

OCT 27 2014

HEARING BOARD
BAY AREA AIR QUALITY
MANAGEMENT DISTRICT
Sean Gallagher
Clerk of the Boards
Bay Area Air Quality
Management District

BEFORE THE HEARING BOARD
OF THE
BAY AREA AIR QUALITY MANAGEMENT DISTRICT
STATE OF CALIFORNIA

In the Matter of the Application of

) Docket No.: 3665

LOS ESTEROS CRITICAL ENERGY
FACILITY, LLC

) ORDER GRANTING EMERGENCY
VARIANCE

For a Variance from Regulation 2, Rule 1,
Section 307; Regulation 2, Rule 6, Section
307; and Permit Condition 23688, Parts 19.c.
and 22.

The above-entitled matter, being an Application for Emergency Variance (EV) from the provisions of Regulation 2, Rule 1, Section 307; Regulation 2, Rule 6, Section 307; and Permit Condition 23688, Parts 19.c. and 22, having been filed on October 7, 2014 after initial contact by telephone on October 3, 2014 at 6:17 p.m., and having been considered by the Hearing Board,

THE HEARING BOARD STATES as the reasons for its decision and FINDS as to those matters in which findings are required:

A. Applicant filed an application under the EV procedures, Hearing Board Rules, Section 2.5. Pursuant to Health and Safety Code Sections 42359 and 42359.5, and the Hearing Board determined that this Application properly could be ruled upon without notice and hearing. Prior to making this determination, and in accordance with Hearing Board Rules Section 2.5.d.2, the Hearing Board requested and received a response to this Application from the Executive Officer/Air Pollution Control Officer for the Bay Area Air Quality Management District (Air District). The Air District staff response recommended the

1 Application for EV be granted.

2 B. Applicant operates a combined cycle natural gas-fired power plant at 800
3 Thomas Foon Chew Way, San Jose, CA 95134.

4 C. Applicant is currently investigating the cause of the malfunction that lead to
5 significant increases in bias factors relative to measurements of ammonia slip through
6 continuous recording of the ratio of ammonia injection rate to the nitrogen oxides (NOx) inlet
7 rate into selective catalytic reduction control system. Preliminary indications are that the
8 oxidation catalysts installed on each gas turbine heat recovery steam generator train are not
9 achieving guaranteed levels of carbon monoxide (CO) performance.
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11 D. Applicant requested a variance period of October 3, 2014, at 6:17 p.m., to
12 November 2, 2014, at 6:16 p.m. (30 days) and estimates the following excess emissions
13 during that period:

14 CO 273.6 lbs/day

15 E. Compliance is beyond Applicant's reasonable control.

16 F. Closing down Applicant's operation would result in worse air pollution than
17 continuing operation. Applicant states Units 1 – 4 will only operate when required to generate
18 power at the request of Pacific Gas and Electric Company (PG&E) and will maintain
19 emissions of CO at 4.0 ppmvd @ 15% oxygen, or less, and thereby reduce emissions of CO to
20 the greatest extent feasible during the variance period. Applicant will also maintain
21 compliance with emissions of both NOx and ammonia (NH3) through the continued injection
22 of both water and NH3 at rates that will assure compliance within these limits.
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24 G. The Applicant does meet the good cause standard for issuance of an EV.

25 THEREFORE, THE HEARING BOARD ORDERS:

26 An Emergency Variance from Regulation 2, Rule 1, Section 307; Regulation 2, Rule
27 6, Section 307; and Permit Condition 23688, Parts 19.c. and 22, be and is hereby granted from
28

1 October 3, 2014, at 6:17 p.m., to November 2, 2014, at 6:16 p.m., subject to operation of
2 Units 1 – 4 only when required to generate power at the request of PG&E and at emissions of
3 CO at 4.0 ppmvd @ 15% O2 or less and maintaining NOx and NH3 through the continued
4 injection of both water and ammonia at rates that will assure compliance with these limits.
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6 Applicant shall monitor emissions and report them to the Air District.

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8 DATED: October 27, 2014

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11 Gilbert G. Bendix, P.E.
12 Hearing Board Member
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1 by hand-delivery deposit of same in the in-box of the District Counsel's office, on November
2 3, 2014.

3 DATED: November 3, 2014

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5 Sean Gallagher
6 Clerk of the Boards

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