

The District received comments from four different entities or persons. Issues and questions raised in each of the comment letters received are paraphrased below along with the District's response.

General

1. **Comment:** *"This project was originally approved as a repowering project but to the public that status is now uncertain with the new name Humboldt Bay Generating Station.*
“

NCUAQMD Response: The Permittee has requested that the name of the facility be changed during this permit revision. The old name, Humboldt Bay Repowering Project is now the Humboldt Bay Generating Station. However, the number and types of devices are unchanged, and the types and quantities of emissions allowed to be emitted from the devices remain unchanged from the original ATC/PSD/FDOC permit.

2. **Comment** *"The old application was listed as a title V permit but it is not clear what type of permit the District is now providing notice for." If the permit application is a PSD permit there is no current information in this application to determine whether the proposed project complies with current State and Federal PSD requirements."*

NCUAQMD Response: The project description section of both the permit and in the Engineering Evaluation for the project specifically states that the proposed permit is a revision to an Authority to Construct Permit and a Prevention of Significant Deterioration Permit previously issued by the District. The Project Description section of the engineering evaluation indicates that the PSD requirements have been satisfied and that a BACT determination has been made. Reference is also made to the original ATC/PSD/FDOC.

3. **Comment** *"The North Coast Air Quality Management District has made approval of this project a very misleading and complex process for the public which requires review of documents no longer available on the Districts Website. I formally ask for an extension of time to comment on this new permit and have the district supply all pertinent documents on its website in a cohesive organized manner which makes the project easier to understand. I would also request a public hearing on this new permit to better understand the Districts actions on this permit and give the public an opportunity to question the District in a public forum. As described later in this document I commented on the first permit issued for this project but received no public notice of the current action."*

NCUAQMD Response: The District acknowledges the complexity of the project. In order to facilitate public review, the District made the project review documents, including applications, evaluation, notices, and proposed permit, available on the District web site. It should be noted, that there is no statutory requirement for the District to provide project information on the web site. As of the date this response was prepared (October 22nd 2009) the documents remain available on the web site at the following address

<http://www.ncuaqmd.org/files/permits/HBRP%20FDOC%20Engineering%20Evaluation%20Package%204-11-08.pdf>. All project information maintained in the District files was available for viewing at the District office during the public comment period. In addition, copies of the application, draft permit, engineering evaluation, and public notice were on display in the lobby of the District office.

- 4. Comment** *“The projects compliance with PSD regulations and other federal and state ambient air quality requirements is based on certain operating limits. The projects compliance with the California NO₂ standard is based on NO_x emissions not exceeding 392 lb/hr for the ten dual-fuel engines as required in condition AQ-92. The project compliance with PSD and State and Federal AAQS is predicated on the PM₁₀/PM_{2.5} emissions from the project not exceeding 1,542 lb/day for the ten dual-fuel engines at any time as required by condition AQ-104. The Diesel fuel firing limitation in diesel mode even during natural gas curtailments is 1,087,630 gallons per year which is equivalent to 148,900 MMBtu/yr as required by conditions AQ-96 and AQ-98. Diesel mode operation is limited by condition AQ-138 to 1,000 engine-hrs per year for any purpose, including natural gas curtailment.*

Natural gas curtailments are dictated by the CPUC, and “local capacity” or “must-run” requirements from CAISO to meet electrical demands in the region could force the HBGS to operate at all times during natural gas curtailments.¹ If lengthy or severe curtailments occur emissions from the project could exceed the NO_x and PM₁₀/PM_{2.5} limits and the diesel fuel firing limitations.² The existing power plant has historically required more than 148,900 MMBtu/yr of liquid fuel which is all that is allowed under the current proposed permit. The Liquid Fuel Consumption of the current plant is shown in the table below from the CEC Final Staff Assessment. There is substantial evidence that the proposed project will need to consume more diesel fuel than allowed by the proposed permit and the projects diesel fuel consumption and emissions must be evaluated for the worst case scenario because the permit will not be able to limit the project when CAISO requires the plant to run in diesel mode during a natural gas curtailment “

NCUAQMD Response: The operational limits established in the Authority to Construct and Prevention of Significant Deterioration Permit are Federally enforceable limits which cannot be preempted by the CAISO. Air quality permits frequently contain emissions limitations below the potential amount theoretically possible by the equipment being permitted. Excedances of these limits may be violations of federal, State and/or local regulations. The IC Engines identified in this permit may only operate for 1,000 hours per year and may only consume 148,900 MM Btu of liquid fuel per year for maintenance and testing purposes and during natural gas curtailment periods.

- 5. Comment** *“The District is aware of the projects inability to comply with the permit*

¹ California Energy Commission Final staff assessment page 4.1-43
<http://www.energy.ca.gov/2007publications/CEC-700-2007-020/CEC-700-2007-020-FSA.PDF>

² California Energy Commission Final staff assessment page 4.1-43
<http://www.energy.ca.gov/2007publications/CEC-700-2007-020/CEC-700-2007-020-FSA.PDF>

conditions in the event of a natural gas curtailment and the District also knows that a natural gas curtailment is reasonably foreseeable. The permit must provide a PSD and an ambient air quality assessment for the projects emissions in emergency mode that will be required by CALISO for reliability.”

NCUAQMD Response: The operational limits established in the Authority to Construct and Prevention of Significant Deterioration Permit are Federally enforceable limits which cannot be preempted by the CAISO.

6. **Comment** *“PG&E owns a facility in Contra Costa County the Gateway Generating Station that is currently undergoing compliance review at the California Energy Commission. The project is the subject of an FNOV and a proposed consent decree which is undergoing a public comment period.³ At the present time the project is not in compliance with State and Federal Air Quality Regulations and will not be in compliance until the activities required by the consent decree are completed. NCAQMD cannot approve the permit until the project owner PG&E completes the requirements of the consent decree and comes into compliance with these new air quality requirements. The existing Humboldt power project has violated its emission limits under the Clean Water Act for 12 quarters in a row according to the EPA ECHO Website.⁴*

NCUAQMD Response: District Rule 110 §5.7 specifies that the owner or operator of a proposed new or modified source shall certify that all sources under its control in California are in compliance, or are on a schedule for compliance, with applicable emission limitations and standards. As of the date of the release of the proposed decision, PG&E has entered into a settlement agreement with the CEC. Therefore, PG&E complies with the requirements of District Rule 110 §5.7.

