

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

In the Matter of

El Segundo Energy Center LLC,

[Facility I.D. No. 115663]

Section 42350 of the California Health and  
Safety Code

**Case No. 5097-11**

**[PROPOSED] ORDER GRANTING A  
SHORT  
VARIANCE**

Hearing Date: March 12, 2026

**FINDINGS AND DECISION OF THE HEARING BOARD**

This petition for a short variance was heard on the Hearing Board’s Consent Calendar on **March 12, 2026**, in accordance with the provisions of California Health and Safety Code Section 40826 and District Rule 510. The following members of the Hearing Board were present: Micah Ali, Chair; Robert Pearman, Vice Chair; Jerry P. Abraham, MD MPH CMQ; Cynthia Verdugo-Peralta; and Mohan Balagopalan. Petitioner, El Segundo Energy Center LLC, LLC (hereinafter “ESEC” or “Petitioner”), represented by Gregory Wolffe, Yorke Engineering, did not appear. Respondent, Executive Officer, represented by Mary Reichert, Senior Deputy District Counsel, did not appear. The public was given the opportunity to testify. The parties filed with the Hearing Board a Stipulation to Place Matter on Consent Calendar, the Declaration of George Piantka, the Declaration of Sean Fergus, and the [Proposed] Findings and Decision of the Hearing Board. The Declaration of George Piantka was received as evidence from Petitioner and the Declaration of Sean Fergus was received as evidence from Respondent. The Proposed Findings and Decision of the Hearing Board was received as an exhibit, and the case was submitted. The Hearing Board finds and decides as follows:

Nature of Business and Location of Facility

The El Segundo Energy Center (ESEC) is located at 301 Vista Del Mar, El Segundo, California. It is a major natural-gas-fired power generation facility. It is a two-unit, rapid-response combined-cycle, dry-cooled plant located in the City of El Segundo in Los Angeles County. The facility provides efficient and flexible electricity generation to support the Los Angeles region.

Equipment and Permit to Construct/Operate

The equipment subject to this petition is the Gas Turbine, Unit No. 5, Natural Gas, Siemens, Model SGT6-5000F Rapid-Response, Combined Cycle (Device No. D67). The equipment is operated pursuant to Permit to Operate (P/O) No. G74288, Application Number 627769.

**SUMMARY**

Petitioner will be in violation of District Rules 203(b), 1303(a)(1), 1303(a)(2), 1703(a)(2), 2004(f)(1), 2005(b)(1)(A), and 3002(c)(1), and federally-enforceable requirements under 40 CFR 60 Subpart KKKK, during the NERC-required performance testing sequence for ESEC Unit 5 (Device D67). During full-speed no-load (FSNL) and minimum-load operation, catalyst temperatures will be below the effective activation range, resulting in temporary exceedances of permitted NOx and CO limits specified in permit conditions A99.7, A99.8, A99.9, A195.8, A195.9, A195.10, A195.11, and D12.11. In addition, permit Conditions A99.7, A99.8, and A99.9 limit the turbine to two startups per day, and the planned sequence may require more than two startups within the variance window; operating beyond this limit would constitute operation contrary to permit conditions under Rule 203(b). This short variance is requested to provide temporary relief from the applicable emission limits and startup-frequency limits for the limited duration necessary to complete the NERC performance testing (up to 10 hours between March 16 and March 31).

### **FINDINGS OF FACT**

Following are the facts and conclusions supporting the findings set forth in Health and Safety Code section 42352 necessary to grant the variance. The Executive Officer did not oppose the granting of the variance.

**a. The petitioner for a variance is, or will be, in violation of Section 41701 or of any rule regulation or order of the District.**

1. Petitioner will be in violation of District Rules 203(b), 2004(f)(1), and 3002(c)(1), which require compliance with permit conditions, as Petitioner will be out of compliance with Permit Conditions A99.7, A99.8, A99.9, A195.8, A195.9, A195.10, A195.11, and D12.11 during the NERC-required performance testing sequence when catalyst temperatures are too low for effective emissions control.

