

March 16, 2006

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

Dear Ms. Jordan:

The requirement for public and EPA review of the proposed renewal of the Major Facility Review Permit for the facility identified below has been completed:

ALAMEDA COUNTY

Roberta Cooper
Scott Haggerty
Nate Miley
Shelia Young

Plant	Plant Name	Application	Permit Engineer	City	County
B1180	Calpine Gilroy Cogen, L.P. & Gilroy Energy Center, LLC	6748	K. Bhagavan	Gilroy	Santa Clara

CONTRA COSTA COUNTY

Mark DeSaulnier
Mark Ross
(Vice-Chair)
Michael Shimansky
Gayle B. Uilkema
(Chair)

The District published a Notice Inviting Written Public Comment on the proposed renewal of the Major Facility Review permit for this facility on December 29, 2005 in The Dispatch. The requirement for public and EPA review of the proposed permit has been fulfilled.

MARIN COUNTY

Harold C. Brown, Jr.

In response to the applicant's comments on the proposed permit, we have made the following administrative changes to the permit:

NAPA COUNTY

Brad Wagenknecht

SAN FRANCISCO COUNTY

Chris Daly
Jake McGoldrick
Gavin Newsom

- The title of the Responsible Official Roger Morales on the cover page of the final permit has been changed from "Operations Manager" to "Operations and Maintenance Manager". In addition, Eugene Fahey, General Manager; and Maria Barroso, Compliance Manager, have been added as "Alternate Responsible Officials".
- The nominal power rating of the facility listed on the cover page of the final permit has been changed from 222 MW to 265 MW, since the proposed permit did not include the 43 MW generated by the steam turbine.
- The NOx limit of 40 ppm in part 4 of permit condition 2780 that governs the operation of auxiliary boilers S-101 and S-102 in the proposed permit is obsolete. The limit has been revised to reflect the current 30 ppm NOx limit specified in District Regulation 9-7-301.1. References to the NOx limit in Section VI "Permit Conditions" and Table C in Section VII "Applicable Emission Limits & Compliance Monitoring Requirements" have been revised accordingly.
- The requirement to submit test reports within 30 days of testing specified in part 25 of permit condition 18102 in the proposed permit has been revised to 45 days in the final permit.
- In accordance with 40 CFR Part 60.334(j)(1)(iii)(A) in NSPS GG that was amended in July 2005, a 4-hour averaging period has been added to the 99 ppm NOx limit for the three peakers (S-3, S-4, and S-5). References to the

SAN MATEO COUNTY

Jerry Hill
(Secretary)
Marland Townsend

SANTA CLARA COUNTY

Erin Garner
Liz Kniss
Patrick Kwok
Julia Miller

SOLANO COUNTY

John F. Silva

SONOMA COUNTY

Tim Smith
Pamela Torliatt

Jack P. Broadbent
EXECUTIVE OFFICER/APCO

averaging period in Section VII "Applicable Emission Limits & Compliance Monitoring Requirements" have been revised accordingly.

- The proposed permit incorrectly stated that POC emissions from the three peakers (S-3, S-4, and S-5) are monitored by CEMs. Part 19.4 of permit condition 18102 in the proposed permit explicitly requires Calpine to verify compliance with the POC emission concentration limit by conducting an annual source test. In light of the above, Table VII-A in Section VII "Applicable Emission Limits & Compliance Monitoring Requirements" of the final permit has been revised by deleting the reference to the CEMS, and the "Monitoring Frequency" has been changed from "C" to "P/A".
- References to the 3-hour averaging period used to demonstrate compliance with the "Heat Input Limit" for the three peakers (S-3, S-4, and S-5) in Table VII-A of the proposed permit have been deleted, since the "Heat Input Limit" given in part 23 of permit condition 18102 does not specify an averaging period.
- In accordance with 40 CFR Part 60.334(j)(1)(iii)(A) in NSPS GG that was amended in July 2005, a 4-hour averaging period has been added to the 82 ppm NOx limit for the combined cycle turbine (S-100). References to the averaging period in Table B of Section VII "Applicable Emission Limits & Compliance Monitoring Requirements" have been revised accordingly.

The District has therefore decided to issue the permit.

A copy of the final revised permit is enclosed. If you have any questions regarding this permit, please call Steve A Hill, Air Quality Engineering Manager, at (415) 749-4673.

Sincerely yours,

Jack P. Broadbent
Executive Officer/APCO

Enclosures

BFB:SAH: BRK

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