7. **Comment** *“Condition AQ-110 provides that “The existing generating units at Humboldt Bay Power Plant [NCUAQMD Permit Units NS-020 (Boiler #1), NS-21 (Boiler #2) and NS-57 (Turbines)] and any of the new HBRP HBGS reciprocating engines S-1 through S-10 shall not be in simultaneous operation for more than 180 calendar days, including their individual Commissioning Periods; and shall be shutdown and their Permits to Operate (PTOs) surrendered once engines S-1 through S-10 have successfully completed their Commissioning Phase as defined elsewhere in this permit.” Operation of the existing plant units and any engine or engines for any portion of a calendar day, shall accrue toward the maximum limit of 180 days Operation of the existing plant units and any engine or engines for any portion of a calendar day, shall accrue toward the maximum limit of 180 days.”*
North Coast Air Quality Management Districts Rule 8.8 states “ Where a new or

³http://www.usdoj.gov/enrd/ConsentDecreets/2060_r_Pacific_Gas_and_Electric_Company_CDFinal.pdf

⁴ <http://www.epa-echo.gov/cgi-bin/get1cReport.cgi?tool=echo&IDNumber=11000610278>

modified stationary source is, in whole or part, a replacement for an existing stationary source on the same property, the APCO may allow a maximum of ninety (90) days as a start-up period for simultaneous operations of the existing stationary source and the new source or replacement.”

NCUAQMD Response: The District identified this issue during the modification review process and stated in the evaluation:

“The applicant has indicated that the Commissioning Period will last one hundred eighty (180) days. District Regulation I, Rule 110 Section 8.8 limits simultaneous operation of the existing equipment and operation of the new or replacement equipment to a maximum of ninety (90) days. In order to be approved by the District, the Commissioning Plan required by condition 103 will fully describe the method and manner by which the applicant will comply with Section 8.8. In preliminary discussions with District staff at the time of publication, the applicant stated the following. *The engines will be split into two groups of five: Only one group will be commissioned at a time and the commissioning period should be 90 days or less for each group. After the first group completes commissioning, decommissioning of one of the existing boiler units will begin.* Accordingly, the Commissioning Plan requirements found in Condition #103 will be modified as follows.

~~123—103.~~ The Permittee shall develop, implement, and maintain a written Commissioning Plan for reciprocating engines S-1 through S-10 that describes specific procedures to be followed during the Commissioning Period. The Commissioning Plan shall be submitted ~~The Permittee shall submit a plan~~ to the NCUAQMD at least ~~four weeks~~ thirty (30) days prior to the first operation of the first of reciprocating engines S-1 through S-10, ~~describing the procedures to be followed during the Commissioning Period.~~ The plan shall include a description of each Commissioning Activity, the anticipated duration of each activity in hours, and the purpose of the activity. The activities described shall include, but not be limited to, the tuning of the reciprocating engines, the installation and operation of the SCR systems and the oxidation catalysts, the installation, calibration, and testing of the NOx and CO continuous emissions monitors, and any activities requiring the firing of each unit without abatement by an SCR system or oxidation catalyst. The plan shall provide that the reciprocating engines S-1 through S-10 shall be commissioned in two groups of five engines each; that each of the existing boilers [NCUAQMD Permit Units NS-020 (Boiler #1) and NS-021 (Boiler #2)] shall be replaced by one of the groups of engines; and that each boiler and its associated group of engines shall not be in operation simultaneously for more than 90 calendar days. Operation of a boiler and any of its associated engines for any portion of a calendar day shall accrue toward the maximum limit of 90 days applicable to that boiler. [40 CFR Part 63; NCUAQMD Rule 102 §5.0; Rule 110 Section 8.8]”

8. **Comment** “Condition AQ-138 in the current permit application does not contain the 510 engine hour limitation on diesel firing until a complete health risk assessment has been performed. The districts conditions must reflect the CEC Decisions restrictions on the project implemented to mitigate CEQA concerns.”

NCUAQMD Response: The North Coast Unified Air Quality Management District is the local agency with jurisdiction over the air emissions from the proposed project and operates independently of the California Energy Commission. The permit prepared by the District reflects all of the Federal, State, and Local air pollution regulatory requirements applicable to the project.

9. **Comment:** *“NCAQMD Rule 110 Section 6.2.2 Historic Actual Emissions requires the district to compute actual emissions from the existing plant by averaging the projects emissions over the two (2) year period immediately preceding the date of application. Table A-14 from the 2008 CARB almanac reports that NOx emissions from the PG&E Humboldt Power Plant are 435 tons per year in 2008.⁵ Table A-14 from the 2007 CARB Almanac reports that NOx emissions for the current facility for 2007 are 435 tons per year.⁶ The application date of this filing is April 2009 which makes the projects historical annual emissions 435 tons of NOx per year. The permit allows emission reduction credits of 892 tons for the shutdown of the existing power plant. The actual amount of reduction is 435 tons per Rule 110 Section 6.2.2 and this should be reflected in the current permit.”*

NCUAQMD Response: NCUAQMD Rule 110 Section 6.2.2 provides that “Historic Actual Emissions means actual emissions averaged over the two (2) year period immediately preceding the date of the application. If the last two (2) years are unrepresentative of normal operations as determined by the APCO, then two (2) consecutive years of the last five (5) years may be used.” The application for this project was submitted in September 2006. Therefore, the proceeding two-year period used to determine the emissions was 2004-2005. The District has confirmed the average NOx emissions reported to the District for the 2004-2005 time period to be 892 tons per year. The District cannot confirm the origination of the 435 tons per year emissions reported in Table A-17 of the 2007 CARB Almanac.

10. **Comment** *“The project has not demonstrated compliance with PSD requirements for PM 2.5. The project’s PSD analysis was performed by Atmospheric Dynamics in March of 2008 and used the so called PM-10 surrogate approach where compliance with the federal PM2.5 standards was demonstrated through compliance with the PM10 standards. EPA has decided to repeal its recently adopted provision in 40 C.F.R. 52.21 (i) (1) (xi) that directs permitting agencies to use the so called surrogate approach in addressing PM 2.5 compliance issues.⁷ This grandfathering exemption is no longer available and has been stayed pending EPA rulemaking to revoke this exemption. See 74 Fed. Reg. 48153 (Sept. 22, 2009). The PSD and ambient air quality analyses must now*

⁵ http://www.arb.ca.gov/aqd/almanac/almanac08/excel/tableA_14.xls Table !-14

⁶ http://www.arb.ca.gov/aqd/almanac/almanac07/excel/tableA_14.xls Table A-14

⁷The granting of reconsideration and the issuance of the stay were made by letter from the EPA Administrator dated April 24, 2009, and in a subsequent Federal Register Notice dated June 1, 2009 (74 Fed. Reg. 26098). Before Section 52.21(i)(1)(xi) was adopted, the *status quo* was to follow published EPA policy guidance mandating the use of the surrogate approach, and there may be an argument that with Section 52.21(i)(1)(xi) stayed the situation should revert to that *status quo*. But the Administrator made clear in her letter that EPA considers that policy “no longer substantially justified . . .” and will propose to repeal it

demonstrate that the facility will use BACT to control PM 2.5 emissions and conduct an Air Quality Impact Analysis showing that the facility will not contribute to an exceedance of the PM 2.5 NAAQS for annual and 24 hour standards.”

