

Walnut Creek Energy, LLC  
3 MacArthur Place, Suite 100  
Santa Ana, CA 92707



May 31, 2012

Mr. Mohsen Nazemi  
Deputy Executive Officer  
Engineering and Compliance Office  
South Coast Air Quality Management District  
21865 Copley Drive  
Diamond Bar, CA 91765

Subject: **Walnut Creek Energy Park Air Permit (Facility ID No. 146536) Condition F52.1  
Permanent Retirement Plan for Edison Mission Huntington Beach, LLC Units 3  
& 4 (Facility ID No. 167432)**

Dear Mr. Nazemi:

Edison Mission Huntington Beach, LLC (EMHB) and Walnut Creek Energy, LLC (WCE) respectfully submit the attached Retirement Plan for South Coast Air Quality Management District. The purpose of this Retirement Plan is to comply with condition F52.1 in the Walnut Creek Energy Facility Permit (ID #146536), specifically condition F52.1 items 2 and 3 in the Permit to Construct extension as modified on May 4, 2012.

Please let us know if you have any questions.

Sincerely,

A handwritten signature in blue ink that reads "Larry Kostrzewa".

Larry Kostrzewa  
Vice President  
Walnut Creek Energy, LLC

A handwritten signature in blue ink that reads "Jennifer Morris Lee".

Jennifer Morris Lee  
Vice President  
Edison Mission Huntington Beach, LLC

cc: Joan Walter, AICP, CEC  
Gerardo Rios, U.S. EPA, ([R9AirPermits\\_sc@epa.gov](mailto:R9AirPermits_sc@epa.gov))  
Ken Coats, AQMD  
Andrew Lee, AQMD  
John Yee, AQMD  
Barry Wallerstein, AQMD  
Kurt Wiese, AQMD  
Barbara Baird, AQMD  
Brian Yeh, AQMD  
Weikko Wirta, AESHB  
Stephen O'Kane, AES  
Pedro Pizarro, EME  
Crystal Needham, EME

## Purpose & Scope

This Retirement Plan is submitted by Walnut Creek Energy, LLC (WCE) and Edison Mission Huntington Beach, LLC (EMHB). The purpose of this Retirement Plan is to comply with condition F52.1 in the Walnut Creek Energy Facility Permit for ID #146536, specifically condition F52.1 items 2 and 3, excerpted below.

*2. Walnut Creek Energy, LLC (WCE) will require Edison Mission Huntington Beach (EMHB) and AES Huntington Beach (AESHB, Operator of Facility Permit for ID #167432) to submit a detailed retirement plan for the permanent shutdown of Huntington Beach Units 3 & 4, describing in detail the steps and schedule that will be taken to meet condition F52.1 of the WCE Facility Permit for ID #146536, as well as the responsible party taking those steps to render the units permanently inoperable.*

*The retirement plan must be submitted to AQMD by June 1, 2012. Within 30 days, AQMD shall notify Walnut Creek Energy, LLC whether the plan is approvable. If AQMD notifies Walnut Creek Energy, LLC that the plan is not approvable, Walnut Creek Energy, LLC shall submit a revised plan addressing AQMD's concerns within 30 days.*

*3. Walnut Creek Energy, LLC shall require EMHB by November 1, 2012 to surrender all AQMD permits for Huntington Beach Units 3 & 4 (Facility ID #167432) that were issued to EMHB on May 4, 2011 and along with that provide the AQMD with a notarized statement that the units are permanently shut down and that any re-start or operation of the units shall require new Permits to Construct and be subject to all requirements of nonattainment new source review and the prevention of significant deterioration program.*

This Retirement Plan describes in detail the schedule and steps that WCE and EMHB will take to meet condition F52.1 to retire EMHB Units 3 & 4.

- EMHB has leased Units 3 & 4 to AES Huntington Beach, LLC (AESHB), giving AESHB the right (but not obligation) to operate them until October 31, 2012.
- On November 1, 2012 EMHB will surrender the Facility Permit for ID #167432 in accordance with item 3 above. See Appendix A for a draft of the notarized letter that will be submitted to comply with condition F52.1, item 3.
- Within 24 hours of surrendering the permit for EMHB, we will notify the California Energy Commission.
- On November 1, 2012, AESHB will begin to execute this Retirement Plan and will complete the detailed actions described in this Plan before November 9, 2012.
- EMHB will document the execution of this Retirement Plan by AESHB.

