



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION IX
75 Hawthorne Street
San Francisco, CA 94105

AUG 30 2016

Jack Broadbent
Air Pollution Control Officer
Bay Area Air Quality Management District
375 Beale Street, Suite 600
San Francisco, CA 94105

Subject: Transfer of the Prevention of Significant Deterioration Permit Program to the Bay Area Air Quality Management District

Dear Mr. Broadbent:

On August 31, 2016, the effective date of the United States Environmental Protection Agency's (EPA) approval of Bay Area Air Quality Management District (District) Rules 2-1 and 2-2 into the California State Implementation Plan (SIP), the District will be the Clean Air Act Prevention of Significant Deterioration (PSD) permitting authority for stationary sources located within the District's jurisdiction (see 81 FR 50339, Aug. 1, 2016).

The PSD program has been implemented within the District to date through the federal PSD regulations in the Federal Implementation Plan (FIP) at 40 CFR 52.21. Initially, EPA directly administered the PSD permit program within the District under 40 CFR 52.21. The District generally has been administering the PSD program pursuant to a delegation agreement with EPA since April 23, 1986 per 40 CFR 52.21(u). Since the initial delegation agreement issued on April 23, 1986, EPA and the District have amended the PSD delegation agreement several times, primarily due to changes to the PSD regulations promulgated on December 31, 2002 (*see* 67 FR 80186), with the most recent amendment signed by the District on March 8, 2011.

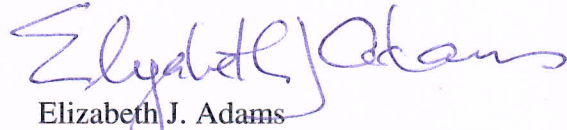
EPA approved the District's request for authority to administer the District's SIP-approved PSD program for sources located in the District with existing PSD permits previously issued under 40 CFR 52.21 by EPA or by the District as a delegated permitting agency. Accordingly, on August 31, 2016, the effective date of EPA's approval of the District's PSD program, the federal PSD regulations in the FIP at 40 CFR 52.21 will no longer apply within the District.

In a letter dated October 7, 2015, the District requested that EPA revoke the current PSD delegation agreement upon the effective date of EPA's approval of the District's PSD program. Accordingly, we are fully revoking the current PSD delegation agreement signed by the District on March 8, 2011, which provided partial delegation of authority under 40 CFR 52.21 to issue PSD initial permits, modify existing PSD permits, and extend existing PSD permits. This revocation shall be effective on August 31, 2016, the effective date of the EPA's approval of the District's PSD program.

In addition, with this letter, we are also providing to the District all existing PSD permits for stationary sources within the District. (Please see the attached list of PSD permits and the enclosed CD.)

We look forward to working with you and your staff as you begin this endeavor. Please feel free to contact Gerardo Rios at (415) 972-3974 or rios.gerardo@epa.gov if you have any questions.

Sincerely,



Elizabeth J. Adams
Acting Director, Air Division

Enclosures

cc: Tung Le, California Air Resources Board (letter only, via email)
Jim Karas, Bay Area Air Quality Management District (letter only, via email)

**Bay Area Air Quality Management District (BAAQMD) Prevention of Significant Deterioration (PSD) Permit Program
Approved in the California State Implementation Plan**

***PSD Permits Transferred to BAAQMD
August 30, 2016***

Facility	Location	PSD Permit Number	Permit Issuing Agency¹	PSD Permit Issuance Date
Tosco Corporation, Lion Oil Division, Avon Refinery, Martinez, CA (currently called Tesoro Refining & Marketing Company LLC)	Martinez, CA	SFB 78-07	EPA	December 18, 1978
IBM Corporation (currently called HGST, a Western Digital Company)	San Jose, CA	SFB 82-01	EPA	June 9, 1982 <i>(Amended January 19, 1993)</i>
Cardinal Cogeneration ²	Stanford University near Menlo Park and Palo Alto, CA	SFB 82-04	EPA	June 27, 1983 <i>(Amended February 18, 1994, December 1994, January 30, 1995, and January 25, 1996)</i>
Tosco Corporation Cogeneration Project (currently called Martinez Cogeneration Limited Partnership)	Martinez, CA	SFB 83-01	EPA	December 9, 1983 <i>(Amended May 6, 1986, November 28, 1986, and May 2, 1996)</i>
Calpine Gilroy Cogeneration	Gilroy, CA	SFB 84-04	EPA	August 1, 1985 <i>(Amended June 16, 1992)</i>
Tosco San Francisco Area Refinery, Rodeo, CA (currently called Phillips 66 Company - San Francisco Refinery)	Rodeo, CA	SFB 85-03	EPA	March 3, 1986 <i>(Amended May 26, 1989)</i>
Los Medanos Energy Center, LLC ³	Pittsburg, CA	Permit Application No. 1272; Site Number: B1866	BAAQMD	July 2, 2001

¹ The PSD permits directly issued by BAAQMD were issued under the District's PSD delegation agreement.

² According to an e-mail message dated November 3, 2015 from BAAQMD to U.S. EPA Region 9, Cardinal Cogeneration has been shut down.

³ Los Medanos Energy Center, LLC was originally issued under application 18595 on September 9, 1999; this was superseded by application 1272.

Facility	Location	PSD Permit Number	Permit Issuing Agency ¹	PSD Permit Issuance Date
Delta Energy Center, LLC	Pittsburg, CA	Permit Application No.: 19414; Site Number: B2095	BAAQMD	March 23, 2000
Metcalf Energy Center, LLC ⁴	San Jose, CA	Permit Application No.: 11251; Site Number: B2183	BAAQMD	April 11, 2005
Russell City Energy Center	Hayward, CA	Permit Application No. 15487; Site Number: B8136	BAAQMD	February 3, 2010

⁴ Metcalf Energy Center, LLC was originally issued under application 27215 on February 1, 2002; this was superseded by application 11251.