NCUAQMD Response: The permitting approach taken by the District during the initial permitting of this facility was consistent with EPA policy and interpretation. The proposed modifications to this permit are administrative in nature and are not changing any emissions thresholds. Therefore, a revision to the original air quality analysis is not warranted.

11. Comment *“The permit proposes a NOx to PM 2.5 ratio of 3.58 to 1. The District has allowed HBGS to offset PM2.5 emissions by substituting NOx emission reductions at a 3.58 to 1 ratio. EPA, in its implementation of the new source review program for PM2.5, determined a preferred ratio of 100 to 1 (NOX tons for PM2.5 tons) for areas in the western United States.⁸ The projects interpollutant ratio must be adjusted for the guidance in the new PM 2.5 regulations that became effective in May of 2008.”*

NCUAQMD Response: The ATC/PSD/FDOC permit became final in April 2008. The inter-pollutant trading ratio of 3.58 to 1 used in the initial analysis of this permit was consistent with ARB guidance at the time of the review. The proposed modifications to this permit are administrative in nature and do not result in changes in the quantity of allowable emissions. Therefore, the inter-pollutant trading and offset calculations were not revisited.

12. Comment *“The proposed project has the potential to emit 504,223 metric tons per year of greenhouse gases.⁹ The proposed permit does not address CO2 emissions or controls. There have been several Federal PSD permits that have been failing for not considering whether CO2 is a pollutant “subject to regulation” under the Clean Air Act. See In re Deseret Power Elec. Coop., PSD Appeal No. 07-03 (EAB Nov. 13, 2008); In re Northern Mich. University Ripley Heating Plant, PSD Appeal No. 08-02 (EAB Feb. 18, 2009). EPA Region 9 also withdrew portions of the PSD Permit issued to Desert Rock Energy Company in order to reconsider the issue of whether CO2 is a pollutant subject to regulation. The NCAQMD must revise the proposed permit to explain the Districts position on BACT for CO2 so that the public can comment on the control levels selected or the Districts rationale for refusing to impose the Best Available Control Technology for CO2 Emissions.”*

NCUAQMD Response: The District has SIP approved authority to implement a Prevention of Significant Deterioration program in conformance with the Clean Air Act. Program elements are established in District Rule 110 and have been approved as part of the State Implementation Plan. Rule 110 does not require evaluation of CO₂

⁸ Federal register Notice dated May 16, 2008 page 28339 <http://www.epa.gov/fedrgstr/EPA-AIR/2008/May/Day-16/a10768.pdf>

⁹ California Energy Commission FSA. Page 4.1-36 Air Quality Table AQ-21 <http://www.energy.ca.gov/2007publications/CEC-700-2007-020/CEC-700-2007-020-FSA.PDF>

emissions. Additionally, the proposed changes to the permit are administrative in nature and do not result in changes to the allowable quantity of emissions.

13. Comment *“I received no notice for this permit even though I had previously commented on this permit at the adoption hearing for the project at the California Energy Commission.¹⁰ At that meeting Mr. Martin and Mr. Davis from the District responded to some questions I raised. I learned about this permit modification from a member of the CEC Staff last Wednesday and I am therefore requesting that I be given proper notice and 30 days to respond to the this permit as required by law. Why the district would not notify me when they specifically knew I was interested in this permit is inexcusable as notice is required by federal and state law to organizations and individuals who have expressed concern over a project and the Districts permitting actions. “*

NCUAQMD Response: The proposed decision was properly noticed in accordance with District Regulations. The District maintains a list of interested parties whom have requested to receive information regarding proposed actions involving Title V sources. All persons on the list were mailed a copy of the public notice. A public notice was properly issued in a local newspaper of daily circulation. Comments were received and reviewed in accordance with District Regulations.

14. Comment *“The multitude of names could serve to confuse and mislead the public. The District should settle on one name for the facility consistent with other agencies name for the facility and any name change(s) should result in the facility being fully processed as a new facility each time.”*

NCUAQMD Response: The privilege of naming the facility / project is left to the owner or operator of the facility. There have been a number of permits issued at the location over the past 40 year period. For record keeping purposes, common elements linking the permits include but are not limited to, physical address, facility identification number and AIRS number. The District maintains all of the information used during the review process for this permit in a consolidated format.

15. Comment: *“I would like to request an extension of the public comment period. Jason I. Davis The District employee identified on the notice "for further information" was apparently on vacation or away from the District during the time of the public comment period and not scheduled to return, according to his voice mail, until the last day for public comment. I called him on this the last day and reached his voice mail which indicated that he was unavailable. There is significant information that I would like to discover in this proceeding and other members of the public may have been discouraged from participating due to Mr. Davis's absence..”*

¹⁰ California Energy Commission Business meeting 9-24-08 pages 63-80
http://www.energy.ca.gov/business_meetings/2008_transcripts/2008-09-24_TRANSCRIPT.PDF

NCUAQMD Response: The proposed decision was properly noticed in accordance with District Regulations providing ample opportunity for members of the public to request additional information. Documents were available for inspection at the District office, and on the District web site. While Mr. Davis served as the lead evaluator for the proposed action, all of the documents prepared pursuant to the action are available for inspection in accordance with District policy and State and Federal Law. Qualified Staff were available during the entire comment period to provide information to the public.

16. Comment *“The California Energy Commission was the lead agency for California Power plant licensing of this facility. They are presently considering an amendment, it would be inappropriate for the District to close its public comment period before the CEC staff report on this matter. The public needs this vital information to participate in this proceeding. Chris Davis, CEC Compliance Project Manager informed me, “Staff hopes to finish up work on the Humboldt air quality staff analysis by the end of the month. Look for it to be published in November.” (ATTACHEDX) Is the District now the lead agency for this proceeding?”*

NCUAQMD Response: The North Coast Unified Air Quality Management District is the local agency with jurisdiction over the air emissions from the proposed project and operates independently of the California Energy Commission. The permit prepared by the District reflects all of the Federal, State, and Local air pollution regulatory requirements applicable to the project.