**b(1). Non-compliance with District Rule(s) is due to conditions beyond the reasonable control of the petitioner.**

1. Petitioner cannot comply with Permit Conditions A99.7, A99.8, A99.9, A195.8, A195.9, A195.10, A195.11, and D12.11 during the required NERC performance testing sequence for ESEC Unit 5 (Device D67). These conditions incorporate enforceable NO<sub>x</sub> and CO emission limits and requirements under BACT and 40 CFR 60 Subpart KKKK, which cannot be met during full-speed no-load (FSNL) and minimum-load operation because catalyst temperatures will be below the effective activation range for emission control. Therefore, Petitioner will be in violation of District Rules 203(b), 1303(a)(1), 1303(a)(2), 1703(a)(2), 2004(f)(1), 2005(b)(1)(A), and 3002(c)(1), which require compliance with permit conditions and applicable emission standards. It is beyond Petitioner's reasonable control to comply with these requirements during the limited period necessary to complete the NERC-mandated testing.

**b(2). Requiring compliance would result in either (1) an arbitrary or unreasonable taking of property, or (2) the practical closing and elimination of a lawful business.**

1. Denial of the variance would render ESEC Unit 5 (Device D67) unable to complete the NERC-required performance testing sequence, because the unit cannot comply with permitted

NOx and CO emission limits during full-speed no-load (FSNL) and minimum-load operation. Without variance relief, Petitioner would be prohibited from operating the unit under these conditions, preventing completion of the testing required to safely return the unit to service. Not granting this petition could cause significant, unreasonable, and unavoidable harm to Petitioner in that the unit would be unavailable for commercial operation until testing is completed under compliant conditions, resulting in operational limitations and potential loss of revenue.

**c. The closing or taking would be without a corresponding benefit in reducing air contaminants.**

1. Completion of the NERC-required performance testing for ESEC Unit 5 (Device D67) is necessary to return the unit to reliable commercial service. This testing is mandatory following the generator exciter outage and maintenance and must be performed at multiple load points, including full-speed no-load (FSNL) and minimum-load operation. Without the variance, Petitioner would be unable to operate the unit under these required test conditions, preventing completion of the testing sequence and delaying the safe return of the unit to service. Not granting this petition could cause significant, unreasonable, and unavoidable harm to Petitioner in that the unit would be unavailable for commercial operation until the required testing can be completed under compliant conditions, which may in turn require other, potentially higher-emitting units in the region to operate in its place to meet electrical demand.

**d. The applicant for the variance has given consideration to curtailing operations of the source in lieu of obtaining a variance.**

1. Petitioner considered curtailment. However, curtailing operations would not eliminate the requirement to perform this testing, nor would it enable ESEC Unit 5 (Device D67) to comply with the applicable NOx and CO emission limits contained in Permit Conditions A99.7, A99.8, A99.9, A195.8, A195.9, A195.10, A195.11, and D12.11 during these low-load conditions. Therefore, curtailment does not provide a feasible method of compliance, and a short variance is required to complete the NERC-mandated testing.

**e. During the period the variance is in effect, the applicant will reduce excess emissions to the maximum extent feasible.**

1. Excess emissions during the NERC-required performance testing for ESEC Unit 5 (Device D67) will be minimized by limiting operation to the short duration necessary to complete the required test sequence, not exceeding the requested 10-hour variance period. The unit will operate only at the specific load points required for the NERC protocol—full-speed no-load (FSNL), minimum load, 60 percent load, and full load—and only for the time needed to collect required test data. No additional discretionary operation will occur during the variance window. By restricting turbine operation to the minimum period required to complete the mandatory NERC testing, Petitioner will limit actual emissions and ensure that excess emissions remain as low as reasonably achievable during the short variance period. Excess emission estimates for NO<sub>x</sub> and CO are shown in Attachment #1 of the Amended Petition.

