

ORIGINAL

IV 9/25/24  
RV 10/24/24

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

SOUTH COAST AQMD  
CLERK OF THE BOARDS

2024 SEP -6 PM 2:06

PETITIONER: ENERY HOLDINGS / \_\_\_\_\_

CASE NO: 6248-2 \_\_\_\_\_

LGHTHP\_6\_ICEGEN \_\_\_\_\_

FACILITY ID: 186899 \_\_\_\_\_

FACILITY ADDRESS: 17171 S. Central Ave \_\_\_\_\_  
[location of equipment/site of violation; specify business/corporate address, if different, under Item 2, below]

City, State, Zip: Carson, CA 90746 \_\_\_\_\_

1. TYPE OF VARIANCE REQUESTED (more than one box may be checked; see Attachment A, Item 1, before selecting)

INTERIM     SHORT     REGULAR     EMERGENCY     EX PARTE EMERGENCY

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).

Michael Munoz \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Zip

Zip

☎ ( 406 ) 544-3326 \_\_\_\_\_

Ext.

☎ (     ) \_\_\_\_\_

Ext.

Fax (     ) \_\_\_\_\_

Fax (     ) \_\_\_\_\_

E-mail mmunoz@ches.biz \_\_\_\_\_

E-mail \_\_\_\_\_

3. RECLAIM Permit     Yes     No

Title V Permit     Yes     No

4. GOOD CAUSE: Explain why your petition was not filed in sufficient time to issue the required public notice. (Required only for Emergency and Interim Variances; see Attachment A, Item 4)

The subject equipment went offline in an emergency outage on 28 August 2024 with an undetermined cause. There were 33 days prior to LGHTHP\_6\_ICEGEN being out of compliance with our RATA testing, due on 30 September 2024. There is not enough time to file a normal variance which requires 45 days.

5. Briefly describe the type of business and processes at your facility.

LGHTHP\_6\_ICEGEN is an electrical generating power plant. Item D19 is a natural gas turbine that rotates a shaft connected to a generator. The generator produces electricity for the California grid. We then use our heated exhaust gases to boil water and turn a secondary steam turbine, which produces additional electricity.

6. List the equipment and/or activity(s) that are the subject of this petition (see Attachment A, Item 6, Example #1). **Attach copies of the Permit(s) to Construct and/or Permit(s) to Operate for the subject equipment. For RECLAIM or Title V facilities, attach *only* the relevant sections of the Facility Permit showing the equipment or process and conditions that are subject to this petition. You must bring the entire Facility Permit to the hearing.**

Equipment/Activity	Application/Permit No.	RECLAIM Device No.	Date Application/Plan Denied (if relevant)*
GAS TURBINE, NATURAL GAS, GENERAL ELECTRIC, MODEL LM6000	186899	D19	

\*Attach copy of denial letter

7. Briefly describe the activity or equipment, and why it is necessary to the operation of your business. A schematic or diagram may be attached, in addition to the descriptive text.

LGHTHP\_6\_ICEGEN is an electrical generating power plant. Item D19 is a natural gas turbine that rotates a shaft connected to generator. The generator produces electricity for the California grid.

8. Is there a regular maintenance and/or inspection schedule for this equipment? Yes  No

If yes, how often: Daily Date of last maintenance and/or inspection 9/4/2024

Describe the maintenance and/or inspection that was performed.

All systems checks and electrical continuity, open gas turbine generator.

9. List all District rules, and/or permit conditions [indicating the specific section(s) and subsection(s)] from which you are seeking variance relief (if requesting variance from Rule 401 or permit condition, see Attachment A). Briefly explain how you are or will be in violation of each rule or condition (see Attachment A, Item 9, Example #2).

Rule	Explanation
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RULE 2012, Attachment C, (B)(2)(c)	For each CEMS, perform the following assessments once semiannually thereafter, as specified below for the type of test. These semi-annual assessments shall be completed within six months of the end of the calendar quarter in which the CEMS was last tested for certification purposes (initial and recertification)
203(B), 2004(f)(1), 3002(c)(1)	Source test cannot be conducted as required until the Gas Turbine Generator is repaired and LGHHP_6_ICEGEN is ordered to run by CAISO.