17. Comment: Paraphrasing – Condition #1 of the ATC / PSD indicates that the permit is issued pursuant to 40 CFR Part 70 and Regulation V. *“There appears little about this proceeding that complies with part 70 rules. most notably 40cfr 70.7”*

NCUAQMD Response: The District inadvertently referenced the Part 70 Program in several areas of the ATC/PSD permit issued on April 14, 2008. This revision is being made, in part, to clarify the permit and remove references to the Title V permit issued to this facility. A separate Major Modification application, review and public notification is underway for this facility.

18. Comment: *“There is no indication on the CEC website that the CEC received a Notice or the engineering evaluation for this amendment from the District. The District should provide Notice and a Copy of the Engineering Evaluation for this action and wait for CEC staff analysis of the amendment prior to closing the public comment period.”*

NCUAQMD Response: The North Coast Unified Air Quality Management District operates independent of the California Energy Commission and is under no obligation to wait for the CEC staff analysis prior to rendering a decision on the proposed action. The District has forwarded draft materials to the CEC for their review. The District has received comments from CEC on the proposed action, and the comments will be considered prior to formalizing a decision.

19. Comment: Paraphrasing from the comment - *“...the phraseology used in the*

notice is misleading". *"The Notice first paragraph states; "The air quality within the District meets all of the Federal and State of California health protective standards," This statement could satisfy reader to discontinue reading. it is followed by; "with the exception of the State standard for particulate matter ten (10) microns in size and smaller."*

NCUAQMD Response: The District acknowledges the comment. No response is necessary.

20. Comment: *"Also the CEC proceeding must be a part of the Administrative Record for this proceeding as the District must have reviewed it as a part of their state mandate within the Warren Alquist Act and through their coordinated actions."*

NCUAQMD Response: The applicant has filed with the CEC a Petition to Amend Air Quality Conditions in the Humboldt Bay Generating Station Final Decision, which seeks a post-certification amendment by the CEC consistent with ATC permit revisions requested in their application to the District. Although there is no legal requirement for the District to include the CEC administrative record in considering the ATC permit revision application, the District the received comments from the CEC (see Comments # 36 through 38) and has responded to those comments.

21. Comment *"The Notice does not identify that the Permits have expired or that these are actually new permits or somehow extensions of expired permits. The District should consider the EPA region 9 guidance on PSD permit extensions (Attachedx) and applicable rules for new permits (which this must be) and fully open for comments on properly noticed current information."*

NCUAQMD Response: The action proposed is a modification of an existing permit. The proposed modification includes a mechanism for extension of the permit. This mechanism is only one of several possible ways the permit may be extended. As previously stated, the District completed all public noticing requirements as set forth in District regulations.

22. Comment: *"What is the correct venue to appeal if the District takes this misguided action?"*

NCUAQMD Response: The revisions to the ATC / PSD permit are corrections to and clarify the intent of the ATC / PSD permit. The public notice issued for the ATC is the venue for the commenter to comment on the revisions to the ATC permit. In addition, the District is in the process of issuing a major modification to the existing Title V permit based on a separate application submitted by the source and a separate public notice issued by the District. If the commenter wishes to make comments on the significant modification, the closing date for doing so was November 14th 2009. The District will receive and evaluate all comments made by the closing date. Any appeal of the permit

decision should be made in accordance with District Rules and California Health & Safety Code Section 42302.1.

23. Comment: *“The District seems to have noticed the part of my Appeal that demonstrates that it was required to provide some notice of the actual pollutants coming from the facility and included;”* Commenter provided a table *“It is notable that this table is not on the issue of the notice displayed on the District website (below)”*

NCUAQMD Response: The public notice provided in the newspaper and the District website were identical. Please note that the District has no regulatory obligation to provide permitting information on the District website. The District attempts to provide complete information using the website for ease of public access and use. However, general questions or comments not found on the website concerning public information regarding permitting activities should be directed to the District office as indicated in the public notice.

24. Comment: *“The Notice further states “The District intends to make administrative changes to the permit. No emission increases are proposed in the application.” The Districts Notice is simply factually wrong and misleading. It is not merely the gross pollutant weights, without basis, that that is vital for informed public participation It is the actual increment consumption that would spur public participation. From the CEC staff report Air Quality table 17 and 18. The changes are not “administrative changes” as defined in 40 CFR 70.7 although if the District had provided Notice that this was a name change that may have qualified as an administrative change. The changes include equipment, monitoring and operational changes to name a few.*

NCUAQMD Response: The proposed action is a modification to an existing ATC /PSD permit. As identified in the public notice, there are no changes in the allowable emissions authorized.

25. Comment: *“I join the various agencies concerns about the project. In the letter from the National park Service Dated August 29,2007 attached to the document identified as Engineering evaluation on the Districts website. The letter appears to excuse the applicants incorrect modeling based upon 50 hours of diesel operation per year. I do not excuse the incorrect modeling and the record does not indicate that “It is estimated that diesel fuel could be used for up to 50 hours per year of operation (down from an original estimate of 800 hours per year)” as the letter states. The District should require the correct modeling and the other agencies should given accurate information to consider.”*

NCUAQMD Response: A Final Determination of Compliance was issued by the District on April 14th 2008. The FDOC was issued after all comments received by the District were reviewed and considered, including comments from the National Park Service. The time frame for an appeal of this action as authorized by District Rule 103 has expired.

26. Comment : *“I believe that the NCAQMD has failed to comply with the administrative requirements for public notice for the PDOC, the Title V and the PSD permit. The District did not comply with its federal noticing requirements in the PDOC public notice (attachment 1) to “notify the public of the opportunity to be put on the mailing list through periodic publication in the public press and in such publications as Regional and State funded newsletters, environmental bulletins, or State Law Journals.” The NCUAQMD also did not provide the public notice of an opportunity to request a public hearing.”*

NCUAQMD Response: The District’s PSD program is operated as a State Implementation Plan approved program. The District believes all public noticing requirements identified in District Rules were met.

27. Comment: *“The State Implementation plan requires under Regulation 220 (a) 4, the District to “Publish a notice in at least one newspaper of general circulation in the District, stating where the public may inspect the information required by this rule. According to Rule 220, “The notice shall include the preliminary determination: present the expected additional and cumulative increment consumption: provide opportunity for a public hearing: and allow 30 days beginning on the date of publication, for the public to submit written comments on the application.”*

NCUAQMD Response: The District believes it has complied with all applicable public notice requirements.

