



South Coast Air Quality Management District

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NOTICE OF INTENT TO ISSUE PERMITS PURSUANT TO AQMD RULES 212, 1710, 1714, AND 3006

This notice is to inform you that the South Coast Air Quality Management District (AQMD) has received permit applications from the Los Angeles Department of Water and Power (LADWP) for the proposed replacement of an existing older and less efficient large electric generating utility boiler with three smaller new, state of the art and more efficient electric generating gas turbines (Repower Project) at the Scattergood Generating Station in Playa Del Rey. AQMD has reviewed these applications and after a careful review and a detailed evaluation of the Repower Project has determined that the Repower Project complies with all applicable federal, state and local air quality rules and regulations and, therefore, AQMD intends to issue Permits to Construct for the Repower Project and to revise the Title V permit for this facility. However, prior to issuance of the final 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 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(c)(2), Rule 212(g) and Rule 1710(b) 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) and Rule 1714(e) because there will be a significant revision to the facility's existing air quality Title V permit and the Repower Project is subject to a Prevention of Significant Deterioration (PSD) Permit due to its greenhouse gas emissions.

The AQMD has evaluated the permit applications listed below for the following facility and determined that the Repower Project meets or will meet all applicable federal, state and AQMD air quality rules and regulations as described below:

FACILITY: LADWP Scattergood Generating Station
Facility ID No. 800075
12700 Vista Del Mar
Playa Del Rey, CA 90293

CONTACT: Mark Sedlacek

LA Dept. of Water and Power
111 North Hope St, Room 1050
Los Angeles, CA 90012

AQMD APPLICATION NUMBERS

Application Number	Equipment Description
536783	GE 7FA.05 Combined Cycle Gas Turbine Generator, Unit 4
536803 and 536808	GE LMS100 Simple Cycle Gas Turbine Generator, Units 6 and 7
536796 and 536798	Waste Oil/Water Separator #1 and #2
536784, 536807, 536812	Air Pollution Control Equipment, SCR and CO Catalyst for Units 4, 6 and 7
536801	Standby Diesel IC Engine Generator
536791	Facility Title V permit Significant Revision
538662	Utility Boiler Unit 1 Generating Capacity Reduction

DISTRIBUTION DATE: December 17, 2012

PROJECT DESCRIPTION

The proposed Repower Project is to replace the existing 460 megawatt (MW) electric utility boiler generator Unit 3 that is an older, less efficient unit and which has been in operation since 1974 with a new, state of the art and more efficient gas turbine generating system. In addition, the Repower Project will reduce the generating capacity of the existing boiler generator Unit 1 by 64.3 MW. The new generating system will consist of one natural gas-fired General Electric (GE) 7FA.05 combined cycle gas turbine generator with a steam turbine generator and two natural gas-fired GE LMS100 simple cycle gas turbine generators. The combined generating capacity of the Repower Project will be 524.3 MW, which replaces the generating capacity of the existing Unit 3 (460 MW) and the proposed 64.3 MW reduced capacity of Unit 1 (from 185 MW to 120.7 MW). The new Repower Project will be equipped with the state of the art Best Available Control Technology (BACT) air pollution control equipment, which consists of catalysts (selective catalytic reduction and oxidation catalysts). Other auxiliary equipment includes a standby IC Engine generator, two waste oil/water separators, and a wet surface air cooler.

PROJECTED EMISSIONS

During normal operation, the total potential maximum daily, monthly, and annual emissions of criteria pollutants from the operation of the new Repower Project and auxiliary equipment are not expected to exceed the emission levels listed in the table below. In addition, the new Repower Project will generate emissions of greenhouse gases (GHGs). The total quantity of GHGs is calculated using the global warming potential for each compound and expressed in an amount equivalent to Carbon Dioxide (CO₂) emissions (CO₂ equivalent). The emissions listed below are strictly from the new equipment and do not include any emission reductions associated with the removal from service of the existing electric utility boiler generator Unit 3 and the reduced capacity of Unit 1.

Pollutant	Max Potential Emissions (Tons)		
	Daily	Monthly	Annual
Nitrogen Oxides (NO _x)	0.54	15.58	152.8
Carbon Monoxide (CO)	0.72	20.14	207.5
Volatile Organic Compounds (VOC)	0.13	3.91	37.6
Particulate Matter (diameter less than 10 microns, PM ₁₀ or diameter less than 2.5 microns, PM _{2.5})	0.26	7.99	73.7
Sulfur Oxides (SO _x)	0.03	0.82	7.7
Ammonia (NH ₃)	0.32	8.48	76.9
Carbon Dioxide equivalent (CO ₂ equivalent)	5,519	164,282	1,550,251

The proposed Repower Project will not result in an increase in the electrical generating capacity since the total electrical generating capacity of the new Repower Project is the same as the electrical generating capacity it replaces. AQMD Rule 1304(a)(2) provides an offset exemption for an electric utility boiler replacement project such as this project. Therefore, the Repower Project does not have to provide emission offsets for VOC, PM₁₀, and SO_x. Also, the South Coast Air Basin meets and is in attainment with ambient air quality standards for CO, so no CO offsets are required. All of the NO_x emissions from this facility have to be offset with emission credits that LADWP either holds or purchases NO_x 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 (the proposed new Repower Project and all other equipment) of PM_{2.5} will be limited to less than 100 tons per year, therefore the new Repower Project will not trigger the threshold for PM_{2.5} offset requirements as per AQMD Rule 1325. The NO_x RTCs are required to be provided by LADWP prior to the Repower Project commencing its operation in accordance with AQMD RECLAIM Rule 2005.

