

April 23, 2007

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

Dear Ms. Jordan:

This to advise you that the Bay Area Air Quality Management District is issuing a significant revision to the Major Facility Review Permit for the following facility.

Facility	Facility Name	Application	Permit Engineer	City	County
B4511	Gilroy Energy Center, LLC	10471	A. Chiu	Fairfield	Solano

The purpose of the revision (Application #10471) was to incorporate amendments to permit conditions that the District approved in January 2005, under permit application 10472. The District considered the revision to be significant because it includes a reduction in the required source test frequency for the gas turbine from annually to once every 8000 hours of 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. In addition, the proposed revision includes the following changes that were instituted under application 10472:

1. Clarify the definition of hours to "Clock" hours with any consecutive 60 minute period "beginning on the hour"
2. Condition #19684, 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. In addition, the basis of the permit condition will be changed from "BACT" to "TRMP" (Toxic Risk Management Plan), since the ammonia slip limit was based upon the District health risk assessment policies and not the BACT provision of NSR.
3. Condition #19684, part 21: Account for increase of emissions from 4 hours of engine startups by increasing NOx and CO from 109 lb/day and 159 lb/day to 121 lb/day and 163 lb/day, respectively.
4. Condition #19684, part 21: Applicant wants to maintain the flexibility to operate the turbine up to 8,760 hrs/yr while maintaining NOx limit of 14.7 tpy, and increase CO, POC, and PM10 limits to 29.2 tpy, 5.5 tpy, and 13.1 tpy, respectively.
5. Condition #19684, part 22: Amend heat input limit from 3,250,000 MM Btu/yr to 4,380,000 MM Btu/yr to reflect turbine usage hours of 8,760 hrs/yr.

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Janet Lockhart
Nate Miley

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SONOMA COUNTY
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(Secretary)

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

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6. Condition #19684, 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.

The public comment period ended on March 9, 2007. The EPA comment period ended on March 16, 2007. No comments on this proposed significant revision were received from the public, EPA, or the facility.

The District has decided to issue the revised permit incorporating the proposed significant revision. The final permit can be viewed and/or downloaded on the BAAQMD website at http://www.baaqmd.gov/pmt/title_v/public_notices.htm. We will also send the final permit via the Electronic Permit Submittal System. If you have any questions regarding this permit, please call Barry Young, Air Quality Engineering Manager, at: (415) 749-4721.

Sincerely yours,

Signed by Jack P. Broadbent

Jack P. Broadbent
Executive Officer/Air Pollution Control Officer

JPB:BFB:DTJ

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