28. Comment: *“Rule 110 of the North coast Unified Air Pollution Control District State Implementation Plan states’ “It is the intent of all air pollution control districts and air quality management districts in the California North Coast Air Basin to adopt and enforce rules and regulations which assure that reasonable provision is made to achieve and maintain state and federal ambient air quality standards for the area under their jurisdiction and to enforce all applicable provisions of State law. The project as permitted does not comply with this rule. The CEC Staff in the Final Staff Assessment modeled the project PM-10 diesel impacts which are presented in table 18 below.”*

NCUAQMD Response: The ATC/PSD/FDOC issued by the District complied with all requirements of the applicable air quality programs prior to issuance. The time frame for appeal of this permit as identified in District Rule 103 has expired.

29. Comment: *“As described below the project fails to employ (Best Available Control Technology) BACT and over states emission reductions that would be achieved from the shutdown of the existing Humboldt Bay Power Project. The projects compliance with the State NO2 standard is predicated on the projects compliance with a NOx emission rate of 392 lb/hr for ten engines. This project will likely be called on to exceed that emission rate*

in the event of a natural gas curtailment. The project is subject to PG&E gas tariff provision which would likely lead to excess NO₂ emissions to afford reliability in a transmission constrained area. The past history of the existing Humboldt Power Plant provides evidence that there is a reasonably foreseeable possibility of an exceedance of the State NO₂ standard of 338 mg/m³ since the projects impacts combined with background concentrations are 337 mg/m³.”

NCUAQMD Response: The District is in currently in compliance with all State and federal NO₂ standards by a significant margin. The modeling performed accounts for a margin of error and is conservative by design in an effort to ensure protection of public health. Regardless, the permit review did not identify any violations of air quality standards with the project as written.

30. Comment *“The project proposes to use Emission Reductions from the shutdown of the existing Humboldt Bay Power Plant to offset new emissions from the 19 Humboldt Replacement Project. The FDOC and the PMPD allow PG&E emission reduction credits of 892.5 tons per year of NO_x emissions from the shutdown of the current Humboldt Power Plant. These emissions reductions from the current plants shutdown are proposed to offset all of the plants emissions. The California Air Resources Board reports in its 2007 and 2008 Almanacs that the Humboldt Bay Power Plant only emits 435 tons per year of NO_x*

NCUAQMD Response: See District response to Comment #9.

31. Comment: *“I also question the effectiveness of the interpollutant trade of NO_x reductions to offset diesel particulate matter ambient air quality impacts of 65 mg/m³ and natural gas PM-10 operational impacts of 36 ug/m³. Neither the FDOC nor the PMPD offer any evidence that the NO_x emission reductions from the shutdown of the existing power plant will indeed mitigate the large particulate matter ambient air concentrations from this proposed project.”*

NCUAQMD Response: See response to Comment #11

32. Comment: *“The project can achieve much lower PM 10 and PM 2.5 rates are prescribed in the FDOC and the PMPD.”*

NCUAQMD Response: The District appreciates the responders view of the permit and engineering evaluation and subsequent comment..

33. Comment: *“The proposed CO emission rate of 13 ppmvd for the Humboldt Replacement Project is one part per million greater than the Bay Area BACT limit of 12 ppmvd and much higher than the NEO engine’s BACT emission rate of 5.45ppmvd. (FDOC page 38) The diesel fuel emission limit of 20 ppmvd is greater than the Snow Summit achieved rate of 5 ppmvd; and the projects diesel emission rate of 0.14 g/bhp-hr is greater than the King’s County diesel engine BACT rate of 0.035. (FDOC page 38) The project should be*

permitted to achieve these lower emission rates.”

NCUAQMD Response: Each permitting action is specific to the application presented, the applicable rules in place, and type and nature of equipment proposed. Based upon the analysis performed by the District, the application meets the requirements of State, federal and District regulations.

34. Comment: *FDOC Condition 110 of the FDOC states, “The existing generating units at Humboldt Bay Power Plant shall to be shut down as soon as possible following the commercial operation of all of the reciprocating engines S-1 through S-10. 22 The existing generating units at Humboldt Bay Power Plant [NCUAQMD Permit Units NS-020 (Boiler #1), NS-21 (Boiler #2) and NS-57 (Turbines)] and any of the new HBRP reciprocating engines S-1 through S-10 shall not be in simultaneous operation for more than 180 calendar days, including their individual Commissioning Periods; and shall be shutdown and their Permit(s) to Operate (PTO(s)) surrendered once engines S-1 through S-10 have successfully completed their Commissioning Phase as defined elsewhere in this permit. Operation of the existing plant units and any engine or engines for any portion of a calendar day, shall accrue toward the maximum limit of 180 days. [NCUAQMD Rule 110, Rule 102 §5.0 This is a violation of North Coast Air Quality Management Districts Rule 8.8 which states “Where a new or modified stationary source is, in whole or part, a replacement for an existing stationary source on the same property, the APCO may allow a maximum of ninety (90) days as a start-up period for simultaneous operations of the existing stationary source and the new source or replacement.” The existing Humboldt project already has the potential to violate the state NO 2 standard according to the CEC staff report page”*

NCUAQMD Response: See response to Comment #7.

35. Comment: *“According to the EPA ECHO website the existing Humboldt Bay Power Plant has been in violation of some permit conditions for the last 11 quarters in a row. <http://www.epa-echo.gov/cgi-bin/get1cReport.cgi?tool=echo&IDNumber=110000610278> I ask the district to review all compliance records for PG&E in the State of California to confirm that the Applicant's projects are currently in compliance with all of their permit conditions and confirm compliance with NCUAQMD Rule 110.”*

NCUAQMD Response: District Staff reviewed the information located on the EPA ECHO site referenced. The compliance data was last updated in 2004. Information on the last 11 quarters is not posted. The District has reviewed all compliance records for all PG&E owned and operated devices and has not identified any outstanding unresolved compliance issues.

36. Comment: *“The draft Engineering Evaluation (p.9 of 26) includes a new definition of Operational Mode Transfer. The definition is no longer clear on when a given hour becomes a “Diesel Mode” hour. Please revise this definition or revise permit conditions #96 to #98 (permit Tables 5.3 to 5.5) to clearly show how long after an Operational*

Mode Transfer the emission limits for Diesel Mode become applicable. One suggestion would be that after 30 continuous minutes in Diesel Mode, the Diesel Mode Emission Limits become applicable.”

NCUAQMD Response: The District agrees that additional clarification is beneficial concerning this item. Therefore, the District has amended the proposed Diesel Mode definition to include language establishing the parameters and thresholds to be used to differentiate between Diesel Mode and Natural Gas Mode as follows:

qq. Operational Mode Transfer: the switching of fuel mode while operating at engine loads greater than 50%. After operation in Diesel Mode for more than 120 seconds in any Clock Hour, engine operation for the entire Clock Hour is considered to be in Diesel Mode.

