

SOUTH COAST AQMD
CLERK OF THE BOARD
2025 MAY 16 PM 4:11

PETITION FOR MODIFICATION OF AN EXISTING VARIANCE
BEFORE THE HEARING BOARD OF THE
SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT

m/E
7/10/25

PETITIONER: Walnut Creek Energy, LLC

CASE NO: 6230-2

FACILITY ID: 146536

FACILITY ADDRESS : 911 Bixby Dr

[location of equipment/site of violation; specify business/corporate address, if different, under Item 2, below]

CITY, STATE, ZIP: City of Industry, CA 91745

1. TYPE OF MODIFICATION REQUESTED

- (a) ☒ **MODIFICATION/EXTENSION OF A FINAL COMPLIANCE DATE:** If you are operating under a variance and will not be in full compliance by the final compliance date, you may request an extension of the variance and a modification of the final compliance date. **A petition requesting such an extension must be filed at least 45 days prior to the existing final compliance date in order to meet the legal notice requirement.** *(Hearing will be held approximately 45 days from date of filing--30-day published notice required.)*
- (b) ☐ **MODIFICATION OF VARIANCE CONDITIONS:** If you are unable to comply with one or more conditions of an existing variance, you may request a modification of variance conditions. *(Hearing will be held approximately 21 days from date of filing--10-day published notice required)*
- (c) ☐ **MODIFICATION OF INCREMENTS OF PROGRESS:** If you are unable to comply with one or more increments of progress of an existing variance and additional time is required, you may request a modification of those increments of progress. *(Hearing will be held approximately 21 days from date of filing--10-day published notice required.)*
- (1) ☐ **INTERIM AUTHORIZATION:** If compliance with an increment of progress cannot be achieved and you are unable to notify the Hearing Board at least 21 days in advance in order to schedule a noticed hearing, the Board can consider granting one extension of the increments of progress (interim authorization). **However**, an interim authorization cannot be granted: (1) for more than 30 days; or (2) to extend a final compliance date of an existing variance. *(Hearing will be held approximately 2 working days from date of filing or the next available hearing date thereafter.)*

Persons with disabilities may request this document in an alternative format by contacting the Clerk of the Board at 909-396-2500 or by e-mail at clerkofboard@aqmd.gov.

If you require disability-related accommodations to facilitate participating in the hearing, contact the Clerk of the Board at least five (5) calendar days prior to the hearing.

[ALL DOCUMENTS FILED WITH CLERK'S OFFICE BECOME PUBLIC RECORD]

(d) ☐ OTHER: Specify:

2. **CONTACT:** Name, title, company (if different than Petitioner), address, and phone number of persons authorized to receive notices regarding this Petition (no more than two authorized persons).

Greg Wolffe
Principal Scientist, Yorke Engineering, LLC
31726 Rancho Viejo Rd, Suite 218
San Juan Capistrano, CA Zip 92675
☎ (909) 861-2729 Ext.
Fax ()
E-mail GWolffe@YorkeEngr.com

George Piantka
Senior Director, NRG
4600 Carlsbad Blvd
Carlsbad, CA Zip 92008
☎ (760) 707-6833 Ext.
Fax ()
E-mail George.Piantka@nrg.com

3. List the equipment and/or activity that are the subject of this petition, if different from the existing variance. **(Attach copy of last minute order regarding this variance)**

Equipment/Activity	Application/ Permit No.	RECLAIM Permit/Device No.	Date Application/Plan Denied (if relevant, attach copy of denial letter)
GE LMS100 simple cycle gas turbine (Unit 1)	A/N: 647716	D1	N/A
GE LMS100 simple cycle gas turbine (Unit 2)	A/N: 647716	D7	N/A
GE LMS100 simple cycle gas turbine (Unit 3)	A/N: 647716	D13	N/A
GE LMS100 simple cycle gas turbine (Unit 4)	A/N: 647716	D19	N/A
GE LMS100 simple cycle gas turbine (Unit 5)	A/N: 647716	D25	N/A

4. List all District rules, and/or permit conditions from which you are requesting variance relief, if different from the existing variance. *Attach copies of the Permit(s) to Construct and/or Permit(s) to Operate the subject equipment **only if you are adding** a request for relief from permit conditions. If RECLAIM or Title V facility, attach only the relevant sections of the Facility Permit (for example, showing the equipment or process and conditions that are the subject of this petition).*

Rules	Explanation

5. Explain the steps taken since the last hearing to achieve compliance, including how you have met each of your existing variance conditions and/or increments of progress.

Walnut Creek Energy (WCE) has complied with all conditions of the variance. As outlined in Condition 1, the variance applies only to Permit Condition A195.7, which limits NOx emissions during start-up to 7.0 lbs; this limit does not apply during the variance period. WCE has submitted monthly reports to the South Coast AQMD on NOx mass emissions and other requested parameters (Condition 2), and has also provided the required data for calendar year 2021 (Condition 3). In accordance with Condition 4, WCE submitted Application Nos. 653918 - 653922 (one for each of the 5 sets of turbines and emission control devices permitted at the WCE facility) on June 28, 2024. The applications to modify the NOx mass emission limits were filed within the required 45 calendar days of the variance being granted.

