



# South Coast Air Quality Management District

21865 Copley Drive, Diamond Bar, CA 91765-4178  
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## NOTICE OF INTENT TO ISSUE PERMITS PURSUANT TO AQMD RULES 212 AND 3006

This notice is to inform you that the South Coast Air Quality Management District (AQMD) has received permit applications from Walnut Creek Energy, LLC (WCE), a subsidiary of Edison Mission Energy (EME) for the proposed Walnut Creek Energy Park (WCEP) power plant for the installation of five, state of the art, electric generating gas turbines in the City of Industry and removal and shutdown of two existing electric utility boilers and corresponding steam generators located in the City of Huntington Beach. AQMD has reviewed the proposal and, after a careful review and a detailed evaluation of the project, has determined that the proposed project complies with all applicable federal, state and local air quality rules and regulations. As a result, AQMD intends to issue Permits to Construct as part of a Title V permit for this project contingent upon certain conditions. However, prior to issuance of the Title V permit, AQMD is providing an opportunity for public comments on the AQMD's proposed decision.

The AQMD is the air pollution control agency for the four-county region including all of Orange County and non-desert 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 to construct from the AQMD. Under certain circumstances, before a permit is granted, a public notice, such as this, is prepared by the AQMD. For this project, public notification is required in accordance with AQMD Rule 212(g) because the emissions from the new gas turbines exceed the public notice thresholds for these rules. Public notification is also required by AQMD Rule 3006(a) because the facility will be subject to federal operating permit (Title V of the Clean Air Act) requirements.

The AQMD has evaluated the permit applications listed below for the following new facility in the City of Industry and determined that it meets or will meet all applicable federal, state and AQMD air quality rules and regulations as described below:

### NEW

**FACILITY:** Walnut Creek Energy Park  
Facility ID No. 146536  
911 Bixby Road  
City of Industry, CA 91744

**CONTACT:** Ms. Jenifer Morris Lee  
Walnut Creek Energy, LLC  
3 MacArthur Place, Suite 100  
Santa Ana, CA 92707

### EXISTING

**FACILITY:** Huntington Beach Generating Station  
Units 3 & 4  
Facility ID No. Pending  
21730 Newland Avenue  
Huntington Beach, CA 92646

### PROPOSED PROJECT

Application Number	New Equipment Description
450894 through 450898	GE LMS100 Simple Cycle Gas Turbine Generator, Unit 1 through 5, with Total Electrical Generation Capacity of 500.5 Mega Watts (MWs)
450899 through 450901 450904 and 450907	Air Pollution Control Equipment, SCR and CO Catalyst, Unit 1 through 5

450908	Emergency Fire Pump Engine, 183 Brake Horsepower (bhp)
451185	Aqueous Ammonia Storage Tank, 16,000 Gallon Capacity
450854	Initial Title V Permit

Application Number*	Existing Equipment Description
427061	Electric Utility Boiler Generator Unit 3
427064	Electric Utility Boiler Generator Unit 4
409468	Air Pollution Control Equipment, SCR and CO Catalyst, Unit 3
409470	Air Pollution Control Equipment, SCR and CO Catalyst, Unit 4

\*Change of Ownership pending

### PROJECT DESCRIPTION

The proposed project is for the construction and operation of a new power plant at WCEP, which will consist of a new set of state of the art, more efficient five (5) simple cycle generating systems (SCGS), also known as gas turbines, in the City of Industry to replace two existing less efficient electric utility boiler generators Units 3 and 4 that have been in operation since early 1960 at the AES Huntington Beach Generating Station in the City of Huntington Beach. Edison Mission Huntington Beach, LLC (EMHB), also a subsidiary of EME, is acquiring the ownership of these two boiler generators. The SCGS will consist of five natural gas fired General Electric (GE) LMS100 combustion turbines and five electric generators. The current combined generating capacity of the existing electric utility boiler generators Units 3 and 4 in Huntington Beach is 450 Mega Watts (MWs). The combined generating capacity of the five (5) SCGS gas turbines in the City of Industry will be 500.5 MWs, which is 50.5 MWs more than the existing capacity of Units 3 and 4. The existing boiler generators Units 3 and 4 in Huntington Beach will be shut down prior to start of operation of the new SCGS gas turbines for the WCEP project. The new SCGS gas turbines will be equipped with the Best Available Control Technology (BACT) air pollution control equipment, which consists of catalysts (selective catalytic reduction and oxidation catalyst). Other auxiliary equipment for the SCGS gas turbines includes one 183 bhp diesel-fuel fired emergency fire pump engine and one 16,000 gallon capacity aqueous ammonia storage tank.