37. Comment: *“There appears to be a typo in draft condition #114(B), and the “alignment” phase seems to be overlooked, even though it would cause higher emissions than “test run and tune.” Because there is no definition of a commissioning “test run” in the permit, a wider range of commissioning activities should be covered under this limitation. Please revise draft condition #114(B) to: “When one or more reciprocating engines S-1 through S-10 are undergoing Commissioning Activities during the test run, tuning, and/or alignment phases, the Permittee shall not....”*

NCUAQMD Response: The District agrees that additional clarification is beneficial concerning this item. Therefore, the District has amended Condition #114 B to correct a typographical error and expand the scope of the operational limitation as follows:

114.

A. When one or more reciprocating engines S-1 through S-10 are undergoing Commissioning Activities without an SCR system and oxidation catalyst installed, the Permittee shall not: [NCUAQMD Rule 102 §5.0]

- a. Fire more than five uncontrolled reciprocating engines simultaneously.
- b. Operate the uncontrolled engines such that their combined hours of operation exceed 90 engine-hours during any Calendar Day.

B. When one or more reciprocating engines S-1 through S-10 are undergoing Commissioning Activities, the Permittee shall not:

- a. Simultaneously operate more than five units which have not yet completed commissioning
- b. Initiate startup in Diesel Mode any unit which has completed commissioning while there are any non-commissioned units in operation.

38. Comment: *“Permit condition #160, in its first sentence, would have the Permittee determining the “maximum allowable ammonia emission concentration”, but this probably should be revised to something like the “maximum ammonia injection rate necessary to demonstrate compliance...”*

NCUAQMD Response: The District agrees that additional clarification is beneficial concerning this item. Therefore, the District has amended Condition #160 to clarify the source testing protocol as indicated below:

160. Prior to the end of the Commissioning Period, the Permittee shall conduct District approved source testing on each of the reciprocating engines S-1 through S-10 to determine the maximum allowable ammonia (NH₃) injection rate necessary to demonstrate compliance with the Pollutant Limitations Section of this Permit. Each test shall be conducted over the expected operating range of the engines (including, but not limited to, 50%, 75%, and 95% and greater loads) to establish the range of ammonia injection rates necessary to achieve NO_x emission reductions while controlling ammonia slip to acceptable levels. Compliance with the Pollutant Limitations Section of this Permit shall be demonstrated through calculations of corrected ammonia concentrations based upon the source test correlations and continuous records of ammonia injection rates. The source tests shall determine the correlation between measured parameters which shall include, but need not be limited to: engine heat input rate, ammonia injection rate, NO_x concentration upstream and downstream of the SCR catalyst, and the corresponding NH₃ ammonia concentration at the point of discharge (exhaust stack).

39. Comment: *“Definitions: Please correct the typographical errors in the definition of “Facility” as shown:*

x. *Facility: the site of the Humboldt Bay Generating ~~Generation~~ Station.*

NCUAQMD Response: The name of the Facility shall be modified as requested.

40. Comment: *“Definitions: Please change the proposed definitions for “Diesel Mode Startup” and “Natural Gas Mode Startup” to refer to 120 seconds rather than two Operational Minutes to make the timekeeping requirement compatible with CEMS logic. Typographical errors are also corrected¹¹:*

q. *Diesel Mode Startup: a Startup ~~Period~~ Period during which ~~the~~ a reciprocating engines operates in Diesel Mode for ~~two (2) or more Operational Minutes a period~~ exceeding 120 seconds.*

¹¹ The new definition for “Natural Gas Mode Startup” is shown correctly in the engineering evaluation, but due to an apparent typographical error, the definition of “Natural Gas Mode” was carried over in the draft permit.

II. ~~Natural Gas Mode Startup: the firing of natural gas and CARB diesel or alternative liquid fuel in the engines where the diesel fuel or alternative liquid fuel is used solely for pilot injection, and the engine operates under the theoretical Otto cycle a Startup Period during which the reciprocating engine operates in Diesel Mode for 120 seconds or less. fewer than two (2) Operational Minutes~~

NCUAQMD Response: The District concurs with the changes made to correct the typographical errors. As the modification of the time period from 2 minutes to 120 seconds will not result in an increase in emissions and will facilitate existing compliance monitoring methods, the District agrees to make the requested changes.

41. **Comment:** *Definitions: Please change the definition of “Startup Period” to refer to specific tables of emissions limitations, as shown. As written, the definition would define the end of the startup period as the time when an engine is “in compliance with the emission concentration limits of the Pollutant Limitations Section.” There are many tables of emissions limits in the Pollutant Limitations section of the permit, and the general reference could make it difficult to ensure compliance with the condition. We believe the proposed revision will make the definition clearer and more enforceable.*

bbb. Startup Period: The lesser of the first 60 minutes of continuous fuel flow to the reciprocating engine after fuel flow is initiated or the period of time from reciprocating engine fuel flow initiation until the reciprocating engine achieves two consecutive valid 15-minute average CEM data points in compliance with the emission concentration limits of Tables 5.1 and 5.3 in the Pollutant Limitations Section of this Permit.

NCUAQMD Response: The District agrees that additional clarification is beneficial concerning this item. Therefore, the District has amended definition bbb as indicated above.

42. **Comment:** *Condition 90: Please change “24 hour rolling average” to “Calendar Day” for the daily heat input limits in Table 4.0. This change is consistent with the amendments that are being proposed for Diesel fuel firing limitations in Tables 4.2 and 4.3 of Condition 92 and the Diesel Particulate Matter emissions limitations in Table 5.4 of Condition 97, as well as with the corresponding heat input limitations in Table 4.1 of Condition 91.*

NCUAQMD Response: The District agrees that Condition 90 should be modified to state “Calendar Day” so that the requirements are consistent with existing requirements.

43. **Comment**: *Condition 91: Please delete “Except as provided in Condition 98 below” at the beginning of this condition. This exclusion referred to a condition that was requested by PG&E but is not being included by the District as part of this amendment.*

NCUAQMD Response: The District agrees the deletion of the text is appropriate as the reference is no longer valid.