10. Are the equipment or activities subject to this request currently under variance coverage? Yes  No

Case No.	Date of Action	Final Compliance Date	Explanation

11. Are any other equipment or activities at this location currently (or within the last six months) under variance coverage? Yes  No

Case No.	Date of Action	Final Compliance Date	Explanation

12. Were you issued any Notice(s) of Violation or Notice(s) to Comply concerning this equipment or activity within the past year? Yes  No

If yes, you must attach a copy of each notice.

13. Have you received any complaints from the public regarding the operation of the subject equipment or activity within the last six months? Yes  No

If yes, you should be prepared to present details at the hearing.

14. Explain why it is beyond your reasonable control to comply with the rule(s) and/or permit condition(s). Provide specific event(s) and date(s) of occurrence(s), if applicable.

The D19 GAS TURBINE MODEL LM6000 generator is currently offline with an unknown restoration period. It is likely that the generator will not be restored to operation prior to 30 September 2024, the date of our RATA testing deadline. It is likely that the California System Operator (CAISO) will not Order the LGHHP\_6\_ICEGEN power plant online after the middle of September as the summer of 2024 has been cool, with little energy demand. It is likely that the California System Operator (CAISO) will not Order LGHHP\_6\_ICEGEN online again until July 2025 when peak energy is again in demand.

15. When and how did you first become aware that you would not be in compliance with the rule(s) and/or permit condition(s)? Provide specific event(s) and date(s) of occurrence(s).

Energy Holdings\_LGHHP\_6\_ICEGEN power plant is not currently out of compliance. We seek a variance in order to be proactive.

During maintenance and inspection on 9/4/2024, fiberglass insulation was found floating in the area of the diode wheel of the D19 Gas Turbine Generator. This symptom requires the disassembly of the Gas Turbine Generator. This work will likely last beyond 30 September 2024, causing LGHHP\_6\_ICEGEN to be out of compliance.

16. List date(s) and action(s) you have taken since that time to achieve compliance. That the Petition Form HB-V, and any related instructions, include requirement that the Petitioner include a timeline in suitable, chronological format to address the events, dates, and actions called for by Questions 15 and 16, including the dates of communication with the South Coast AQMD to notify them of the occurrence(s) giving rise to the requested variance.

8/28/2024-Gas Turbine trip

8/29/2024-9/4/2024- electrical inspection of Switch Gear, Gas Turbine Generator, Steam Turbine Generator

9/5/2024-Unknown- Remove gas turbine generator front end

17. What would be the harm to your business during and/or after the period of the variance if the variance were not granted?

Economic losses: Criminal liability and unknown AQMD Enforcement fines \_\_\_\_\_

Number of employees laid off (if any): 10 \_\_\_\_\_

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

LGHTHP\_6\_ICEGEN is regulated by the Federal Energy Regulatory Commission (FERC-EG23-51-000), the California Energy Commission (CEC- G0084) and the California Independent System Operator (LGHTHP\_6\_ICEGEN-5912141) LGHTHP\_6\_ICEGEN does not have any discretion over whether to follow a run Order from its regulators. Failure to follow a run Order may result in criminal prosecution and administrative penalty including loss of license to operate.

Forcing Energy Holdings LLC to choose between following state and federal energy regulators or violating AQMD rules is a hardship.

18. Can you curtail or terminate operations in lieu of, or in addition to, obtaining a variance? Please explain.

We are currently in an emergency outage with the CAISO, having ceased operations while diagnosing and repairing the Gas Turbine Generator issue. Once the Gas Turbine Generator is repaired, LGHTHP\_6\_ICEGEN will be subject to Order by the CAISO. A CAISO Order is not a request, but an Order. If we do not to comply with the Order, and generate electricity to the Order, LGHTHP\_6\_ICEGEN is subject to criminal and civil prosecution for failing to execute a run Order.

19. 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, insert "N/A" here and skip to No. 20.

Pollutant	(A)	(B)	(C)*
	Total Estimated Excess Emissions (lbs/day)	Reduction Due to Mitigation (lbs/day)	Net Emissions After Mitigation (lbs/day)
NOx	0	0	0
PM10	0	0	0
SOx	0	0	0

\* Column A minus Column B = Column C

Excess Opacity: \_\_\_\_\_ %

20. Show calculations used to estimate quantities in No. 19, or explain why there will be no excess emissions.

The source of the emergency condition is the Gas Turbine Generator. The Gas Turbine Generator is not a source of emissions. All other equipment at LGHTHP\_6\_ICEGEN is functioning normally, within permit values.