### PROJECTED EMISSIONS

During the normal operation of the SCGS gas turbines and auxiliary equipment for the WCEP project, the total maximum potential monthly and 30 day-average daily emissions from their operation at the City of Industry are not expected to exceed the emission levels listed in the table below. The emissions listed below are strictly from the new SCGS equipment and do not include any emission reductions associated with the removal from service of the existing electric utility boiler generator Units 3 and 4 at AES Huntington Beach Generating Station.

Pollutant	Maximum Potential Monthly Emissions (pounds/day)		Maximum Potential 30-Day Ave Emissions (pounds/day)	
	1 <sup>st</sup> Year	Subsequent Year	1 <sup>st</sup> Year	Subsequent Year
Nitrogen Oxides (NOx)	23,477	18,752	783	625
Carbon Monoxide (CO)	27,619	22,774	921	759
Volatile Organic Compounds (VOC)	5,215	5,175	174	173
Particulate Matter (diameter less than 10 microns, PM <sub>10</sub> and diameter less than 2.5 microns, PM <sub>2.5</sub> )	13,108	13,108	437	437
Sulfur Dioxide (SO <sub>2</sub> )	1,231	1,231	41	41

During the 1<sup>st</sup> year of operation (commissioning year), NO<sub>x</sub>, CO, and VOC emissions from the SCGS gas turbines are expected to be higher than those in the subsequent year (non-commissioning year) since the gas turbines and air pollution control systems must undergo a tuning process, during which the combustors may not be optimally tuned and the air pollution control systems may not be fully operational.

Since the total electrical generating capacity (500.5 MWs) of the new SCGS gas turbines for the WCEP project in the City of Industry is greater than the total electrical generating capacity (450 MWs) of the existing electric utility boiler generating units 3 and 4 being removed in Huntington Beach, as required by AQMD rules and regulations [Rule 1304(a)(2)], the emissions associated with the increase in the electrical generating capacity (50.5 MWs) from the new equipment will be offset through providing emission reduction credits (ERCs) that WCE will acquire from emission reductions which have occurred at other facilities within the air basin. The amounts of ERCs required that are associated with the 50.5 MWs increase in the electrical generating capacity are 21 pounds per day (or 630 pounds per month) of VOCs and 52 pounds per day (or 1,560 pounds per month) of PM<sub>10</sub>. There are no emission offsets in the form of ERCs required for CO since the South Coast Air Basin is considered attainment with both the federal and state ambient air quality standards for CO. Also all of the NO<sub>x</sub> and SO<sub>x</sub> emissions from the new WCEP facility will be offset with emission credits that WCE either holds or will purchase in the form of NO<sub>x</sub> and SO<sub>x</sub> emission credits available in the Regional Clean Air Incentive's Market (RECLAIM) in the form of RECLAIM Trading Credits (RTCs). Finally, the total facility's emissions of PM<sub>2.5</sub> will be limited to 60.9 tons per year, which is less than 100 tons per year major source threshold for PM<sub>2.5</sub> in accordance with the federal NSR rule (Appendix S); therefore no offsets are required for PM<sub>2.5</sub>. The VOCs and PM<sub>10</sub> ERCs are required to be provided by WCE prior to issuance of the final Title V Permits to Construct, and the NO<sub>x</sub> and SO<sub>x</sub> RTCs are required to be provided by WCE prior to the WCEP project commencing its operation in accordance with AQMD's New Source Review Rules (Regulation XIII) and RECLAIM rules (Rule 2005), respectively.

As a result of the burning of natural gas in the gas turbines, emissions from the proposed WCEP project also contain small quantities of pollutants that are considered toxic under AQMD Rule 1401-New Source Review of Toxic Air Contaminants. Therefore, a health risk assessment has been performed for the project. The health risk assessment uses health protective assumptions in estimating health risks to an individual person. Even with these health protective assumptions, the evaluation shows that the maximum individual cancer risk (MICR) increase from the individual gas turbines and the total project, as a whole, is less than the AQMD's risk threshold of one-in-one-million. Also, acute and chronic hazard indices, which measure non-cancer health impacts, are less than one. According to the state health experts, a hazard index of one or less means that the surrounding community including the most sensitive individuals such as very young children and the elderly will not experience any adverse non-cancer health impacts due to these emissions. These levels of estimated risk are below the threshold limits of AQMD Rule 1401 (d) established for new or modified sources. The health risk assessment (HRA) results are shown in the table below:

Equipment	MICR, at the Nearest Resident	MICR, at the Nearest Business/Worker	Acute Hazard Index (HIA)	Chronic Hazard Index (HIC)
Gas Turbine No. 1	1.90 x 10 <sup>-9</sup>	2.12 x 10 <sup>-10</sup>	0.00021	0.0000376
Gas Turbine No. 2	1.90 x 10 <sup>-9</sup>	2.12 x 10 <sup>-10</sup>	0.00021	0.0000376
Gas Turbine No. 3	1.91 x 10 <sup>-9</sup>	2.12 x 10 <sup>-10</sup>	0.00021	0.0000376
Gas Turbine No. 4	1.91 x 10 <sup>-9</sup>	2.12 x 10 <sup>-10</sup>	0.00023	0.0000375
Gas Turbine No. 5	1.89 x 10 <sup>-9</sup>	2.14 x 10 <sup>-10</sup>	0.00020	0.0000373
Total Project	6.23 x 10 <sup>-7</sup>	1.06 x 10 <sup>-9</sup>	0.0635	0.000897

**Based on the results of our detailed analysis and evaluation, the AQMD has determined that the proposed project complies with all applicable federal, state and local air quality rules and regulations and, therefore, AQMD intends to issue the Permits to Construct for the new equipment described above subject to EMHB and AES Huntington Beach, LLC completing the final sale of the electric utility boilers 3 and 4 from AES to EMHB prior to issuance of the Permits to Construct, and AQMD will concurrently issue new permits for electric utility boilers 3 and 4 to EMHB with the condition that both boilers 3 and 4 will be shut down and removed from operation prior to start of operation of the WCEP project. Prior to issuance of the final Permits to Construct for WCEP, AQMD is providing an opportunity for a 30-day public comment period and an Environmental Protection Agency (EPA) review period. AQMD will consider issuance of the final Permits to Construct only after all pertinent public and EPA comments, if any, have been timely received and considered and upon WCE and EMHB complying with the requirements described below:**

- In accordance with AQMD Rule 1303(b)(2) and 1304(a)(2), WCE must provide emission offsets for the emission increases associated with the increased generating capacity. WCE will provide Emission Reduction Credits (ERCs) to offset the increases in VOC and PM10 emissions, and EMHB will shutdown electric utility boilers 3 and 4 in Huntington Beach prior to start of operation of the WCEP project to offset the remaining emission increases of VOC and PM10 from the WCEP project.
- EMHB shall complete the process of change of ownership and obtain written permits from AQMD for the electric utility boiler generators Units 3 and 4 at AES Huntington Beach Generating Station prior to issuance of Permits to Construct for WCEP. In addition, WCE shall demonstrate to the satisfaction of AQMD that WCE holds sufficient NOx and SOx RTCs for the electric utility boiler generators Units 3 and 4 for the compliance year in which the change of ownership occurs.

The WCEP facility is a new federal Title V facility and is subject to AQMD Rule 3006. **Pursuant to AQMD Rule 3006 – Public Participation, any person may request a proposed permit hearing on an application for an initial or significant revision to a Title V permit 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 this notice.** This form is available on the AQMD website at <http://www.aqmd.gov/permit/Formspdf/TitleV/AQMDForm500-G.pdf>, or alternatively, the form can be made available by contacting Mr. Brian Yeh (email: [byeh@aqmd.gov](mailto:byeh@aqmd.gov) and Tel.: 909.396.2584). In order for a request for a public hearing to be valid, the request shall comply with the requirements of AQMD Rule 3006 (a)(1)(F). 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 permits and other information are available for public review at the AQMD's headquarters in Diamond Bar, and at the La Puente Public Library, 15920 Central Avenue, La Puente, CA 91744. 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 (email: [kcoats@aqmd.gov](mailto:kcoats@aqmd.gov) and Tel.: 909.396.2527). Both Mr. Yeh and Mr. Coats can also be reached via mail at South Coast Air Quality Management District, 21865 Copley Drive, Diamond Bar, CA 91865-4182. A copy of the draft Permits to Construct can also be viewed at <http://www.aqmd.gov/webappl/PublicNotices/Search.aspx>. Anyone wishing to comment on the air quality elements of the permits must submit comments in writing to the AQMD at the above address, attention Mr. Brian Yeh. **Comments must be received within 30 days of the publication date of this notice.** If you are concerned primarily about zoning decisions and the process by which the facility has been sited in this location, please contact the California Energy Commission. For your general information, anyone experiencing air quality problems such as dust or odor can telephone in a complaint to the AQMD 24 hours a day by calling the toll free 1-800-CUT-SMOG (1-800-288-7664).