44. **Comment**: *Condition 98: Please make the following addition for clarity:*

For purposes of determining compliance of reciprocating engines S-1 through S-10 with the daily PM10 limit in Table 5.5, the Permittee shall calculate and record PM10 emissions from each engine for each Calendar Day as follows: 0.180 pounds per minute times the number of Operational Minutes during that Calendar Day; plus 0.060 pounds per minute times the number of Natural Gas Mode Operational Minutes during that Calendar Day. In no event shall the Permittee operate the engines such that their combined hours of operation in Diesel Mode exceed 142 hours per Calendar Day.

NCUAQMD Response: The District concurs that the inclusion of the proposed language reflects the intent of the condition which is to limit S-1 through S-10 total engine hour usage to 142 hours per day. The language insertion will not result in an emissions increase.

45. **Comment**: *Condition 108: Please change the cross-reference in this condition as follows to make the requirement of this condition clearer and more enforceable:*

Selective catalytic reduction (SCR) systems and oxidation catalysts shall serve each reciprocating engine except as provided for in the District-approved Commissioning Plan required under the Startup, Commissioning & Simultaneous Operation Section of this Permit. Permittee shall submit SCR and oxidation catalyst design details to the NCUAQMD for review and approval at least 90 days prior to scheduled delivery of these systems to the site. The Permittee shall not install or operate the SCR and oxidation catalyst systems without authorization from the APCO.

NCUAQMD Response: The District agrees that this modification is appropriate. Reference to the Commissioning Plan document is consistent with the compliance approach outlined in the Startup Commissioning & Simultaneous Operation section of the Permit and will not result in an increase in emissions.

46. **Comment**: *Condition 114: Please change part B.b. of this condition to be consistent with the definition of Diesel Startup Mode, as follows:*

b. ~~Initiate startup~~ Operate in Diesel Mode Startup any unit which has completed commissioning while there are any non-commissioned units in operation.

NCUAQMD Response: Alteration of the original language is necessary in order for the Commissioning Period emission limitations to be properly enforced and will not result in an emissions increase. The District will implement the proposed changes.

47. **Comment:** Condition 116: Please correct the cross-reference as follows:

For each engine during its Commissioning Period, after steady-state operation of the SCR system and the oxidation catalyst has occurred, the NOx and CO emissions from that reciprocating engine shall thereafter comply with the limits specified in the Pollutant Limiting Limitations Section of this Permit...(no additional changes)

NCUAQMD Response: The reference to the section will be changed to reflect the name of the section as “Pollutant Limitations”.

48. **Comment:** Conditions 119 and 120: Please clarify that the initial performance testing referred to in these conditions applies only to engines S-1 through S-10. 40 CFR 63 Subpart ZZZZ and 40 CFR 60 Subpart IIII do not require the owner/operator to perform any testing on the emergency engines S-11 and S-12 —certification of compliance with the emissions limits is the responsibility of the engine manufacturers. Suggested clarifying language is as follows:

119. *Not later than 90 days prior to first operation, the Permittee shall prepare and submit to the NCUAQMD for approval a plan for complying with the requirements of 40 CFR 63 Subpart ZZZZ. This compliance plan shall provide for an initial performance test on each of the reciprocating engines S-1 through S-10 to demonstrate that each oxidation catalyst is achieving a minimum 70% reduction in CO over a four hour period. (no additional changes)*

120. *Not later than 90 days prior to first operation, the Permittee shall prepare and submit to the NCUAQMD for approval a plan for complying with the requirements of 40 CFR 60 Subpart IIII. This compliance plan shall provide for an initial performance test on each of the reciprocating engines S-1 through S-10 to demonstrate compliance with the NOx and PM limitations of 40 CFR §60.4204(c)(1) and (c)(2) and shall establish operating parameters to be monitored continuously to ensure that each reciprocating engine continues to meet the applicable emission standards.*

NCUAQMD Response: The District agrees that additional clarification is beneficial concerning this item. Therefore, the District has amended Condition #119 and #120 to clarify that the testing requirements only pertain to reciprocating engines S-1 through S-10.

49. **Comment** : *Conditions 123, 124 and 125: Under this permit PG&E is required to prepare and submit for District approval a number of plans related to commissioning, startup/shutdown, maintenance, operation, and various other aspects of compliance. Further, PG&E is prohibited from operating the HBGS engines unless certain District-approved plans are in effect. PG&E intends to make every effort to submit these plans as early as possible to allow adequate time for District review. We realize that review and approval of these plans will be a burden on District resources, but timely District action on these plans is critical to allowing PG&E to commission and operate the HBGS power plant. We greatly appreciate that the District has added language in Condition 104, which provides that for the Commissioning Plan, “If the NCUAQMD does not act to approve, reject, or request additional information within thirty (30) days of receipt of the Plan submitted by the Permittee, the Plan shall be considered to be approved.” We request that the District add this same language to Conditions 123, 124, and 125 to provide a finite review period and to ensure that PG&E will be able to continue operating the engines as long as timely and complete plans are submitted.*

NCUAQMD Response: Conditions #123, #124, and #125 pertain to various plan documents required to be prepared by the applicant in order to comply with Federal NESHAP requirements for Devices S-1 through S-12. The code does not contain a provision for the automatic approval of a document should the responsible agency not take action within a specified timeframe. Thusly, the District cannot provide the relief the applicant has requested.

50. **Comment** : *Condition 143¹²: Please make the following change to clarify what we believe is the intent of this reporting requirement:*

The Permittee shall provide to the NCUAQMD, a completed “Compliance Certification” form signed by the Facility’s Responsible Official which certifies the compliance status of the facility twice per calendar year. The compliance certification form must be submitted to the NCUAQMD according to the following schedule: The semiannual certification (covering quarters 1 and 2) must be submitted prior to July 31st of the reporting year; and the annual certification (covering quarters 1, 2, 3, and 4) prior to March 1st of the following calendar year. The content of the Annual Certification shall include copies of the records designated in Table 7.0 to be kept “Annually”.

NCUAQMD Response: Annual records will not be available for the first biannual certification report, thus it is necessary to modify the condition to require submittal only during the annual certification. The District will modify as suggested.

51. **Comment** : *Condition 158: PG&E is concerned that the cross-reference in this condition is overly vague, making the condition very difficult to interpret and enforce. Although we understand the desire to eliminate, as much as possible, references to specific permit*

¹² We note that there are two conditions numbered 143; this comment refers to the second one, at the top of p. 41 of the document.

conditions by number when future permit amendments may cause the numbering to change, we believe that in some instances the need for clarity outweighs the concern about future amendments. Therefore, we request that the District change the cross-reference in this condition as follows:

The Permittee shall demonstrate compliance with all the emission limits identified in this Permit for the reciprocating engines S-1 through S-10 once per calendar year unless indicated below, using the following methods. Except as provided in ~~the Testing & Compliance Monitoring Section~~ **Condition 161** of this Permit, testing shall be conducted while the engines are operated in Natural Gas Mode.

