

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

In the Matter of

SENTINEL ENERGY CENTER LLC,

[Facility I.D. No. 152707]

Section 42350 of the California Health and
Safety Code

Case No. 6141-2

**[PROPOSED] ORDER GRANTING
REGULAR VARIANCE**

Hearing Date: May 14, 2024

FINDINGS AND DECISION OF THE HEARING BOARD

On April 10, 2024, the Hearing Board heard Petitioner's application for interim variance on the consent calendar pursuant to notice and in accordance with the provisions of California Health and Safety Code Section 40826 and District Rule 510. The matter was placed on the Consent Calendar pursuant to the Stipulation to Place Petition for Interim Variance on Consent Calendar and was granted by the Hearing Board, effective through May 14, 2024, the date of this hearing on Petitioner's request for a regular variance.

Petitioner's application for regular variance was placed on the consent calendar pursuant to notice and in accordance with the provisions of California Health and Safety Code Section 40826 and District Rule 510. The matter was placed on the Consent Calendar pursuant to the Stipulation to Place Petition for Variance on Consent Calendar. The following members of the Hearing Board were present: Cynthia Verdugo-Peralta, Chair; Robert Pearman, Esq., Vice Chair; Jerry P. Abraham, MD, MPH, CMQ; Micah Ali; and Mohan Balagopalan. Petitioner Sentinel Energy Center LLC (hereinafter "Petitioner" or "Sentinel") represented by Rick R. Rothman and William Kissinger, of the law firm of Morgan Lewis LLP, did not appear. Respondent, Executive Officer, represented by Daphne Hsu, Principal Deputy District Counsel, did not appear. The Declaration of Dennis Johnson was received as evidence from Petitioner and the declaration of Christian Aviles was received as evidence from Respondent and the Proposed Findings and

Decision of the Hearing Board was received as an exhibit, and the case submitted. The Hearing Board finds and decides as follows:

Nature of Business and Location of Facility

The Sentinel facility is located at 15775 Melissa Lane Rd, North Palm Springs, California, is a nominally rated 850-megawatt natural gas-fired, simple-cycle electricity generation facility consisting of eight General Electric LMS100 combustion turbine generators and associated equipment.

Equipment and Permit to Construct/Operate

The equipment that is the subject of this petition is the CO Catalyst device (Device No. C15) associated with turbine Unit 3 at the facility. The equipment is operated pursuant to Facility Permit to Operate (P/O) No. 152707.

SUMMARY

Petitioner will be violation of District Rules 203(b), 2004(f)(1) and 3002(c) and intends to achieve compliance by conducting a source test within 90 days of restarting turbine Unit 3.

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 regular variance. The Executive Officer did not oppose the granting of the regular 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), which requires compliance with permit conditions, as petitioner will be out of compliance with Permit Condition D29.5 until Gas Turbine Unit 3 (Device No. D13) is restarted and the source testing of the CO Catalyst (Device No. C15) pursuant to the condition can be conducted.

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

1. Petitioner cannot perform the source testing contemplated by permit condition D29.5 until Gas Turbine Unit 3 is back up and running. Turbine Unit 3 has been out of service since December 14, 2023. Gas Turbine Unit 3 was sent off-site for repairs and is not expected to be repaired and back in operation until the 3rd Quarter of 2024. Gas Turbine Unit 3 must be operating in order to perform the required source testing on the associated CO Catalyst. Therefore, it is beyond Petitioner's reasonable control to comply with District rules and permit conditions.

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 cause significant, unreasonable and unavoidable harm to Petitioner in that Petitioner may be unable to operate Gas Turbine Unit 3 once it is repaired, which could have impacts on California's electricity grid and could result in significant lost revenues to Petitioner.

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

1. Once the repairs are completed and Gas Turbine Unit 3 is restarted, it will be operating in compliance with permitted emissions requirements so there are no anticipated excess emissions associated with this variance.

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, since Gas Turbine Unit 3 is not operating, curtailment would not obviate the need for a variance. Curtailment does not address the inability to perform the source testing of the associated CO Catalyst contemplated by permit condition D29.5.

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

1. There are no excess emissions associated with this variance.

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 emissions during the variance period using Gas Turbine Unit 3's CEMS once the turbine is restarted. Petitioner will also operate the CEMS for the duration of the variance period where the Gas Turbine Unit 3 is not operating or alternatively may choose to comply with the requirements in Rule 2012(c)(2)(D) and 2012(c)(2)(E), as amended November 3, 2022.

CONCLUSION AND ORDER

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

A. Petitioner is granted a Regular variance from South Coast AQMD Rules 203(b), 2004(f)(1) and 3002(c) {Condition D29.5 of Title V Facility P/O No. 152707 for the CO Catalyst (Device C15)} for the period commencing May 14, 2024 and continuing through December 31, 2024.

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

1. The variance applies only to the portion of condition D29.5 stating the "test shall be conducted within 90 days of the installation and operation of a new CO oxidation catalyst." All other requirements in this condition shall remain in effect.

2. Petitioner shall complete the repair of Gas Turbine, Unit 3 (Device No. D13) and return the unit to service. Additionally, the Petitioner shall send monthly updates of repair progress by the first Tuesday of each month to South Coast AQMD by sending emails to Air Quality Inspector Avelino Revilla (arevilla@aqmd.gov) and Air Quality Engineer Christian Aviles (caviles@aqmd.gov).

3. Petitioner shall notify the South Coast AQMD by sending emails to Air Quality Inspector Avelino Revilla (arevilla@aqmd.gov) and Air Quality Engineer Christian

Aviles (caviles@aqmd.gov), within 7 days after Gas Turbine, Unit 3 (Device No. D13) is returned to service, with the actual date and time when the unit was returned to service.

4. Once the gas turbine and associated air pollution control devices (Device No. D13 & C15) have returned to service, Petitioner shall complete the source test as required by condition D29.5 within 90 calendar days.

5. Petitioner shall notify South Coast AQMD by sending an email to Air Quality Inspector Avelino Revilla (arevilla@aqmd.gov) and Air Quality Engineer Christian Aviles (caviles@aqmd.gov) at least 24 hours prior to starting the required source test.

6. Petitioner shall submit the complete source test report to South Coast AQMD Source Testing (sourcetesting@aqmd.gov), Air Quality Inspector Avelino Revilla (arevilla@aqmd.gov), and to Air Quality Engineer Christian Aviles (caviles@aqmd.gov) within 45 calendar days after the test date.

7. Petitioner shall operate the Continuous Emissions Monitoring System (CEMS) to continuously monitor the exhaust from the gas turbine (Device No. D13) and record all required parameters (i.e. NO_x concentration, oxygen content, and fuel flow) pursuant to Rule 2012, Appendix A, Chapter 2 for the duration of the variance period including showing valid zeros for all parameters when the turbine is not operating. In lieu of the of the abovementioned requirement, the Petitioner may choose to comply with the requirements in Rule 2012(c)(2)(D) and 2012(c)(2)(E), as amended on November 3, 2022.

8. Petitioner shall notify the Clerk of the Board in writing when final compliance is achieved.

9. Petitioner shall pay all applicable fees, including excess emissions fees, if applicable, to the Clerk of the Hearing Board within fifteen days of notification in writing that the fees are due or the variance shall be invalidated pursuant to Rule 303 – Hearing Board Fees, subsection (k).

FOR THE BOARD: _____

DATED: _____