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8 **BEFORE THE HEARING BOARD OF THE**
9 **SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT**

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11 AES ALAMITOS, LLC,
[Facility ID No. 115394]
12
13 Petitioner,
14
15 v.
16 SOUTH COAST AIR QUALITY
MANAGEMENT DISTRICT,
17
18 Respondent.

Case No. 5278-3

**DECLARATION OF JOSE PEREZ
REGARDING CONSENT CALENDAR
FOR SHORT VARIANCE HEARING**

DATE: February 21, 2024
TIME: 9:30 a.m.
PLACE: Hearing Board
South Coast AQMD
21865 Copley Drive
Diamond Bar, CA 91765

**GREENBERG GLUSKER FIELDS CLAMAN
& MACHTINGER LLP**
2049 Century Park East, Suite 2600
Los Angeles, California 90067

DECLARATION OF JOSE PEREZ

I, Jose Perez, declare:

1. I am the Director of Operations for Petitioner AES Alamitos, LLC (“Petitioner” or “AES”). As the Director of Operations, I am familiar with the operations at the AES facility located at 690 N. Studebaker Road, Long Beach, CA 90803 (“Facility”), South Coast Air Quality Management District (“District”) Facility ID No. 115394. I have personal knowledge of the matters set forth in this Declaration, except where otherwise stated, and, if called as a witness, I could and would competently testify under oath regarding those matters about which I have personal knowledge.

2. This Declaration is submitted pursuant to District Hearing Board Rule 4(a)(3) and in support of AES’s request for short variance.

3. AES operates a natural gas-fired, combined-cycle gas turbine (“CCGT”) electric power generating facility located at 690 N. Studebaker Road, Long Beach, CA 90803 (“Facility”) that provides a critical supply of electric energy to the Southern California power grid. The Facility is a Title V and RECLAIM facility.

4. Permit Condition D12.11 of the Facility’s Title V Permit applies to two Selective Catalyst Reduction (SCR) units (one for each CCGT unit) and requires, in relevant part, that, based on a monthly average: “[t]he pressure differential shall not exceed 1.6 inches water column.”

5. Beginning in late December 2023, AES first detected an anomalous spike in the differential pressure (“DP”) recorded for both SCR units close to the permit limit.

6. From late December 2023 to mid-January 2024, AES investigated the cause of the anomalous spike, including verifying the proper functioning of equipment and instrumentation.

7. In mid-January, AES’s investigation confirmed that the anomalous spike was an accurate measurement and was likely to cause noncompliance with the monthly average DP monitoring limit set forth in Permit Condition D12.11.

8. The temporary exceedance of the monthly average DP limit arose suddenly and was the first incident of its kind at the Facility. Prior routine maintenance had kept the DP within

1 permit limits.

2 9. AES likely could not have discovered the potential violation any sooner because
3 there were no prior anomalous DP measurements until late December 2023 at which time the
4 AES quickly investigated the underlying cause and confirmed a likely noncompliance shortly
5 thereafter in mid-January 2024.

6 10. AES has assessed options for avoiding noncompliance while performing the
7 necessary corrective action but has determined that none of these options would be reasonable
8 because the only options are a forced maintenance outage or curtailment of the CCGT units that
9 would require loss of electricity supply and more than \$1 million in costs to AES.

10 11. More specifically, remedying the violation at this time would necessitate an
11 immediate three-day outage for both CCGT units to clean the catalyst beds, which would involve
12 significant maintenance and electric sale losses in excess of \$1 million, as well as loss of electric
13 energy supply to the Southern California power grid during the outage period.

14 12. AES already has a plant-wide maintenance outage scheduled in April 2024 at
15 which time maintenance of the two SCR units has been scheduled to be performed with a deep
16 cleaning of the catalyst beds and will be able to fully resolve the underlying cause of the DP
17 exceedance. This pre-scheduled maintenance will be performed regardless of whether an
18 immediate maintenance is performed because it is part of an annual maintenance overhaul that
19 will involve more extensive SCR maintenance and deep cleaning of catalyst components that
20 would not practicably be performed as part of an immediate outage and maintenance; further, the
21 annual maintenance has already been scheduled, budgeted, and approved by the grid operator
22 (CAISO).

23 13. Requiring compliance with the SCR DP permit limit at this time would require
24 AES to twice perform similar maintenance work on the SCR units just a couple of months apart.

25 14. The DP merely indicates when maintenance of the SCR catalyst bed may be
26 appropriate and therefore does not have any impact on air contaminants from the Facility.
27 Operating under variance would not lead to an increase in air contaminants.

28 15. The Facility is in full compliance with all emissions limits set forth for the subject

1 emission units in the permit.

2 16. AES has considered the possibility of curtailment; however, AES has determined
3 that curtailment would create an undue burden on AES of over \$1 million in economic losses and
4 impact to the public from loss of electric supply to the power grid.

5 17. Curtailment would be even less practical and feasible than a maintenance outage
6 because the curtailment period could exceed three months, may be denied by the grid operator
7 (CAISO) altogether, may not fully resolve the underlying issue, and would create substantial
8 economic loss and significant loss of electric supply.

9 18. The monthly average DP limit does not have any impact on the Facility's
10 emissions and instead merely indicates when maintenance of the SCR units may be appropriate.
11 AES does not anticipate any excess emissions. Further, increased emissions would be detected
12 by the continuous emissions monitoring system and appropriately mitigated.

13 19. AES is already subject to emissions limits at the Facility pursuant to other Title V
14 permit conditions, with which it is fully in compliance, including: A195.8 (hourly average NOx
15 emission limit), A195.9 (hourly average CO emission limit), A195.10 (hourly average VOC
16 emission limit), A195.15 (stack ammonia slip emission limit), C1.3 (startup and shutdown
17 duration and emission limits), and D12.9 (hourly average ammonia injection rate limit). This will
18 ensure no excess emissions will be created due to the temporary exceedance of the SCR
19 differential pressure limit. AES has not had any issues to date in meeting the emissions limits for
20 the subject emission units at the Facility.

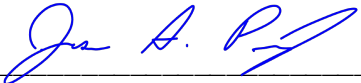
21 20. The Facility has been and will continue to be in compliance with all emissions
22 monitoring, emissions limitations, and other Title V permit conditions. Operating under variance
23 would not lead to an increase in emissions.

24 21. During the variance period, AES will continue to monitor emissions and make
25 records containing this information readily available to the District upon request.

26 22. AES will also operate under conditions set forth in the Order for the Short
27 Variance. Such operation would not result in condition(s) that would cause a nuisance, and
28 therefore not violate California Health and Safety (H&S) Code Section 41700 (nuisance).

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I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct. Executed this 14 day of February 2024 at Long Beach, California.



Jose Perez – Director of Operations
Petitioner
AES ALAMITOS, LLC