



HAYWARD
CHAMBER of
COMMERCE

February 20, 2009

VIA ELECTRONIC AND U.S. MAIL

Mr. Weyman Lee
Senior Air Quality Engineer
Bay Area Air Quality Management District
939 Ellis Street
San Francisco, CA 94109

Re: **Draft Amended PSD Permit for Russell City Energy Center**

Dear Mr. Lee:

On behalf of the Hayward Chamber of Commerce, the largest and most broad based business representative in the City of Hayward, we urge you to expeditiously approve the prevention of significant deterioration (PSD) permits as proposed for the Russell City Energy Center (RCEC).

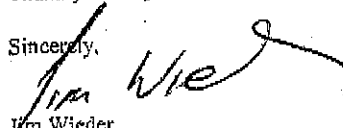
The RCEC has undergone a rigorous public permitting process involving over a dozen local, state and federal agencies that evaluated both the public safety and environmental impacts of the project. The California Energy Commission (CEC) issued a 224-page Decision in 2002 that covered 22 separate disciplines, including air and water quality, biological resources, noise, traffic and aesthetics. Ultimately the CEC imposed no fewer than 185 Conditions of Certification and concluded that the RCEC (1) results in no significant unmitigated environmental impacts, and (2) complies with all the applicable laws, ordinances, regulations and standards. Also, in 2002 the Hayward City Council voted 9 to 0 in favor of the project and in 2007 your agency issued the project a PSD permit finding that the project did not cause or contribute to any significant public health impacts in the community. Unfortunately, the permit was successfully appealed on an administrative technicality delaying the construction of a much needed and valuable infrastructure project.

The Chamber appreciates the new and thorough "Best Available Control Technology" (BACT) analysis the Bay Area Air Quality Management District (BAAQMD) has conducted on the facility and we are pleased that it refutes the misperception that RCEC will be using out-of-date technology. The District's revised BACT analysis demonstrates that the facility will achieve the maximum reductions achievable for all pollutants and during all periods of operation, including start-up events, which are subject to the most stringent emissions limits ever applied to start-up emissions. Additionally, for carbon dioxide, the District's BACT analysis represents the first time that a federal air permit would regulate pollutants linked to global warming. The economic benefits of the project are also equally as good. The project construction will create over a million hours of construction craft labor in addition to generating \$20 to \$25 million in sales and use tax revenue. On an ongoing basis the project will provide between 20 and 25 permanent and skilled operator and plant management positions and an estimated \$4 million in annual property tax payments.

The ability of our businesses to prosper and compete in the global economy is linked to our community's ability to provide essential infrastructure and services and a clean environment. The RCEC project proves that we can create jobs, add to the City's tax base, and add needed infrastructure and not at a cost to the environment or public health. For these reasons, the Hayward Chamber of Commerce urges you to approve as quickly as possible the PSD permit for the RCEC.

Thank you for your consideration of our comments. If you should have any questions please contact me at (510) 247-2041.

Sincerely,


Jim Wieder
President/CEO
Hayward Chamber of Commerce