From: Scott Stringfellow
To: Aimee Wilson/R6/USEPA/US@EPA
Cc: Brandon Upchurch; John Upchurch; Kathleen Smith; Larry Moon
Subject: Re: Revision to La Paloma Energy Center GHG Application
Date: 02/08/2013 10:33 AM

Good Morning Aimee,

Larry is traveling today and will be out of the office so I am responding to your questions directly. Please let me know If you have any additional questions and we will work diligently to address them for you.

Regarding the BACT limit for the MSS (this question was asked in a previous e-mail yesterday):

La Paloma has proposed a separate limit for the start-up periods as described in the last paragraph of page 51 of the revised application sections submitted on January 30th. This separate limit is proposed due to the high amount of energy that is used to bring the steam systems to the proper operating temperatures rather than for the purpose of generating electricity.

Regarding La Paloma and base load operation:

La Paloma Energy Center has engaged a consulting firm to prepare dispatch studies which consider the capacity and heat rates of the current assets on the electrical grid and compare them to those of La Paloma to forecast the proposed facility's order in ERCOT's dispatch queue. Based on these studies, La Paloma anticipates that the new facility will have a sufficient capacity at a high enough efficiency that ERCOT will dispatch its generation as base load.

However, there may be other factors that affect the operation of the electrical grid that La Paloma cannot effectively forecast and model; e.g. climate and weather patterns, the addition of future generation resources, population/load growth patterns, etc. Additionally, it is ultimately the grid operator's decision to dispatch generation to best serve the demand and ensure the stability of the system. It is for this reason that La Paloma must anticipate the facility will be called to operate at reduced loads and has prepared an application that reflects this potential operating profile.

In the application, LPEC has been compared to the Deer Park Energy Center and the Channel Energy Center and concluded that the facilities are similar combined cycle designs, however the design margins are notably different based on different operating profiles. Both Channel Energy Center and Deer Park Energy center are cogeneration facilities that generate revenues from the sale of steam as well as electricity. Cogeneration plants are typically required to operate at very constant load levels due to the steam host requirements, regardless of the price of the electricity that will be generated. La Paloma is not a cogeneration facility and cannot produce steam for a nearby process facility and will only be able to generate revenue based on the electricity delivered to the grid.

Again, if you have any further questions, please do not hesitate to let me know.

Regards,

Scott D. Stringfellow

Coronado Ventures, LLC

713-302-8269

From: "Wilson.Aimee@epamail.epa.gov" <Wilson.Aimee@epamail.epa.gov>
Date: Thursday, February 7, 2013 2:04 PM
To: Larry Moon <lmoon@zephyrenv.com>
Cc: Brandon Upchurch <bupchurch@coronado-ventures.com>, John Upchurch <jupchurch@coronado-ventures.com>, Kathleen Smith <ksmith@coronado-ventures.com>, Scott Stringfellow <sstringfellow@coronado-ventures.com>
Subject: Re: FW: Revision to La Paloma Energy Center GHG Application

> Larry,
>
> Also, I noticed that when comparing the BACT you state that the difference between LPEC and the Calpine and Pioneer Valley BACT has to do with the fact that the other facilities will be operating at base load conditions versus LPEC. But in a response to questions I had emailed you on October 15, that I received on November 1 - where I asked if LPEC was a base load or load following facility - you responded they were base load. Please explain.
>
> Thanks,
> Aimee
>
> From: Larry Moon <lmoon@zephyrenv.com>
> To: Aimee Wilson/R6/USEPA/US@EPA
> Cc: Kathleen Smith <ksmith@coronado-ventures.com>, John Upchurch <jupchurch@coronado-ventures.com>, Scott Stringfellow <sstringfellow@coronado-ventures.com>, Brandon Upchurch <bupchurch@coronado-ventures.com>
> Date: 02/07/2013 01:45 PM
> Subject: FW: Revision to La Paloma Energy Center GHG Application
>
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>
> Aimee,
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> We sent you this revision to the La Paloma Energy Center GHG application on January 30th.
>
>
> **Larry A. Moon, P.E.**
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From: Larry Moon
Sent: Wednesday, January 30, 2013 10:51 AM
To: Wilson.Aimee@epamail.epa.gov
Cc: Kathleen Smith; 'Scott Stringfellow'; John Upchurch; Brandon Upchurch
Subject: Revision to La Paloma Energy Center GHG Application

Aimee,

Attached is a revised Section 5.1.5 of the La Paloma Energy Center GHG application. Please call if you have any questions about this submittal.

Larry A. Moon, P.E.
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[attachment "LPEC GHG Application - Revised Section 5_1_5 01-30-2013.pdf" deleted by Aimee Wilson/R6/USEPA/US]