**f. During the period the variance is in effect, the applicant will monitor or otherwise quantify emission levels from the source, if requested to do so by the district, and report these emission levels to the district pursuant to a schedule established by the district.**

1. Petitioner will monitor NO<sub>x</sub> and CO emissions during the variance period using the certified continuous emission monitoring system (CEMS) installed on ESEC Unit 5 (Device D67), in accordance with applicable permit conditions and District requirements.

### **CONCLUSION AND ORDER**

THEREFORE, good cause appearing, the Hearing Board orders as follows:

A. Petitioner is granted a variance from South Coast AQMD Rules 203(b), 1303(a)(1), 1303(a)(2), 1703(a)(2), 2004(f)(1), 2005(b)(1)(A), and 3002(c)(1), as applied to permit conditions A99.7, A99.8, A99.9, A195.8, A195.9, A195.10, A195.11, and D12.11 applicable to ESEC Unit 5 (Device D67), for the purpose of completing the required NERC performance testing. The variance shall be effective for up to 10 hours between March 16 and March 31, or until completion of the NERC testing sequence, whichever occurs first.

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

1. This variance shall only apply to the NO<sub>x</sub> and CO emission limits contained in Permit Conditions A99.7, A99.8, A99.9, A195.8, A195.9, A195.10, A195.11, and D12.11 to the extent they cannot be met during full-speed no-load (FSNL) and minimum-load operation required for the NERC testing of ESEC Unit 5 (Device D67). These emission limits shall not apply during the authorized variance period.

2. Petitioner shall notify the South Coast AQMD by calling 1-800-CUT-SMOG and by sending an email to Air Quality Engineer Sean Fergus (sfergus@aqmd.gov) and Air Quality Inspector Madison Burris (mburris@aqmd.gov) at least 72 hours before commencing turbine testing operations.

3. Petitioner shall notify the South Coast AQMD by calling 1-800-CUT-SMOG and by sending an email to Air Quality Engineer Sean Fergus (sfergus@aqmd.gov) and Air Quality Inspector Madison Burris (mburris@aqmd.gov) within 24 hours of completing the turbine testing operations.

4. Petitioner shall operate the Continuous Emissions Monitoring System (CEMS) to continuously monitor NO<sub>x</sub> and CO emissions from Gas Turbine Unit No. 5 (D67) and record all required parameters throughout NERC testing operations.

5. Petitioner shall submit all recorded daily CEMS monitoring data, as prescribed in Condition 4, by sending an email to Air Quality Engineer, Sean Fergus (sfergus@aqmd.gov) and Air Quality Inspector Madison Burris (mburris@aqmd.gov) within ten (10) calendar days of the end of the variance.

6. Petitioner shall notify the South Coast AQMD by calling 1-800-CUT-SMOG and by sending an email to Air Quality Engineer Sean Fergus (sfergus@aqmd.gov) and Air Quality Inspector Madison Burris (mburris@aqmd.gov) within ten (10) calendar days of the end of the variance and provide the following information:

a) Total hours of operation and fuel usage;

- b) NOx and CO emissions in pounds (lbs.) for the entire variance operation; and
- c) The number and duration of start-up and shutdown events which occurred during variance operation.

7. Petitioner shall submit via email, within thirty (30) days of the end of the variance period, a final report to AQ Engineer Sean Fergus (sfergus@aqmd.gov) and AQ Inspector Madison Burris (mburris@aqmd.gov) which indicates the amount of excess amount of CO and NOx emissions above the permit limits during the variance period from Unit 5, D67.

8. Petitioner shall pay all applicable fees to the Clerk of the Hearing Board, or the variance shall be invalidated pursuant to Rule 303(k), except for excess emission 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.

9. Petitioner shall notify the Clerk of the Hearing Board, AQ Engineer Sean Fergus (sfergus@aqmd.gov), and AQ Inspector Madison Burris (mburris@aqmd.gov) in writing when final compliance is achieved.

FOR THE BOARD: \_\_\_\_\_

DATED: \_\_\_\_\_