



CALPINE CORPORATION

LOS ESTEROS CRITICAL ENERGY FACILITY
800 THOMAS FOON CHEW WAY
SAN JOSE, CA 95134
408.635.1300 (O)
408.635.1312 (F)

April 19, 2012

Mr. Jim Karras
Permit Services Division
Bay Area Air Quality Management District
939 Ellis Street
San Francisco, CA 94109

Re: Los Esteros Critical Energy Facility
Facility #B3289
Proposed Major Facility Review Permit

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BAY AREA AIR QUALITY
MANAGEMENT DISTRICT

Dear Mr. Karras:

Thank you for the opportunity to review and comment on the proposed Major Facility Review permit for the Los Esteros Critical Energy Facility (LECEF). Our comments are detailed below:

1. Table II - B: The emission limits for NO_x, CO and POC are listed as “3-hr average”.

Revise the wording to “1-hr average”.

2. Table IV - A. The combustion turbines have been in operation prior to the 40 CFR 60 Subpart KKKK regulations were implemented. LECEF combustion turbines are subject to 40 CFR 60 Subpart GG and Subpart Db.

Remove references to 40 CFR Part 60 Subpart KKKK from
Table IV - A.

3. Table IV - B 40 CFR Part 63.6640(a) has specific requirements that are not listed elsewhere in a permit condition and should be included in the table.

Revise the description of the requirement to include:

“Demonstrate compliance with the following RICE requirements:

1. Change oil and filter every 500 hours of operation or annually, whichever comes first. Oil analysis program may be used to extend period.
2. Inspect air cleaner every 1000 hours of operation or annually, whichever comes first.
3. Inspect all hoses and belts every 500 hours or annually, whichever comes first, and replace as necessary.

4. Table IV - B 40 CFR Part 63.6640(b). The description infers that there are applicable reporting requirements, however none exist.

Delete, or revise the description to: "Report deviations from the emission or operating limitation in Table 2d (note that there are no applicable emissions or operating limitations for this source).

5. Table IV - B 40 CFR Part 63.6640(e). Per the regulation, an existing emergency stationary RICE, located at a major source of HAP emissions are not subject to Table 8 in the regulation.

Delete the requirement from the table.

6. Table IV - B 40 CFR Part 63.6655(d) has specific requirements that are not listed elsewhere in a permit condition and should be included in the table.

Revise the description of the requirement to include:
"The owner/operator must keep records to show continuous compliance with the RICE operating limits of 100 hours/yr (testing and maintenance) and 50 hrs/yr (non-emergency operations).

7. Table VII - A The emission limits for NOx, CO and POC are listed as "3-hr average".

Revise the wording to "1-hr average".

8. Table VIII The Part 19 source test methods are incorrect.

Add general comment to all source test entries, "or other method approved by the District".

The comments listed above are intended to make the requirement tables consistent with the language of the permit. Again, we appreciate the opportunity to review and comment on this permit. If you have any additional questions, please do not hesitate to call Rosemary Silva, EHS Specialist, at 408-361-4954.

Sincerely,



Terry Mahoney
Authorized Signatory and General Manager
Los Esteros Critical Energy Facility, LLC.

cc: David Williams Calpine Corporation
Barbara McBride Calpine Corporation
Brenda Cabral BAAQMD