to install and operate a 500 megawatt (MW) natural gas fired power plant located at the facility location shown above. This power plant will operate annually on an intermittent basis during periods of high electricity demand.

The AQMD has evaluated the subject permit applications and made a preliminary determination that the equipment will comply with all of the applicable requirements of our Rules and Regulations. We intend to issue the final permit at (1) the end of the 30-day public comment and review period and after all pertinent comments have been considered, and (2) upon receiving EPA approval of the Title V permit, and 3) upon issuance of a license from the California Energy Commission.

Based on the emission potential, this project is subject to the public notice requirements of AQMD Rules 212 (Standards for Approving Permits) and 3006 (Title V), and has applied for an Initial Title V Permit. Therefore, this project is subject to a 45-day EPA review and a 30-day public notice period under AQMD Rules 212 and 3006.

Please find enclosed a public notice for the subject project issued in accordance with AQMD Rules 212 and 3006. The public notice provides for a 30-day comment period prior to making a final decision on issuance of the permit, and is also being published in a newspaper of general circulation in the vicinity of the nearest affected area. Additionally, the notice is being forwarded to other interested parties.

If you wish to provide comments or have any questions regarding this project, please contact Mr. Kenneth L. Coats at (909) 396-2527/ kcoats@aqmd.gov or Mr. John Yee at (909) 396-2531/ jyee@aqmd.gov.

Sincerely,

Michael D. Mills

Michael D. Mills, P.E.
Senior Manager
General Commercial & Energy Team

Enclosures
Public Notice
Proposed Title V Permit
Preliminary Engineering Analysis

cc: Mr. Thomas J. McCabe, EME

CERTIFIED MAIL/RETURN RECEIPT REQUESTED

PROOF OF SERVICE (REVISED 2/2/07) FILED WITH
ORIGINAL MAILED FROM SACRAMENTO ON 2/2/07

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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 Sun Valley Energy, LLC (SVE) and intends to issue a facility permit, 1) at the end of the 30-day public comment and review period and after all pertinent comments have been considered, 2) upon U.S. Environmental Protection Agency approval of the Title V permit, and 3) upon issuance of a license from the California Energy Commission.

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.

The AQMD has evaluated the permit applications listed below for the following facility and determined that the project meets or will meet all applicable AQMD rules and regulations based upon the evaluation described below:

FACILITY: Sun Valley Energy, LLC
29500 Rouse Road
Romoland, CA 92585
Facility ID No: 146534

CONTACT: Mr. Thomas J. McCabe
Regional Vice President
Edison Mission Energy
18101 Von Karman Road
Irvine, CA 92612

AQMD APPLICATION NUMBERS

Application Number	Equipment Description
450931	Gas Turbine No. 1
450932	Gas Turbine No. 2
450933	Gas Turbine No. 3
450935	Gas Turbine No. 4
450936	Gas Turbine No. 5
450937	SCR/CO Catalyst for Turbine No. 1
450938	SCR/CO Catalyst for Turbine No. 2
450939	SCR/CO Catalyst for Turbine No. 3
450940	SCR/CO Catalyst for Turbine No. 4
450942	SCR/CO Catalyst for Turbine No. 5
450943	Emergency Fire Pump Engine
451184	Aqueous Ammonia Storage Tank
450866	Initial Title V Application

DISTRIBUTION DATE: January 31, 2007

FACILITY PURPOSE

Edison Mission Energy (EME) is an independent power producer engaged in the business of owning or leasing, operating and selling energy and capacity from electric power generation facilities. Sun Valley Energy, LLC is a wholly owned subsidiary of Edison Mission Energy (EME) and is responsible for development and operation of the proposed power plant. The proposed plant will operate on an intermittent basis to provide additional electricity during periods of peak demand.

PROJECT DESCRIPTION

The project consists of installing a power plant with the capability of generating a total of 500 megawatts (MW) of electrical power consisting of five (5) new, simple cycle LMS100 gas turbines with associated air pollution control systems, one (1) emergency fire pump, and an aqueous ammonia storage tank. Since the above equipment has the potential to emit pollutants in excess of the levels specified in AQMD Rule 212(g), a public notice is required.

PROJECTED EMISSIONS

After the initial commissioning period, the total average daily emissions in any calendar month from the operation of the proposed equipment in conjunction with the air pollution control system is not expected to exceed the following:

Pollutant	Maximum Monthly Emissions, lbs/month
NOx	20,179
CO	32,666
VOC	5,570
PM_{10}	14,019
SOx	1,404
NH_3	11,625

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. Also, acute and chronic indices, which measure the toxicants' impact on target organs, are less than one. These levels of estimated risk are below the threshold limits of Rule 1401(d) established for new or modified sources. The following table summarizes the results of the health risk assessment:

Receptor	Cancer Risk (per million)	Chronic Hazard Index	Acute Hazard Index
Residential	0.00451	0.0000877	0.00280
Commercial	0.000222	0.0000243	0.00616

This facility is a new Federal Title V and Title IV (Acid Rain) facility. Pursuant to AQMD Title V Permits Rule 3006 – Public Participation, 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 a copy of the request to the facility address and contact person listed above.

DISTRIBUTION DATE: January 31, 2007

THE FOLLOWING REQUIREMENT MUST BE COMPLIED WITH PRIOR TO THE ISSUANCE OF FINAL PERMIT

To fully comply with the all applicable rules and regulations, the applicant must complete the following:

> Sun Valley Energy, LLC must provide emission offsets for NOx, CO, VOC, SOx, and PM_{10} emissions. Emission offsets for CO, PM_{10}, SOx, and VOC will be provided in the form of Emission Reduction Credits (ERCs). Some or all of the emission offsets for CO, PM_{10}, and SOx may also be obtained from the AQMD's Priority Reserve pursuant to the AQMD Rule 1309.1. Emission offsets for NOx will be in the form of Reclaim Trading Credits (RTCs).

The air quality analysis and draft Permit to Construct for this project are available for public review at the AQMD's headquarters in Diamond Bar and at the Sun City Public Library, 26982 Cherry Hills Boulevard, Sun City, CA 92586. A copy of the draft Permit to Construct can also be viewed at http://www.aqmd.gov/webappl/PublicNotices/Search.aspx by entering the company's name. 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. Kenneth L. Coats (kcoats@aqmd.gov), Engineering and Compliance, South Coast Air Quality Management District, 21865 Copley Drive, Diamond Bar, CA 91765-4182, (909) 396-2527. Anyone wishing to comment on the air quality elements of this permit should submit comments in writing to the AQMD, attention Mr. Michael D. Mills. Comments must be received within 30 days of the distribution/publication of this notice. 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) 651-8853.

For your general information, anyone experiencing air quality problems such as dust or odor can telephone in a complaint to the AQMD by calling 1-800-CUT-SMOG (1-800-288-7664).

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