Monthly reports showing NOx mass emissions have been prepared and submitted according to the active variance. WCE will notify the Clerk of the Board once final compliance is achieved and the updated permit condition for the NOx start-up limit has been granted (Condition 5). Additionally, WCE has paid the required fees for excess NOx emissions, with the initial payment made on August 31, 2024, and subsequent payments made every 3 months thereafter (Condition 6).

6. When did you first become aware that you would not be able to comply with the existing variance?

Date: May 1, 2025

7. What part(s) of the existing variance are you unable to comply with (final compliance date, specific increments of progress, and/or conditions)? For each part with which you cannot comply, provide an explanation.

WCE is unable to comply with the final compliance date of July 15, 2025, and is requesting an extension. Compliance is dependent on permit issuance of the WCE Title V permit that includes the requested NOx start-up mass emissions increase. WCE is waiting for the updated permit condition for the NOx start-up limit to be granted, as requested in Application Nos. 653918 – 653922, submitted on June 28, 2024.

8. How do you intend to achieve compliance with the rule(s) and/or permit condition(s)? Include a detailed description of any equipment to be installed and/or modifications or process changes to be made, a list of the dates by which the actions will be completed, and an estimate of total costs.

WCE will be in compliance once the updated permit condition for the NOx startup limit, as requested in Application Nos. 653918 – 653922, has been granted. WCE has remained in communication with South Coast AQMD permit engineering staff to monitor the status of the application and to provide any additional data or information as needed.

9. State the date by which you expect to achieve final compliance: 7/15/26

If the regular variance is to extend beyond one year, you **must** include a **Schedule of Increments of Progress**, specifying dates or time increments for steps needed to achieve compliance. See District Rule 102 for definition of Increments of Progress.

Example:

- Permit application(s) will be submitted to the District by June 1, 2001.
- Contracts for the purchase of emission control systems will be awarded by August 1, 2001.
- On-site construction will be completed by September 8, 2001.

Increments of Progress:

- Processing of the permit applications will be completed by the South Coast AQMD by July 31, 2025.
- WCE will provide comments to South Coast AQMD within 1 week of receiving draft permit, prior to EPA review.
- NOx start-up limit in Permit Condition A195.7 updated by July 15, 2026.

WCE submitted Application Nos. 653918 - 653922 requesting an updated permit condition for the NOx start-up limit, as required by Condition 4 of the variance. The application is currently under review, and WCE is awaiting issuance of the revised permit condition. During the application review process, WCE will promptly provide the Air District any additional data or information needed.

10. Estimate excess emissions, if any, on a daily basis, including, if applicable, excess opacity (the percentage of total opacity above 20%) during the variance period. If the variance will result in no excess emissions, go to No. 11.

Pollutant	(A)	(B)	(C)*
	Total Estimated Excess Emissions (lbs/day)	Reduction Due to Mitigation (lbs/day)	Net Emissions After Mitigation (lbs/day)
NOx	8.47	0.0	8.47

*Column A minus Column B = Column C

Excess Opacity: 0 %

11. Show calculations used to estimate quantities in No. 10, or explain why there will be no excess emissions.

WCE is subject to a permitted natural gas fuel usage limit of no more than 20.7 MM cubic feet per day per turbine. WCE will continue to comply with this limit throughout the variance period, and not exceed any existing permitted mas emission limits, other than the NOx start-up limit for which the variance grants relief from. The daily natural gas usage limit developed during recent permitting actions to enforce potential to emit emissions under new source review based on operating 24 hours per day at maximum turbine load (i.e., 100% fuel heat input rate). By committing to operate below the daily natural gas fuel limit, WCE will ensure that actual emissions will remain less than permitted levels for all pollutants, including NOx.

12. Explain how you plan to reduce (mitigate) excess emissions to the maximum extent feasible. If no excess

[YOU MAY ATTACH ADDITIONAL PAGES IF NECESSARY]

emissions, skip to No. 13.

Excess emission will continue to be mitigated through compliance with existing natural gas throughput usage limits, and compliance with all other Title V mass emission limits.

13. Explain how you will monitor or quantify emission levels from the subject equipment or activity during the variance period and make such records available to the District. **Any proposed monitoring does not relieve RECLAIM facilities from missing data requirements.**

Units 1-5 CEMS will continue to operate to monitor emissions during the variance period.

14. What would be the harm to your business if the variance were not modified/extended as requested?

Economic losses: \$ None of the units can meet the NOx start-up mass limits, meaning they cannot be operated, which would cause a complete loss of all capacity payments and revenue from providing energy and ancillary services to the CAISO grid, amounting to millions of \$ over the proposed term of the variance. Number of employees laid off (if any): _____

Provide detailed information regarding economic losses, if any (anticipated business closure, breach of contracts, hardship on customers, layoffs and/or similar impacts).

