

**(NOTE REVISED ADDRESS)**  
**Notice of Public Hearing and Notice Inviting Written Public Comment on  
Proposed Air Quality Permit for the Russell City Energy Center, Hayward, CA**

The Bay Area Air Quality Management District (“District”) is proposing to issue an amended Prevention of Significant Deterioration (“PSD”) Permit for the Russell City Energy Center. Before doing so, the District is providing the public with notice of its proposal and an opportunity to review and comment on the proposed permit. The District is also holding a public hearing to provide the public with an opportunity to comment in person.

The proposed Russell City Energy Center is a 600-megawatt natural gas fired combined-cycle power plant to be built by Russell City Energy Company, LLC, (50 W. San Fernando Street, San Jose, CA 95113) an affiliate of Calpine Corporation. The proposed facility would be located at 3862 Depot Road, near the corner of Depot Road and Cabot Boulevard, in Hayward, CA. The proposed power plant will consist of two combustion turbine generators, two heat recovery steam boilers, a steam turbine generator and associated equipment, a wet cooling system, and a diesel fire pump. The District initially issued a permit for the project in 2002, but it was subsequently relocated approximately 1,500 feet to the north. The permit therefore needs to be amended.

Under the proposed amended permit, the facility would be allowed to emit significant amounts of certain PSD-regulated air pollutants, including the following:

Nitrogen Oxides (as NO <sub>2</sub> ):	134.6 tons per year
Carbon Monoxide (CO):	389.3 tons per year
Particulate Matter (PM):	86.8 tons per year

The project will utilize the Best Available Control Technology to minimize emissions of these air pollutants as required by 40 C.F.R. Section 52.21. The proposed project will not consume a significant degree of any PSD increment.

The District initially issued an amended PSD permit for the new location on November 1, 2007. Subsequently, the U.S. Environmental Protection Agency’s Environmental Appeals Board determined that the District should provide notice of the proposed permit, and an opportunity to comment on it, to additional parties. The District is therefore re-noticing the proposed amended PSD permit at this time. The District will review and consider any comments received before determining whether to issue a final amended PSD permit.

The proposed amended PSD Permit is a federal permit issued by the District on behalf of the United States Environmental Protection Agency (“EPA”). The District issues PSD permits under a Delegation Agreement with EPA. The District also participates in the California Energy Commission’s licensing process under state law and issues a District Authority to Construct incorporating the Energy Commission’s requirements. The District issued an Authority to Construct for the Russell City Energy Center jointly in the same document with the federal PSD Permit on November 1, 2007. Only the federal PSD Permit has been remanded, and only the federal PSD permit is being re-noticed. The Authority to Construct is not being reopened and this notice applies only to the proposed amended PSD permit.

Further information about the project and how it will comply with applicable PSD regulatory requirements is available in the District’s Statement of Basis for the proposed amended permit. A fact sheet about the project, the Statement of Basis for the proposed permit, proposed permit conditions, the permit application and all data submitted by the applicant, and all other supporting materials are available for public inspection at the Communications and Outreach Office located on the 5<sup>th</sup> Floor of District Headquarters, 939 Ellis Street, San Francisco, CA, 94109. The fact sheet, Statement of Basis, and proposed permit conditions are also available on the District’s website at [www.baaqmd.gov](http://www.baaqmd.gov). Copies of any of these documents and further information about the project can also be obtained by calling or writing to Weyman Lee, P.E., Senior Air Quality Engineer, Bay Area Air Quality Management District, 939 Ellis Street, San Francisco, CA, 94109, (415) 749-4796, [weyman@baaqmd.gov](mailto:weyman@baaqmd.gov). For information in Spanish, please contact Brenda Cabral at District Headquarters, (415) 749-4686, [bcabral@baaqmd.gov](mailto:bcabral@baaqmd.gov).

The District invites all interested parties to comment on any aspect of the proposed amended PSD Permit pursuant to 40 C.F.R. Section 124.11. Comments should be made in writing and directed to Weyman Lee at the address provide above, and must be received by January 22, 2009. The District will also hold a public hearing on the project on January 21, 2009, from 6:30 p.m. to 9 p.m. at Hayward City Hall, located at 777 B Street, Hayward, CA, for the purpose of receiving written and oral comments regarding the proposed amended permit. District staff will be available from 6:00 to 6:30 pm to answer questions about the project informally. At 6:30 pm, the District will convene the hearing to receive formal comments from the public on the project. Speakers will be limited to 3 minutes each.

The District has previously issued notices relating to the proposed amended permit on April 12, 2007 and December 3, 2007.