

September 21, 2004

Ms. Deborah Jordan, Director
Air Management Division
United States Environmental Protection Agency
75 Hawthorne Street
San Francisco, CA 94105

Dear Ms. Jordan:

The District has completed the evaluation of the following application for renewal of an Acid Rain and Major Facility Review Permit for:

Plant #	Plant Name	Address, City	Type of Operation
A0024	Pacific Gas & Electric	1000 Evans Avenue. San Francisco, CA 94124	Generation of Electricity

The public comment procedures for this permit have been completed as follows: The public notice for this permit was published in the San Francisco Chronicle on March 29, 2004. The notice stated that the end of the public comment period was May 13, 2004, but the public comment period was later extended to May 25, 2004. The notice announced a public hearing on May 4, 2004, at the Milton Meyers Auditorium at 195 Kiska Road, San Francisco, CA from 6:30 p.m. to 9 p.m., which was held as planned. Written comments were also received from the public and various agencies.

In response to public comment, the District is including in the permit Part 9 of Condition No. 15815 and Part 2 of Condition No. 16239, which will require PG&E to shut down Unit 1 (Sources S-1 and S-2) and Unit 4 (Source S-7), respectively, when those sources are no longer subject to, or operated pursuant to, a Condition 2 Reliability Must Run Agreement or equivalent from the California Independent System Operator.

A Compliance Assurance Monitoring (CAM) plan was added for sources S1 and S2, Turbines, in response to a verbal comment from EPA. The facility submitted the CAM plan on May 21, 2004, with a copy to EPA. The plan has been implemented in BAAQMD Condition 15815. The main additions to the condition are the flowmeter accuracy requirement in part 3c and a flowmeter calibration requirement in part 3d. Although the flowmeter accuracy requirement is new, the existing flowmeters meet the requirement. The continuous measurement and daily recordkeeping of water-to-fuel ratio were part of the existing monitoring. The water-to-fuel ratio is the same one in use prior to imposition of the CAM plan. The only wholly new addition is the requirement to test for nitrogen in the fuel.

The following correction was also made. Standard Condition I.L.1 was amended to correct the allowance transfer deadline in accordance with 40 CFR 72.2, as amended on December 11, 1998.

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**EXECUTIVE
OFFICER/APCO**

The District has not made any other changes due to comments. The District is transmitting the permit to EPA for review. Enclosed for your information is a copy of the proposed permit and the evaluation report/statement of basis. The comments and response to comments are available on the District's website. If you have any questions regarding this project, please call Steve A. Hill, Permit Evaluation Section Manager, at (415) 749-4673.

Very truly yours,

Jack P. Broadbent
Executive Officer/
Air Pollution Control Officer

SAH:BFC:myl
Enclosures

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