We respectfully request that South Coast Air Quality Management District (SCAQMD) approve this plan in accordance with the condition above.

**Execution Plan**

The following steps will be carried out to implement this Retirement Plan. The detailed descriptions, steps, timing, and responsibilities are described in each section.

- 1. Flange the Gas Supply Lines in the Gas Yard..... 3
- 2. Sever the Fuel Supply Lines to Each Unit & Fill with Concrete ..... 5
- 3. Remove Hopper Walls & Sever Headers ..... 6
- 4. Remove Eight Front-Side Burners from Each of Units 3 & 4..... 8
- 5. Gouging the Main Steam and Reheat Lines ..... 9

**1. Flange the Gas Supply Lines in the Gas Yard**

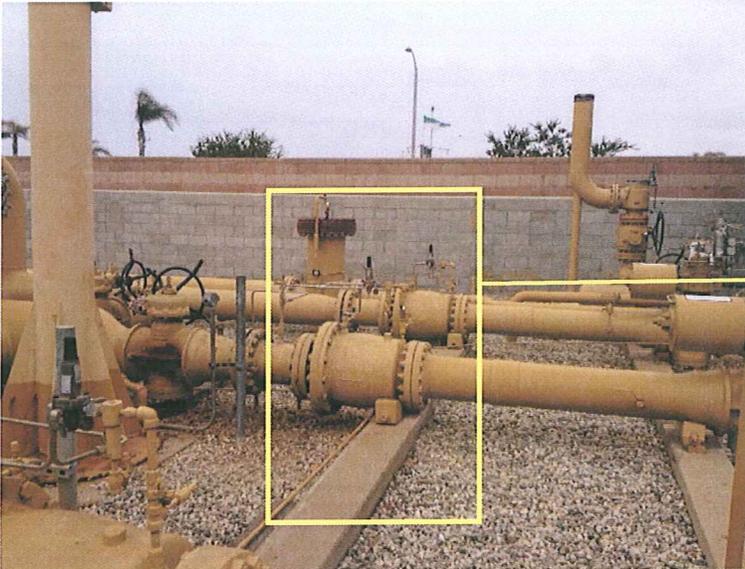
**Description:** AESHB will make arrangements with the Southern California Gas Company (SoCalGas) to flange off the fuel supply to EMHB Units 3 & 4 and purge the lines. Purging the gas supply lines must occur prior to any other Retirement Plan activity for safety. The following pictures show the location and describe the actions and steps in detail.



**Unit # 3 Gas Yard Supply:**  
The lines will be flanged and the valves removed as SoCalGas determines is safe and consistent with industry standards.



**Unit # 4 Gas Yard Supply:**  
The lines will be flanged and the valves removed as SoCal Gas determines is safe and consistent with industry standards.

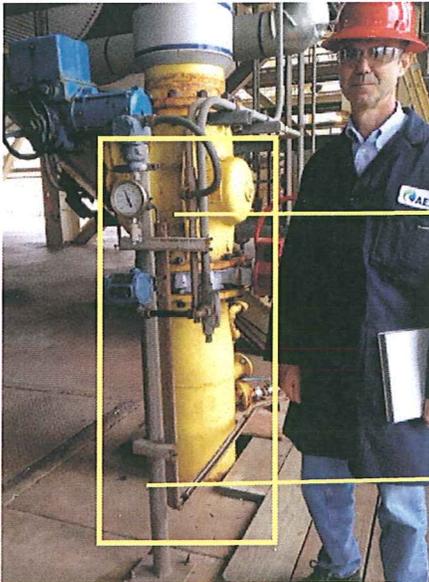


**Units 3 & 4 Gas Valves:**  
SoCalGas will also flange off the gas supply lines and remove the valves shown in this picture for EMHB Units 3 & 4.

**Responsibility and Timing:** AESHB will make arrangements for SoCalGas to complete this work on or before November 1, 2012. The gas lines must be purged prior to the subsequent actions described in detail below to render the EMHB Units permanently inoperable.

