

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
NO _x	20,179
CO	32,666
VOC	5,570
PM ₁₀	14,019
SO _x	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.

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 NO_x, CO, VOC, SO_x, and PM₁₀ emissions. Emission offsets for CO, PM₁₀, SO_x, and VOC will be provided in the form of Emission Reduction Credits (ERCs). Some or all of the emission offsets for CO, PM₁₀, and SO_x may also be obtained from the AQMD's Priority Reserve pursuant to the AQMD Rule 1309.1. Emission offsets for NO_x 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).