

**CEQA
NOTICE OF PREPARATION**

**TO: Interested Agencies,
Organizations and Individuals**

**FROM: Bay Area Air Quality
Management District
939 Ellis Street
San Francisco, CA 94109**

**SUBJECT: NOTICE OF PREPARATION OF AN
ENVIRONMENTAL IMPACT REPORT**

The Bay Area Air Quality Management District (District) is the Lead Agency under the California Environmental Quality Act (CEQA) for the following proposed project: Pacific Gas and Electric Company's (PG&E) Alternative Compliance Plan (ACP). The ACP involves the use of Interchangeable Emission Reduction Credits (IERCs) to comply with the emission standards of District Regulation 9, Rule 11: Nitrogen Oxides And Carbon Monoxide from Utility Electric Power Generating Boilers.

The District has determined that the project identified below could not have a significant effect on the environment. Therefore, an environmental impact report (EIR) is not required, and a negative declaration is sufficient to comply with CEQA. Nevertheless, the District is planning to prepare an EIR for the project identified below because, pursuant to an agreement between PG&E and certain third parties concerning the IERCs and the ACP, PG&E has requested that the District prepare an EIR. The purpose of this Notice of Preparation is to seek the views of your agency or organization as to the scope and content of the proposed EIR in connection with the proposed project.

Due to the time limits mandated by State law, your response must be submitted at the earliest possible date, but not later than 30 days after receipt of this notice.

Please send your response to Barry G. Young, Supervising Air Quality Engineer, at the address shown above or at byoung@baaqmd.gov. We will need the name of a contact person in your organization.

Project Title: Approval of Alternative Compliance Plan to permit Pacific Gas and Electric Company to use Interchangeable Emission Reduction Credits at its Hunters Point Power Plant facility to Comply with the Emission Standards of Bay Air Quality Management District Regulation 9, Rule 11.

Project Location: Hunters Point Power Plant, 1000 Evans Avenue, San Francisco, California, 94124.

Project Description: The Bay Area Air Quality Management District is conducting a review of the ACP proposed by PG&E, for its Hunters Point Power Plant facility located in San Francisco, California, to assess the potential significant adverse

impacts of approving the ACP. The ACP addresses the means that PG&E proposes to use to comply with the emission standards of District Regulation 9, Rule 11.

Under the proposed ACP, PG&E intends to use IERCs to comply with the emission standards of District Regulation 9, Rule 11. IERCs have been granted (and additional IERCs may in the future be granted) to PG&E as a result of voluntary reductions of emissions of oxides of nitrogen (NO_x), calculated using a baseline period of January 1, 1992 through December 31, 1996, in accordance with District Regulation 2, Rule 9. These IERCs may be used (if such use is approved) to supplement control equipment previously added to show compliance with NO_x standards of any rule in Regulation 9. Use of IERCs, if approved, would be limited to 100 tons in 2004 and 175 tons in 2005.

Date

William Norton
Air Pollution Control Officer/
Executive Officer