

October 27, 2006

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

Dear Ms. Jordan:

This is to advise you that the Bay Area Air Quality Management District is proposing a Significant Revision of the Major Facility Review (MFR) Permit for Facility #B4415

**ALAMEDA COUNTY**  
Tom Bates  
Scott Haggerty  
Janet Lockhart  
Nate Miley

**CONTRA COSTA COUNTY**  
Mark DeSaulnier  
Mark Ross  
(Vice-Chair)  
Michael Shimansky  
Gayle B. Uilkema  
(Chair)

Application Numbers	Facility Number	Facility Name	Address, City	Type of Operation
11002	B4415	Gilroy Energy, LLC for the Lambie Energy Center	5975 Lambie Road Suisun City, CA 94585	Generation of Electricity

**MARIN COUNTY**  
Harold C. Brown, Jr.

The main purpose of the proposed significant revision (Application # 11002) is to change permit conditions that have been revised under NSR application 11003. The proposed permit condition changes include the following:

**NAPA COUNTY**  
Brad Wagenknecht

**SAN FRANCISCO COUNTY**  
Chris Daly  
Jake McGoldrick  
Gavin Newsom

1. Amend the definition of "hour" to "clock hour" since the facility's continuous emission monitors operate on a clock hour basis.
2. Condition #20134, part 18.2: Revise the ammonia slip monitoring language to agree with standard language in other Calpine power plant permits. The revised language will allow the use of a District-approved calculation method to monitor ammonia slip. This is not a relaxation of monitoring, but replaces the original calculation method that was inaccurate.
3. Condition #20134, part 24. Change the required source test frequency for the gas turbine from annual to every 8000 hours of gas turbine operation or once every 3 years, whichever comes first. This is a relaxation of monitoring and therefore is considered a significant revision pursuant to Regulation 2-6-226.3.

**SAN MATEO COUNTY**  
Jerry Hill  
(Secretary)  
Carol Klatt

**SANTA CLARA COUNTY**  
Erin Garner  
Yoriko Kishimoto  
Liz Kniss  
Patrick Kwok

**SOLANO COUNTY**  
John F. Silva

All proposed permit revisions are clearly shown in ~~strikeout~~ and underline formatting in the proposed permit.

**SONOMA COUNTY**  
Tim Smith  
Pamela Torliatt

The District has made a preliminary decision to issue the Significant Revision to the Major Facility Review Permit, but the final decision on the permit issuance will consider public and EPA comments on this preliminary decision. The notice inviting written public comments will be published in The Daily Republic. The final date for comments is December 4, 2006.

Jack P. Broadbent  
**EXECUTIVE OFFICER/APCO**

Enclosed for your information is a copy of the proposed permit and the statement of basis. If you have any questions regarding this project, please call Barry Young, Air Quality Engineering Manager, at: (415) 749-4721, fax (415) 749-5030.

Very truly yours,

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Jack P. Broadbent  
Executive Officer/Air Pollution Control Officer

Enclosures:

JPB:BFB:vch