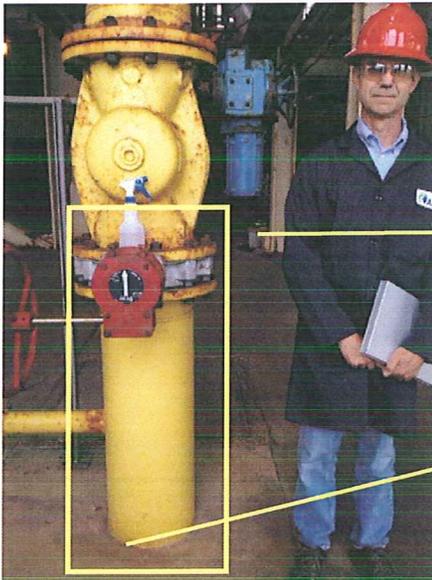
**2. Sever the Fuel Supply Lines to Each Unit & Fill with Concrete**

**Description:** To eliminate any future supply of natural gas to each unit, the unit specific supply lines will be cut at ground level and blanked off. A minimum of two cubic yards of concrete will be poured to fill the below-ground pipe. This action is not repairable and will prevent future use of these natural gas pipelines to supply either EMHB Unit 3 or 4. The following describes this action in detail.



**Unit 3 Gas Supply Line:**  
AESHB will cut this line and blank it above ground level.

**Unit 3 Gas Supply Line:**  
The gas supply will be severed at ground level and the below ground pipe will be filled with a minimum of two cubic yards of concrete.



**Unit 4 Gas Supply Line:**  
AESHB will cut this line and blank it above ground level.

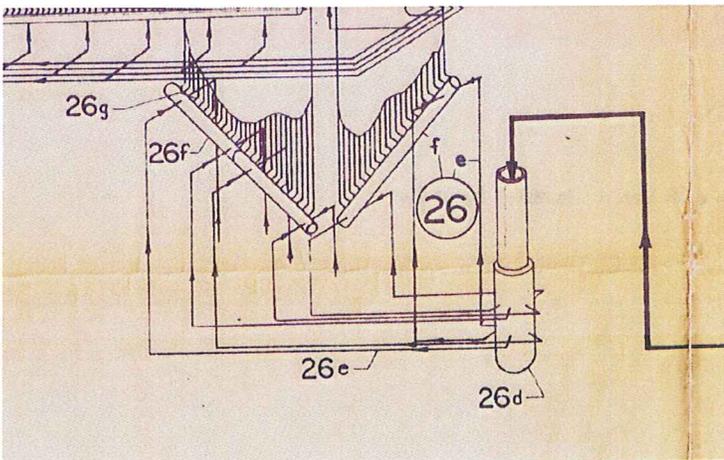
**Unit 4 Gas Supply Line:**  
The gas supply will be severed at ground level and the below ground pipe will be filled with a minimum of two cubic yards of concrete.

**Responsibility & Timing:** AESHB will complete the work after the natural gas lines are purged and prior to November 9, 2012.

### 3. Remove Hopper Walls & Sever Headers

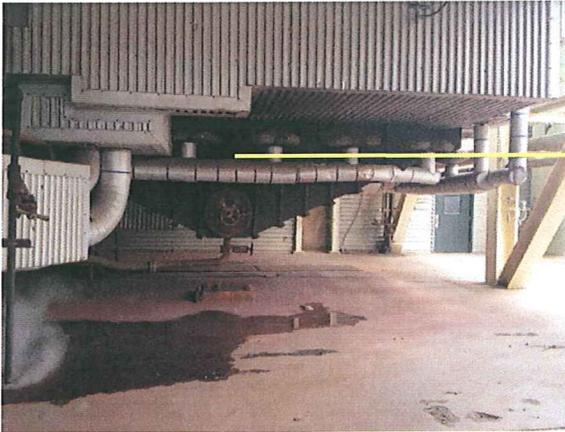
**Description:** AESHB will remove the hopper walls (two per unit) and sever the four headers on each hopper. Removing the hopper walls results in the loss of the fireside enclosure and exposes the furnace volume to the atmosphere eliminating the ability to conduct controlled combustion. Also, separating the lower boiler ring headers from their water supply starves the boiler walls of their cooling source and eliminates the possibility of producing steam. The boilers cannot be operated after this has been performed.

Below is an excerpt from the HB Units 3 & 4 Flow Diagram that shows the hopper.



**Unit 3 North Headers:**  
AESHB will sever all four headers in each hopper wall.

**Unit 3 North Hopper Wall:**  
AESHB will remove the wall shown in outline on the picture.



**Unit 3 South Hopper Wall & Headers:**  
AESHB will remove the hopper wall and sever the four headers shown in the picture.