NCUAQMD Response: The District acknowledges the need for clarification and will modify the Condition #161 as follows:

The Permittee shall demonstrate compliance with all the emission limits identified in this Permit for the reciprocating engines S-1 through S-10 once per calendar year unless indicated below, using the following methods. ~~Except as provided in the Testing & Compliance Monitoring Section of this Permit~~ For purposes of compliance with this condition, testing shall be conducted while the engines are operated in Natural Gas Mode.

52. **Comment:** Condition 160: Please make the following changes to correct the meaning, increase the clarity, and improve the enforceability of the condition. The source testing that will be performed before the end of the commissioning period will establish for each load point the maximum ammonia injection rate that will maintain ammonia slip below the 10 ppmvd limit. During routine operation, then, compliance with the 10 ppm ammonia slip limit will then be demonstrated by comparing the measured ammonia injection rate to the maximum ammonia injection rate established during the source test. No calculations are necessary: as long as the measured ammonia injection rate does not exceed the maximum rate established during the source test, the ammonia slip limit cannot be exceeded. Meanwhile, compliance with the NOx concentration limit will be continuously monitored using the CEMS.

Prior to the end of the Commissioning Period, the Permittee shall conduct District approved source testing on each of the reciprocating engines S-1 through S-10 to determine the maximum allowable ammonia (NH₃) ~~emission concentration~~ injection rate necessary to demonstrate compliance with the ammonia slip limits in the Pollutant Limitations Section of this Permit. Each test shall be conducted over the expected operating range of the engines (including, but not limited to, 50%, 75%, and 95% and greater loads) to establish the range of ammonia injection rates necessary to achieve NOx emission reductions while controlling ammonia slip to acceptable levels. Compliance with the ammonia slip limits in the Pollutant Limitations Section of this Permit shall be demonstrated through ~~calculations of corrected ammonia concentrations based upon the source test correlations and~~ continuous records of ammonia injection rates. The source tests shall determine the correlation between measured parameters which shall include, but need not be limited to: engine heat input rate, ammonia injection rate, NOx

concentration upstream and downstream of the SCR catalyst, and the corresponding NH₃ ammonia concentration at the point of discharge (exhaust stack).

NCUAQMD Response: The District acknowledges the need for clarification and will modify Condition #159 as suggested.

Engineering Evaluation

53. **Comment:** *Page 5: Condition 11 has been deleted but is not shown here as being deleted.*

NCUAQMD Response: Strikethrough text has been added to identify the condition as being deleted.

54. **Comment:** *Page 6: Conditions 13 and 14 are shown as being deleted but are being renumbered as Conditions 8 and 9, respectively.*

NCUAQMD Response: Suggestion noted. Strikethrough and underline text has been added to identify the conditions correctly.

55. **Comment:** *Page 6: Discussion regarding permit renewal: We believe that the District has the authority under existing regulations to renew and extend permits, and the purpose of the changes to these conditions is to clarify this authority relative to the ATC. We suggest the following clarifying amendments:*

The original ATC/PSD contained conditions establishing a timeline for equipment construction, engine commissioning, and shutdown of pre-existing equipment. PG&E has stated that they will be unable to comply with the established timelines as a result of unanticipated regulatory delays. PG&E also foresees the possibility of additional adjustment to the construction schedule, and so has requested an extension of the ATC/PSD expiration date and to incorporate an explicit mechanism by which the District may authorize additional extensions should they be necessary.

The proposed new source will result in a significant net increase in criteria pollutants in an area where ambient levels of those same pollutants are below the federal health protective standards and accordingly, the project is subject to the District's SIP approved Prevention of Significant Deterioration regulations. Permit terms requiring compliance with District PSD regulations were necessary to establish project construction timelines. Permit Conditions #2 and #70 required that construction be completed within 545 days of the date of issue of the ATC/PSD. However, a mechanism for extension was not explicitly included...[no additional changes]

NCUAQMD Response: The District appreciates the feedback, however, the additional clarification is not necessary.

56. **Comment** : Page 8: Third paragraph shows former Condition 108 becoming new Condition 104. In fact, this is a new condition. Fourth paragraph shows Condition 106 being deleted but should be shown as renumbered to Condition 105.

NCUAQMD Response: Suggestion noted. Strikethrough and underline text has been added to identify the conditions correctly.

57. **Comment** : Page 17: All of the following is shown as part of (renumbered) Condition 97; however, in the draft permit a portion of this paragraph is shown as new Condition 98. In addition, the words “in Diesel Mode” appear in the draft permit, as shown below:

The combined discharge of pollutants from the reciprocating engines S-1 through S-10 during any Calendar Day shall not exceed the limits listed in Table 5.5 below during any Calendar Day in which one or more of the engines are operated in diesel mode for any period of time.

98. ~~For purposes of determining compliance of reciprocating engines S-1 through S-10 with the daily PM10 limit in Table 5.5, the Permittee shall not operate calculate and record PM10 emissions from each engine for each Calendar Day as follows: 0.180 pounds per minute times the number of reciprocating engines S-1 through S-10 in Diesel Mode Operational Minutes during that Calendar Day; plus 0.060 pounds per minute times the number of Natural Gas Mode Operational Minutes for more than 142 engine hours per day during that Calendar Day. In no event shall the Permittee operate the engines such that their combined hours of operation in Diesel Mode exceed 142 hours per Calendar Day. Following completion of the PM10 emissions testing required under Condition #163 on all 10 engines, the Permittee may request the use of an alternative compliance demonstration method. Such a request shall include, but not be limited to the following...~~

NCUAQMD Response: Suggestion noted. Strikethrough and underline text has been added to identify the language changes and the condition correctly.

58. **Comment** : Page 20: In the discussion regarding the modification of the reporting interval for daily emissions, Condition 92 is discussed. We are requesting the same modification for Condition 90 (see item 3 under “Draft ATC/PSD Permit” above), and if the District agrees that such a change is also appropriate for Condition 90, then the proposed change to Condition 90 would also be addressed here.

NCUAQMD Response: As discussed previously, the District concurs with this approach and has elected to modify Condition 90. The relevant sections in the evaluation will be modified accordingly.

59. **Comment** : Page 22: Definition of “Facility”: As discussed in item 1 under “Draft ATC/PSD Permit” above, the proposed change to the definition of “Facility” should read “Humboldt Bay **Generating** Station” (not “Generation Station”).

NCUAQMD Response: Noted. Name changed as requested.