21. Explain how you plan to reduce (mitigate) excess emissions during the variance period to the maximum extent feasible, or why reductions are not feasible.

There will be no excess emissions during the variance period.

22. How do you plan to monitor or quantify emission levels from the equipment or activity(s) during the variance period, and to make such records available to the District? **Any proposed monitoring does not relieve RECLAIM facilities from applicable missing data requirements.**

LGHTHP\_6\_ICEGEN's Continuous Emission Monitoring System (CEMS) will remain online, sending daily emissions data to the AQMD RTU database. Alternatively, LGHTHP\_6\_ICEGEN will be black, without power and incapable of running.

23. 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, modifications or process changes to be made, permit conditions to be amended, etc., dates by which the actions will be completed, and an estimate of total costs.

It is likely that CAISO will Order LGHTHP\_6\_ICEGEN online in July 2025 as it has done since 1991. LGHTHP\_6\_ICEGEN will schedule a RATA test for 30 July 2025.

24. State the date you are requesting the variance to begin: 1 October 2024 \_\_\_\_\_; and the date by which you expect to achieve final compliance: 30 July 2025 \_\_\_\_\_

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 (see Attachment A, Item 24, Example #3).

List Increments of Progress here:

25. 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.

Thomas J Lee \_\_\_\_\_ Ext. tlee2@aqmd.gov

Avelino Revilla \_\_\_\_\_ Ext. arevilla@aqmd.gov

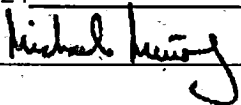
If the petition was completed by someone other than the petitioner, please provide their name and title below.

Name \_\_\_\_\_ Company \_\_\_\_\_ Title \_\_\_\_\_

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 9/5/2024 \_\_\_\_\_, at Carson, \_\_\_\_\_, California

Signature



Michael Munoz  
Print Name

Title: Compliance \_\_\_\_\_

## **FACILITY PERMIT TO OPERATE**

**ENERGY HOLDINGS LLC/LGHTHP 6 ICEGEN  
17171 S CENTRAL AVE -  
CARSON, CA 90746**

### **NOTICE**

IN ACCORDANCE WITH RULE 206, THIS PERMIT TO OPERATE OR A COPY THEREOF MUST BE KEPT AT THE LOCATION FOR WHICH IT IS ISSUED.

THIS PERMIT DOES NOT AUTHORIZE THE EMISSION OF AIR CONTAMINANTS IN EXCESS OF THOSE ALLOWED BY DIVISION 26 OF THE HEALTH AND SAFETY CODE OF THE STATE OF CALIFORNIA OR THE RULES OF THE SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT. THIS PERMIT SHALL NOT BE CONSTRUED AS PERMISSION TO VIOLATE EXISTING LAWS, ORDINANCES, REGULATIONS OR STATUTES OF ANY OTHER FEDERAL, STATE OR LOCAL GOVERNMENTAL AGENCIES.

Wayne Nastri  
Executive Officer

By \_\_\_\_\_  
Jason Aspell  
Deputy Executive Officer  
Engineering and Permitting

## FACILITY PERMIT TO OPERATE ENERY HOLDINGS LLC/LGHHP\_6\_ICEGEN

### SECTION A: FACILITY INFORMATION

**LEGAL OWNER &/OR OPERATOR:** ENERY HOLDINGS LLC/LGHHP\_6\_ICEGEN

**LEGAL OPERATOR (if different than owner):**

**EQUIPMENT LOCATION:** 17171 S CENTRAL AVE  
CARSON, CA 90746

**MAILING ADDRESS:** P.O. BOX 254  
DAYTON, MT 59914-0254

**RESPONSIBLE OFFICIAL:** MICHAEL MUNOZ

**TITLE:** PRESIDENT

**TELEPHONE NUMBER:** (406) 544-3326

**CONTACT PERSON:** MICHAEL MUNOZ

**TITLE:** PRESIDENT

**TELEPHONE NUMBER:** (406) 544-3326

**TITLE V PERMIT ISSUED:** January 19, 2023

**TITLE V PERMIT EXPIRATION DATE:** January 18, 2028

TITLE V	RECLAIM
YES	NOx: YES SOx: NO CYCLE: 1 ZONE: COASTAL



## FACILITY PERMIT TO OPERATE ENERY HOLDINGS LLC/LGHHP\_6\_ICEGEN

### SECTION D: FACILITY DESCRIPTION AND EQUIPMENT SPECIFIC CONDITIONS

The operator shall comply with the terms and conditions set forth below:

Equipment	ID No.	Connected To	RECLAIM Source Type/ Monitoring Unit	Emissions* And Requirements	Conditions
<b>Process 1: INTERNAL COMBUSTION</b>					
GAS TURBINE, NATURAL GAS, GENERAL ELECTRIC, MODEL LM6000, WITH STEAM OR WATER INJECTION, 407.7 MMBTU/HR WITH A/N: 609239	D19	C3	NOX: MAJOR SOURCE**	CO: 4.8 PPMV NATURAL GAS (4) [RULE 1303(a)(1)-BACT, 5-10-1996; RULE 1303(a)(1)-BACT, 12-6-2002]; CO: 2000 PPMV NATURAL GAS (5) [RULE 407, 4-2-1982]; NOX: 2.5 PPMV NATURAL GAS (4) [RULE 2005, 12-4-2015]; NOX: 106 PPMV NATURAL GAS (8) [40CFR 60 Subpart GG, 2-27-2014]; PM10: 0.01 GRAINS/SCF NATURAL GAS (5A) [RULE 475, 10-8-1976; RULE 475, 8-7-1978]; PM10: 0.1 GRAINS/SCF NATURAL GAS (5) [RULE 409, 8-7-1981]; PM10: 11 LBS/HR NATURAL GAS (5B) [RULE 475, 10-8-1976; RULE 475, 8-7-1978]; SO2: (9) [40CFR 72 - Acid Rain Provisions, 11-24-1997]; SOX: 150 PPMV NATURAL GAS (8) [40CFR 60 Subpart GG, 2-27-2014]; VOC: 2 PPMV NATURAL GAS (4) [RULE 1303(a)(1)-BACT, 5-10-1996; RULE 1303(a)(1)-BACT, 12-6-2002]	A63.2, A99.4, A99.6, A195.1, A195.2, A195.4, A327.1, D12.4, D12.5, D12.6, D29.1, D29.3, D82.1, E179.1, E179.2, E315.1, K40.1, K67.1
GENERATOR, ELECTRICAL, 39 MW					
BOILER, UNFIRED					
TURBINE, STEAM, 82,000 LB/HR					

\* (1) (1A) (1B) Denotes RECLAIM emission factor  
 (3) Denotes RECLAIM concentration limit  
 (5) (5A) (5B) Denotes command and control emission limit  
 (7) Denotes NSR applicability limit  
 (9) See App B for Emission Limits  
 (2) (2A) (2B) Denotes RECLAIM emission rate  
 (4) Denotes BACT emission limit  
 (6) Denotes air toxic control rule limit  
 (8) (8A) (8B) Denotes 40 CFR limit (e.g. NSPS, NESHAPS, etc.)  
 (10) See section J for NESHAP/MACT requirements

\*\* Refer to section F and G of this permit to determine the monitoring, recordkeeping and reporting requirements for this device.

## **FACILITY PERMIT TO OPERATE ENERGY HOLDINGS LLC/LGHHP\_6\_ICEGEN**

### **SECTION E: ADMINISTRATIVE CONDITIONS**

The operating conditions in this section shall apply to all permitted equipment at this facility unless superseded by condition(s) listed elsewhere in this permit.