**Unit 4 North Hopper Wall & Headers:**  
AESHB will remove the hopper wall and sever the four headers shown in the picture.

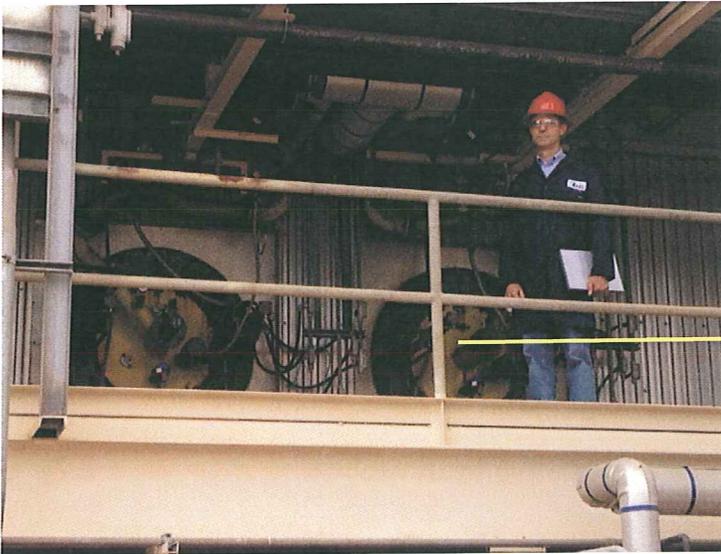


**Unit 4 South Hopper Wall & Headers:**  
AESHB will remove the hopper wall and sever the four headers shown in the picture.

**Responsibility & Timing:** AESHB will complete the work after the natural gas lines are purged and prior to November 9, 2012.

**4. Remove Eight Front-Side Burners from Each of Units 3 & 4**

**Description:** AESHB will remove eight (8) burners from front-side of the units, and we will remove the burners from the Huntington Beach site. EMHB will transfer their ownership to another AES entity. The boilers cannot operate without the burners.



**Unit 3 Remove (8) Burners:**  
AESHB will remove all eight of the burners. Two of the Unit 3 burners are shown in this picture, and the eight, as shown in the next picture will be removed from both Units 3 & 4.



**Unit 4 Remove (8) Burners:**  
AESHB will remove all eight of the front-side burners. ★ symbols show the location of the eight burners that will be removed from the boilers and the site.

**Responsibility & Timing:** AESHB will complete the work after the natural gas lines are purged and prior to November 9, 2012.

### 5. Gouging the Main Steam and Reheat Lines

**Description:** AESHB will gouge the reheat and main steam lines that run from the boilers to the steam turbines of both Units 3 & 4 using either carbon arc gouging or plasma cutting below the structural supports as shown in the following pictures. This will result in permanent metallurgical changes to the pipe material that destroy their structural integrity and render them permanently inoperable. Unit 3 & 4 steam turbines cannot operate without steam delivered through these supply lines. The pipes above the structural supports will not be arc gouged or plasma cut to ensure adequate support remains for safety reasons. The proposed use of an “x” shaped pattern will render the main steam and hot reheat piping systems completely inoperable. Appendix B to this plan is a letter from George Galanes, an engineering manager at Midwest Generation (an Edison Mission Energy affiliate), who is a Professional Engineer and a member of the ASME Boiler and Pressure Vessel Code Standards committee for Power Boilers Section I. This letter (Appendix B) describes in detail the steps to render EMHB Units 3 & 4 inoperable.



**Unit 3 Reheat Line Gouging:**  
AESHB will gouge these lines as described in Appendix A in an “x” shaped pattern below the structural supports and render them permanently inoperable.



**Unit 3 Main Steam Line Gouging:**  
AESHB will gouge these lines as described in Appendix A in an "x" shaped pattern below the structural supports and render them permanently inoperable.



**Unit 4 Reheat & Mail Steam Line Gouging:**  
AESHB will gouge these lines as described in Appendix A in an "x" shaped pattern below the structural supports and render them permanently inoperable.

**Responsibility & Timing:** AESHB will complete the work after the natural gas is purged from the gas lines and prior to November 9, 2012.

