

1 **BEFORE THE HEARING BOARD OF THE**  
2 **SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT**  
3

4 In the Matter of  
5 CANYON POWER PLANT (CITY OF  
6 ANAHEIM)  
7 [Facility ID No. 153992],  
8  
9 Section 42350 of the California Health  
10 and Safety Code  
11

Case No. **6264-2**  
[PROPOSED] FINDINGS AND  
DECISION AND ORDER GRANTING A  
MODIFICATION AND EXTENSION OF  
A REGULAR VARIANCE  
Hearing Date: March 26, 2026

12 **[PROPOSED] FINDINGS AND DECISION OF THE HEARING BOARD**

13 This petition for a modification of a final compliance date and extension of a  
14 regular variance was heard on the Consent Calendar on March 26, 2026, pursuant to  
15 notice in accordance with the provisions of California Health and Safety Code Section  
16 40826. The following members of the Hearing Board were present: Micah Ali, Chair;  
17 Robert Pearman, Esq., Vice Chair; Jerry P. Abraham, MD MPH CMQ; Mohan  
18 Balagopalan; and Cynthia Verdugo-Peralta.

19 Petitioner, Canyon Power Plant (City of Anaheim), represented by Teresa Chen,  
20 did not appear. Respondent, Executive Officer of the South Coast Air Quality  
21 Management (South Coast AQMD), represented by John Jones, Senior Deputy  
22 District Counsel, did not appear. The public was given the opportunity to testify. The  
23 joint Stipulation to Place Matter on Consent Calendar, the Declaration of Ron  
24 Hoffard, the Declaration of Elden Krause, and the Proposed Findings and Decision of  
25 the Hearing Board were received as evidence and the case was submitted.

26 The Hearing Board finds and decides as follows:  
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1 **FINDINGS OF FACT**

2 Canyon Power Plant (“Facility”) is an operational 200-megawatt, natural-gas-  
3 fired, simple-cycle power plant. Canyon Power Plant supplies electric power to the  
4 City of Anaheim’s Public Utilities Department, which serves electric utilities  
5 customers in the City of Anaheim. The Facility has four (4) LM6000 gas turbines that  
6 drive four (4) 50-megawatt generators. The Facility is located at 3071 East Mira Loma  
7 Avenue, Anaheim, CA 92806.

8 The equipment that is the subject of the petition is Gas Turbine No. 1, which is  
9 one of the four LM6000 gas turbines at the Facility. Gas Turbine No. 1 includes the  
10 turbine Device ID No. D1, and CO oxidation catalyst No. 1 Device ID No. C3, as  
11 identified in the Title V & RECLAIM Facility Permit to Operate No. 153992.

12 On October 3, 2024, Petitioner was granted a regular variance, Case No. 6264-1,  
13 from Rules 203(b), 2004(f)(1) and 3002(c)(1) {from Section D, Condition No. D29.3  
14 of Title V & RECLAIM Facility P/O No. 153992}, because Petitioner could not  
15 complete the Triennial Testing in August 2024 as planned because the turbine was  
16 inoperable and offsite for repair in Canada. The variance specified a final compliance  
17 date of August 31, 2025 (Reference is made to the Findings and Decision of the  
18 Hearing Board October 3, 2024).

19 On September 4, 2025, Petitioner was granted a regular variance, Case No.  
20 6264-2, from Rules 203(b), 2004(f)(1) and 3002(c)(1) {from Section D, Condition  
21 No. D29.3 of Title V & RECLAIM Facility P/O No. 153992} and Rule 218(b)(4)(C)  
22 because Petitioner was informed by the repair contractor that the repair would take  
23 several more months. The variance specified a final compliance date of March 31,  
24 2026 (Reference is made to the Findings and Decision of the Hearing Board  
25 September 4, 2025). Petitioner did not have sufficient time to file for a modification  
26 and extension of the previous variance under Case No. 6264-1, as directed by the  
27 Minute Order.

1 On or around October 3, 2025, Petitioner submitted a complete permit  
2 application to reflect modifications to Turbine No. 1, as required by Variance  
3 Condition No. 9.

4 On or around February 3, 2026, the contractor informed Petitioner that the  
5 turbine is expected to be back onsite at the Facility in early May 2026. Petitioner  
6 recognized that the delayed repair schedule would prevent Petitioner from complying  
7 with the March 31, 2026 compliance date. On or around February 10, 2026,  
8 Petitioner's repair contractor informed the Petitioner of supply chain issues regarding  
9 Low Pressure Turbine (LPT) parts, which may cause the return-to-service date to be  
10 pushed from early May to late May 2026. On or around February 13, 2026, Petitioner  
11 filed the petition for modification of the variance and extension of the final  
12 compliance date from March 31, 2026 to July 31, 2026.

