



BAY AREA
AIR QUALITY
MANAGEMENT
DISTRICT

RUSSELL CITY ENERGY CENTER (PROPOSED)
(#B8136)
3862 Depot Road
Hayward, CA 94545

FACT SHEET

June 24, 2009

Background

- The Russell City Energy Center (RCEC) is a proposed 600-MW natural gas fired combined cycle power plant to be located in Hayward. The initial project, proposed by an affiliate of Calpine Corporation, was licensed by the California Energy Commission (CEC) in 2002. The project description was amended in 2006 to move the site about ¼ mile from the original proposed site, and an application for an amended Certification was submitted to the CEC, and a new permit application was submitted to the District.
- The RCEC includes two gas turbines and two heat recovery boilers. In accordance with District rules, this combustion equipment must use the Best Available Technology (BACT) to minimize emissions. BACT requirements for the project are met with the use of selective catalytic reduction (SCR) systems, oxidation catalysts, the exclusive use of natural gas fuel, and modern combustion controls. The project is also subject to emission offset requirements, Prevention of Significant Deterioration (PSD) analysis requirements, and health risk screening analysis (HRSA) requirements.
- On June 19, 2007, the District issued a Final Determination of Compliance (FDOC) for the amended RCEC, concluding that the project, with appropriate permit conditions, could comply with all applicable air quality requirements.
- On September 26, 2007, the CEC approved the RCEC and granted a power plant license. The District subsequently issued an Authority to Construct (ATC) for the RCEC on November 1, 2007. This ATC also served as the federal PSD permit under a District/EPA PSD delegation agreement.

Public Comments/Issues

- The District held a public comment period at the time of issuance of the Preliminary Determination of Compliance for the amended project. Members of the public made no comments on the project during the District's public comment period.

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- Requests were made to the CEC by several parties to intervene and reopen the administrative proceedings and evidentiary record for the RCEC project after the amended power plant license was issued. The CEC issued an order to deny petitions for intervention and reconsideration on November 11, 2007. The CEC order was appealed to the California Supreme Court, and the Court subsequently declined to hear the case.
- A resident of Hayward filed an appeal of the Authority to Construct for the RCEC with the District's Hearing Board, and a hearing was held on March 6, 2008. The Hearing Board dismissed the appeal.
- The resident also filed an appeal with the EPA's Environmental Appeals Board (EAB) regarding the PSD permit issued by the District. On July 29, 2008, the EAB issued a remand order for the District to re-notice the PSD permit for public review using the federal notice requirements in 40 CFR Section 124.10. The EAB remand was based entirely on public noticing procedures, and not on substantive air quality issues. Up to this point, based on input from EPA Region IX staff, the District had been following the noticing requirements in District regulations for PSD permits.

Project Status

- Following the EAB remand, District staff prepared the PSD permit re-notice. This task was time consuming, as the federal noticing requirements are considerably more detailed than the District requirements and involve both general noticing for the purpose of maintaining a PSD mailing list as well as project-specific noticing.
- The general noticing was completed in November 2008, and included: (1) publication in 18 periodicals/newspapers with coverage in each of the nine Bay Area counties, (2) issuance of a press release to numerous newspapers and other news outlets and posted on the District website, (3) creation of a comprehensive agency mailing list including local city, regional, state, and federal agencies, the Native American Heritage Commission, and the departments within these agencies that may have permit interest, and (4) creation of a comprehensive interested parties list including California Energy Commission mailing lists used for several Bay Area power plant projects including the RCEC, and all parties in District records that have previously commented on, or attended public meetings held for, Title V, Major NSR and/or PSD permits.
- The District began the project-specific re-noticing on December 8, 2008. Approximately 1900 notices were mailed-out. The public notice was also published in The Hayward Daily Review, The Oakland Tribune, and El Mensajero (in Spanish). A Public Hearing on the project was held on January 21, 2009, at Hayward City Hall. The District accepted written public comments on the project through February 6, 2009.

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- Since the end of the public comment period, District staff has reviewed and evaluated the numerous comments received on the project, has conducted additional analyses, and has made a number of changes to the draft permit. The additional analyses included a revision to the project's air quality impact analysis related to particulate matter impacts. This revision was required due to an April 24, 2009 EPA action that stayed a provision allowing PM2.5 impacts to be addressed under a PM10 Surrogate Policy. The revised analysis demonstrates that PM2.5 emissions from the proposed project would not interfere with attainment or maintenance of PM2.5 National Ambient Air Quality Standards.
- The District is planning to provide an additional formal public comment period on the revised PSD Permit and will publish an additional Statement of Basis to support the revised draft at that time, most likely in late July 2009. Another public hearing will also be scheduled during the comment period (tentatively set for September 2) to provide additional opportunities for input. In order to enhance the opportunities for public review, a draft of the additional Statement of Basis that is planned to be published in late July was posted on the District website on June 23, and previous commenters and other interested individuals were notified of this action.