**APPENDIX A**

# EDISON MISSION HUNTINGTON BEACH, LLC

\_\_\_\_\_, 2012

Mr. Mohsen Nazemi  
Deputy Executive Officer  
Engineering and Compliance Office  
South Coast Air Quality Management District  
21865 Copley Drive  
Diamond Bar, CA 91765

**Subject: Edison Mission Huntington Beach Units 3&4, Facility ID #167432**  
**Irrevocable Surrender of Permit to Operate**

Dear Mr. Nazemi:

Edison Mission Huntington Beach, LLC (EMHB) hereby surrenders its Permits to Operate the following equipment:

Description	SCAQMD Facility Permit to Operate ID #
Unit 3 Boiler	D98
CO Oxidation Catalyst No. 3	C101
Selective Catalytic Reduction No. 3	C102
Unit 4 Boiler	D104
CO Oxidation Catalyst No. 3	C107
Selective Catalytic Reduction No. 3	C108
Stack serving Boilers 3 & 4	S110
Urea reactor, No. R-104 serving SCR Nos. 3 & 4	D111/D112
Urea Storage Tank	D97

EMHB certifies that the above units are permanently shut down and that any re-start or operation of such units shall require new Permits to Construct and be subject to all requirements of nonattainment New Source Review and, if applicable, the Prevention of Significant Deterioration program.

Sincerely,

\_\_\_\_\_  
Vice President

STATE OF CALIFORNIA

COUNTY OF ORANGE, TO WIT:

I, \_\_\_\_\_, a notary public of said County, so certify that  
\_\_\_\_\_, who signed the writing hereto annexed, bearing the date  
the \_\_\_ day of \_\_\_\_\_, 2012, for Edison Mission Huntington Beach, LLC, a Delaware  
limited liability company, has this day in my said County, before me acknowledged said  
writing to be the act and deed of said company.

Given under my hand this \_\_\_ day of \_\_\_\_\_, 2012.

My commission expires: \_\_\_\_\_

\_\_\_\_\_  
Notary Public

**APPENDIX B**

May 30, 2012

Jenifer Morris Lee  
Vice President  
Edison Mission Huntington Beach, LLC  
3 MacArthur Place, Suite 100  
Santa Ana, CA 92707

Weikko Wirta  
Plant Manager  
AES Huntington Beach, LLC  
21730 Newland St.  
Huntington Beach, CA 92646-7612

**Subject: Edison Mission Huntington Beach, LLC (Facility ID No. 167432)  
Engineering Recommendations for Permanent Retirement of Unit 3 and Unit 4  
Main Steam and Hot Reheat Steam Lines**

Dear Ms. Lee and Mr. Wirta:

At your request, and in support of the permanent retirement plan reference document for Edison Mission Huntington Beach, LLC (EMHB) submitted by EMHB and Walnut Creek Energy, LLC, dated May 30, 2012, this letter contains engineering recommendations for permanent retirement of the Unit 3 and Unit 4 main steam and hot reheat steam lines at EMHB. Permanent retirement of the steam lines will consist of either plasma or arc gouging an x-shaped cross through-wall in the steam line at locations referenced in the EMHB Retirement Plan. This type of through-wall pattern will result in permanent changes to the pipe base material properties from the heat of arc gouging or plasma cutting methods, and render the steam lines inoperable.

The x-shaped cross pattern was sized based on review of original pipe design information to optimize removal of pipe material from loss of area to ensure adequate remaining pipe deadweight load carrying capability for safety purposes (similar to area reinforcement principles used in ASME B&PV Code calculations). The following are recommended sizes for the x-shaped cross patterns:

**Main Steam Line** – original outer diameter was reported to be 13” with a wall thickness of 2.50”.

The x-shaped cross shall encompass an area on the pipe OD surface - 12” wide x 10” in height. The individual lines forming the cross shall be 1/2” wide or less and completely through-wall of the pipe and shall contain rounded corners to reduce stress concentration.

**Hot Reheat Steam Line** - original outer diameter was reported to be 24” with a wall thickness of 0.924”. The x-shaped cross shall encompass an area on the pipe OD surface – 14” wide x 9” in height. The individual lines forming the cross shall be 1/2” wide or less and completely through-wall of the pipe, and shall contain rounded corners to reduce stress concentration.

The use of the cross-shaped pattern will render the pipe completely inoperable.

Sincerely,



George Galanes, P.E. (Licensed in Illinois, #062-057125)  
Manager, Metallurgy and QA