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As a result of burning natural gas in the gas turbines, emissions from the proposed project also contains small quantities of pollutants that are considered air toxics under AQMD Rule 1401-New Source Review of Toxic Air Contaminants. Therefore, a health risk assessment has been performed for the Repower Project. The health risk assessment uses health protective assumptions in estimating maximum risk to an individual person. Even assuming this health protective condition, the evaluation shows that the maximum individual cancer risk (MICR) increase from the gas turbines and the total project, as a whole, even without considering the emission reductions from old equipment being replaced, is less than one-in-one million and in compliance with AQMD's risk thresholds listed in Rule 1401. Also, acute and chronic 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 health impacts due to exposure 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 (in a million)		Non-Cancer Hazard Index	
	Resident	Worker	Chronic	Acute
Gas Turbine No. 4	0.13	0.02	0.003	0.004
Gas Turbine No. 6	0.03	0.005	0.0006	0.002
Gas Turbine No. 7	0.03	0.005	0.0006	0.002
Rule 1401 Limit	1 without BACT for Toxics (T-BACT) 10 with T-BACT		1.0	

PREVENTION OF SIGNIFICANT DETERIORATION (PSD) FOR CRITERIA POLLUTANTS

The South Coast Air Basin is in attainment with the national ambient air quality standards for Nitrogen Dioxide (NO₂), Sulfur Dioxide (SO₂) and Carbon Monoxide (CO); therefore, the NO₂, SO₂ and CO emissions from the project are subject to the AQMD's Prevention of Significant Deterioration (PSD) regulation (Regulation XVII).

The Scattergood Generating Station is classified as a major stationary source, and the projected maximum potential emission increases from the Repower Project for NO₂ is above the PSD significance thresholds. The Repower Project is not subject to a PSD NO₂ incremental analysis because the predicted 1-hour NO₂ impact of 7.1 micro grams per cubic meter (µg/m³) is below the federal PSD significance threshold of 7.5 µg/m³, and the annual NO₂ impact of 0.36 µg/m³ is below the federal PSD significance threshold of 1.0 µg/m³. In addition, based on the air quality modeling analysis, the predicted NO₂ impact from the Repower Project will not cause or contribute to a violation of the state or federal ambient air quality standards for these air contaminants.

Also based on the result of a modeling analysis of the potential impacts to Class I wilderness areas, the results show no adverse visibility impacts on the nearest Class I areas (i.e., San Gabriel Wilderness area and Cucamonga Wilderness area) that may be impacted by the Repower Project. The U.S. Department of Agriculture - Forest Service has reviewed this PSD modeling analysis. Based on all of these analysis and evaluations, the AQMD has determined that the proposed Repower Project is expected to comply with all PSD requirements for criteria pollutants.

PREVENTION OF SIGNIFICANT DETERIORATION (PSD) FOR GREENHOUSE GASES

Based on the proposed Repower Project's maximum potential greenhouse gas (GHG) emissions, the proposed project is subject to preconstruction review for GHGs. The U.S. Environmental Protection

Agency (EPA) is responsible for reviewing the GHG emissions and for issuing the GHG PSD permit. However, on November 5, 2010 the AQMD has adopted Rule 1714 to obtain authority to implement and issue PSD permits for GHG sources. The EPA has issued and published the final approval of Rule 1714 – PSD for GHGs, into the State Implementation Plan (SIP) in the Federal Register on December 10, 2012. The final approval of AQMD Rule 1714 will be effective 30 days from the publication date of the Federal Register notice, which means January 10, 2013. As a result, AQMD staff has evaluated the GHG emissions from the Repower Project for compliance determination with applicable federal, state, and local air quality requirements. The Repower Project is found to comply with Rule 1714 BACT requirements for GHG emissions through the use of energy efficient gas turbines.

Based on the result of our detailed analysis and evaluation, the AQMD has determined that the Repower Project complies with all applicable federal, state and AQMD air quality rules and regulations and, therefore, AQMD intends to issue the Permits to Construct for the equipment described above. However, prior to issuance of a final permit, AQMD is providing an opportunity for a 30-day public comment period and an EPA review period. AQMD will consider issuance of the final permit only after all pertinent public and EPA comments, if any, have been received and considered and upon the effective date of EPA's final approval of Rule 1714 into the SIP, granting final permitting authority to the AQMD.

This facility is classified as a federal Title IV (Acid Rain) and Title V facility. Pursuant to AQMD Rule 3006 – Public Participation, any person may request a proposed permit hearing on an application for an initial, renewal, 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 distribution 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. Li Chen at the e-mail and telephone number listed below. In order for a request for a public hearing to be valid, the request must 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 El Segundo Public Library, 111 West Mariposa Avenue, El Segundo, CA 90245, and at the Los Angeles Public Library, Playa Vista Branch, 6400 Playa Vista Drive, Los Angeles, CA 90094. Additional information including the facility owner's compliance history submitted to the AQMD pursuant to California Health and Safety Code Section 42336, or otherwise known to the AQMD, based on credible information, is available at the AQMD for public review by contacting Mr. Li Chen (lchen@aqmd.gov), Engineering and Compliance, South Coast Air Quality Management District, 21865 Copley Drive, Diamond Bar, CA 91865-4182, (909) 396-2426. 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 distribution date of this notice, as shown below.** If you are concerned primarily about zoning decisions and the process by which the facility has been sited in this location, contact the local city or county planning department for the city or unincorporated county in which the facility is located. 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 toll free 1-800-CUT-SMOG (1-800-288-7664).