13 On or around March 10, 2026, the contractor informed the Petitioner that the  
14 turbine would not be shipped to the Facility until June 29, 2026. In order to allow  
15 time for compliance, Petitioner filed an amended petition on March 12, 2026,  
16 requesting a revised compliance date of August 31, 2026, to allow sufficient time for  
17 source testing and reporting in compliance with the variance.

18 Petitioner is in violation of South Coast AQMD Rules 203(b), 2004(f)(1), and  
19 3002(c)(1), and 218.1(b)(4)(C) which require compliance with permit conditions  
20 because, in the absence of a present and operating turbine, Petitioner is unable to meet  
21 Triennial Testing requirements as listed in Permit Condition No. D29.3 of Facility  
22 Permit.

23 Because Petitioner is not substituting Gas Turbine No. 1 while Gas Turbine No. 1 is  
24 non-operative during inspection and repair, emissions from Gas Turbine No. 1 are  
25 already reduced to the maximum extent feasible. Petitioner's operation of the  
26 remaining turbines at the Facility will be in compliance with the Facility Permit.  
27 Pursuant to Health and Safety Code 42358(b), a Schedule of Increments of Progress

1 specifying a final compliance date is added to Section C of the Order. The Board finds  
2 Good Cause to grant the extension and modify the current variance.

3 **CONCLUSION AND ORDER**

4 (The Findings of Fact and the Conclusions made by the Hearing Board on  
5 October 3, 2024 and September 4, 2025, are incorporated herein by reference).

6 THEREFORE, Good Cause appearing, the Board orders as follows:

7 A. The variance from South Coast AQMD Rules 203(b), 2004 (f)(1),  
8 3002(c)(1) {from Section D, Condition No. D29.3 of Title V & RECLAIM Facility  
9 P/O No. 153992} and 218.1(b)(4)(C), granted to Petitioner on September 4, 2025 for  
10 Gas Turbine No. 1, Device ID No. D1, and CO Oxidation Catalyst, Device ID  
11 No. C3, is hereby modified as follows: The variance and final compliance date which  
12 extended through March 31, 2026 is extended through **August 31, 2026**. The variance  
13 applies only to the portion of Permit Condition No. D29.3 stating the “test shall be  
14 conducted at least once every three years.” All other requirements in this condition  
15 shall remain in effect.

16 B. The modification granted herein is subject to the following conditions:

17 1. Petitioner shall notify the South Coast AQMD via email to AQ  
18 Engineer Chris Perri (cperri@aqmd.gov), AQ Inspector II Evan Landi  
19 (elandi@aqmd.gov), and Supervising AQ Inspector Joseph Liaw  
20 (jliaw1@aqmd.gov) of the following:

- 21 a. Completion of repairs to Turbine No. 1, within seven (7)  
22 calendar days of completion;
- 23 b. The return of repaired Turbine No. 1 to Canyon Power, within  
24 (7) seven calendar days;
- 25 c. Date and time of initial start-up of the repaired Turbine No. 1,  
26 within seventy-two (72) hours of start-up; and  
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- d. At least ten (10) calendar days prior to the source test, provide notification of the date and time of the source test.
- 2. Petitioner shall notify South Coast AQMD by calling 1-800-CUT-SMOG and by sending an email to AQ Inspector II Evan Landi (elandi@aqmd.gov), Supervising AQ Inspector Joseph Liaw (jliaw1@aqmd.gov), and AQ Engineer Chris Perri (cperri@aqmd.gov) at least twenty-four (24) hours prior to starting the Triennial Source Test.
- 3. Petitioner shall submit a complete source test report showing preliminary compliance with the Triennial Source Test to South Coast AQMD Source Testing (sourcetesting@aqmd.gov) and to AQ Inspector II Evan Landi (elandi@aqmd.gov), Supervising AQ Inspector Joseph Liaw (jliaw1@aqmd.gov), and AQ Engineer Chris Perri (cperri@aqmd.gov) within forty-five (45) calendar days after the test date.
- 4. Petitioner shall ensure that the NOx CEMS and CO CEMS serving Turbine No.1 is operational at least twenty-four (24) hours prior to restart of equipment of repaired Turbine No.1.
- 5. Petitioner shall perform a cylinder gas analysis on the NOx and CO monitors offline prior to restarting the repaired Turbine No.1.
- 6. Petitioner shall pay all applicable fees to the Clerk of the Board, or the variance shall be invalidated pursuant to Rule 303(k), except for excess emissions fees, which shall be paid within fifteen (15) days of notification in writing that the fees are due, unless otherwise ordered by the Hearing Board.