1. The permit shall remain effective unless this permit is suspended, revoked, modified, reissued, denied, or it is expired for nonpayment of permit processing or annual operating fees. [201, 203, 209, 301]
  - a. The permit must be renewed annually by paying annual operating fees, and the permit shall expire if annual operating fees are not paid pursuant to requirements of Rule 301(d). [301(d)]
  - b. The Permit to Construct listed in Section H shall expire one year from the Permit to Construct issuance date, unless a Permit to Construct extension has been granted by the Executive Officer or unless the equipment has been constructed and the operator has notified the Executive Officer prior to the operation of the equipment, in which case the Permit to Construct serves as a temporary Permit to Operate. [202, 205]
  - c. The Title V permit shall expire as specified under Section K of the Title V permit. The permit expiration date of the Title V facility permit does not supercede the requirements of Rule 205. [205, 3004]
2. The operator shall maintain all equipment in such a manner that ensures proper operation of the equipment. [204]
3. This permit does not authorize the emissions of air contaminants in excess of those allowed by Division 26 of the Health and Safety Code of the State of California or the Rules and Regulations of the SCAQMD. This permit cannot be considered as permission to violate existing laws, ordinances, regulations, or statutes of other governmental agencies. [204]
4. The operator shall not use equipment identified in this facility permit as being connected to air pollution control equipment unless they are so vented to the identified air pollution control equipment which is in full use and which has been included in this permit. [204]

## **FACILITY PERMIT TO OPERATE ENERGY HOLDINGS LLC/LGHTHP\_6\_ICEGEN**

### **SECTION F: RECLAIM MONITORING AND SOURCE TESTING REQUIREMENTS**

5. Follow missing data procedures as specified in Rule 2012 Appendix A whenever valid data is not available or collected to determine mass emissions for all purposes, including, but not limited to, determining: [2012]
  - a. compliance with the annual Allocation;
  - b. excess emissions;
  - c. the amount of penalties; and
  - d. fees.

B. The Operator of a NO<sub>x</sub> Large Source, as defined in Rule 2012, shall, as applicable:

Not Applicable

C. The Operator of a NO<sub>x</sub> Process Unit, as defined in Rule 2012, shall, as applicable:

1. Install, maintain, and operate a totalizing fuel meter or any device approved by the Executive Officer to measure quarterly fuel usage or other applicable variables specified in Rule 2012, Table 2012-1, and Rule 2012, Appendix A, Table 4-A. The sharing of totalizing fuel meters may be allowed by the Executive Officer if the fuel meter serves process units which have the same emission factor or emission rate. The sharing of totalizing meter shall not be allowed for process units which are required to comply with an annual heat input limit. [2012]

#### **II. NO<sub>x</sub> Source Testing and Tune-up conditions**

1. The operator shall conduct all required NO<sub>x</sub> source testing in compliance with an SCAQMD-approved source test protocol. [2012]

## **FACILITY PERMIT TO OPERATE ENERGY HOLDINGS LLC/LGHHP\_6\_ICEGEN**

### **SECTION K: TITLE V Administration**

#### **GENERAL PROVISIONS**

1. This permit may be revised, revoked, reopened and reissued, or terminated for cause, or for failure to comply with regulatory requirements, permit terms, or conditions. [3004(a)(7)(C)]
2. This permit does not convey any property rights of any sort or any exclusive privilege. [3004(a)(7)(E)]

#### **Permit Renewal and Expiration**

3. (A) Except for solid waste incineration facilities subject to standards under section 129(e) of the Clean Air Act, this permit shall expire five years from the date that this Title V permit is issued. The operator's right to operate under this permit terminates at midnight on this date, unless the facility is protected by an application shield in accordance with Rule 3002(b), due to the filing of a timely and complete application for a Title V permit renewal, consistent with Rule 3003. [3004(a)(2), 3004(f)]  
  
(B) A Title V permit for a solid waste incineration facility combusting municipal waste subject to standards under Section 129(e) of the Clean Air Act shall expire 12 years from the date of issuance unless such permit has been renewed pursuant to this regulation. These permits shall be reviewed by the Executive Officer at least every five years from the date of issuance. [3004(f)(2)]
4. To renew this permit, the operator shall submit to the Executive Officer an application for renewal at least 180 days, but not more than 545 days, prior to the expiration date of this permit. [3003(a)(6)]

#### **Duty to Provide Information**

5. The applicant for, or holder of, a Title V permit shall furnish, pursuant to Rule 3002(d) and (e), timely information and records to the Executive Officer or designee within a reasonable time as specified in writing by the Executive Officer or designee. [3004(a)(7)(F)]

#### **Payment of Fees**

6. The operator shall pay all required fees specified in Regulation III - Fees. [3004(a)(7)(G)]