Units 1-5 are contracted to provide Resource Adequacy capacity, which requires that the petitioner certify availability monthly and submit bids every hour of every day in the CAISO markets. If the variance is not extended, all five units would need to be shut down until the permit could be amended, which may take several months, meaning that the resources would be unavailable during the critical summer to early fall season when they are most valuable and most critical to electric reliability.

Potential impacts to California's grid and the public could result if Units 1-5 cannot be operated under a variance, which could result in the dispatch of less efficient and higher emitting generation to satisfy electricity demand.

15. List the names of any District personnel with whom facility representatives have had contact concerning this variance petition or any related Notice of Violation or Notice to Comply.

_____ Chris Perri_(Permit Engineer)_____ Ext. 2696
_____ Ext. _____

16. Have you received any complaints from the public regarding the operation of the subject equipment or activity within the last six (6) months? No ☒ Yes ☐

Date of Complaint	Number of Complainant(s)	Nature of Complaint

The undersigned, under penalty of perjury, states that the above petition, including attachments and the items therein set forth, is true and correct.

Executed on May 16, 2025, at Carlsbad, California

George L. Piantka
Signature

George L. Piantka
Print Name

Sr. Director, Environmental
Title

(Petition for Modification: Revised December 10, 2008)

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

MINUTE ORDER

WALNUT CREEK ENERGY LLC
911 Bixby Drive
City of Industry, CA 91745

Case No: 6230-2
Facility ID: 146536

Hearing Date: 5/21/24

Hearing Type: Regular

Consent Calendar: ☒

HEARING BOARD ACTION

Action: Granted

Starting Date: 7/16/24

Ending Date: 7/15/25

RULES

202(b) {from Section H, Condition No. A195.7 of Title V Facility P/O No. 146536}

2004(f)(1) {from Section H, Condition No. A195.7 of Title V Facility P/O No. 146536}

2005

3002(c)(1) {from Section H, Condition No. A195.7 of Title V Facility P/O No. 146536}

EQUIPMENT DESCRIPTION

DEVICE/APPLICATION/PERMIT

Gas Turbine No. 1	D1
Gas Turbine No. 2	D7
Gas Turbine No. 3	D13
Gas Turbine No. 4	D19
Gas Turbine No. 5	D25

CONDITIONS

1. This variance shall only apply to the requirement in condition A195.7 which limits the NOx emissions during start up to 7.0 lbs. During the variance period, this limit shall not apply.
2. Petitioner shall provide South Coast AQMD by email to Air Quality Engineer Chris Perri (cperri@aqmd.gov) and Air Quality Inspector Jennifer Wang (jwang@aqmd.gov) within 10 calendar days of the end of each month, the following information for each unit start up for the preceding month during the variance period:
 - A. Cumulative minute by minute mass emissions of NOx for the 60 minutes after the beginning of the start-up.
 - B. Minute by minute NOx concentrations, exhaust temperature readings, water injection rate, ammonia flow rate, turbine output, and turbine fuel use during the 60 minutes after the beginning of the start-up.
3. Petitioner shall provide South Coast AQMD by email to Air Quality Engineer Chris Perri (cperri@aqmd.gov) and Air Quality Inspector Jennifer Wang (jwang@aqmd.gov) within 30 calendar days after the granting of this variance, the following information for each turbine's start up in calendar year 2021.
 - A. The number of start-ups per unit.
 - B. Cumulative minute by minute mass emissions of NOx and CO for the 60 minutes after the beginning of the start-up.

- C. Minute by minute NOx and CO concentrations, exhaust temperature readings, water injection rate, ammonia flow rate, turbine output, and turbine fuel use during the 60 minutes after the beginning of the start-up.
4. Petitioner shall submit applications with expedited fees, to request a modification of the permit pertaining to NOx start up limit within 45 calendar days after the granting of this variance.
 5. Petitioner shall notify the Clerk of the Board at (clerkofboard@aqmd.gov) when final compliance is achieved.
 6. Petitioner will verify NOx excess emissions that are above 7.0 lbs per start per unit, using CEMS data, and pay the initial fee on August 31, 2024, and subsequently every 3 months thereafter, pursuant to Rule 303.

EXCESS EMISSIONS

NOx: To be determined pursuant to Variance Condition No. 6

Present:

Cynthia Verdugo-Peralta, Chair
Robert Pearman, Esq., Vice Chair
Jerry P. Abraham, MD MPH CMQ
Micah Ali
Mohan Balagopalan

Representing the Petitioner:

No Appearance

Representing the Respondent:

No Appearance

Petitioner's Exhibits:

- *#1 – Stipulation to Place Matter on Consent Calendar
- *#2 – Declaration of George Piantka
- *#3 – Proposed Findings and Decision

Respondent's Exhibit:

- *A – Declaration of Chris Perri

Hearing Board's Exhibit:

- *#HB-1 – Email Thread Re: Board Member Balagopalan's Questions and Parties' Response


*Entered into Evidence

Motion:

Balagopalan/Ali

5-0

Board
Review/Approval


Mohan Balagopalan

Dated

6-6-24

Prepared by Rosalinda Diaz