



# South Coast Air Quality Management District

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## **Draft Environmental Impact Report (EIR) for the Proposed Scattergood Generating Station Units 1 and 2 Green Hydrogen-Ready Modernization Project (Proposed Project) (SCH No.: 2023050366)**

South Coast Air Quality Management District (South Coast AQMD) staff appreciates the opportunity to comment on the above-mentioned document. The Los Angeles Department of Water and Power is the California Environmental Quality Act (CEQA) Lead Agency for the Proposed Project. To provide context, South Coast AQMD staff (Staff) has provided a brief summary of the project information and prepared the following comments organized by topic of concern.

### Summary of Project Information in the Draft EIR

Based on the Draft EIR, the Lead Agency proposes to construct and operate a rapid-response combined cycle generation system as the Proposed Project to replace the existing Scattergood Units 1 and 2.<sup>1</sup> The Proposed Project would operate on a fuel mixture of natural gas and a minimum of 30 percent (%) hydrogen by volume.<sup>2</sup> The Proposed Project consists of a combustion-turbine generator and a steam-turbine generator operating in tandem.<sup>3</sup> The Proposed Project would also install a wet-surface air cooler, new gas compressors and/or pressure reducers.<sup>4</sup> Based on the aerial photograph review, Staff found that the nearest sensitive receptors (e.g., residences) are adjacent to the east and northeast of the Proposed Project site. Construction would take approximately three years, starting in 2026 and continuing to mid-2029.<sup>5</sup> The Proposed Project's commissioning phase would occur concurrently with the final months of construction, which would be approximately six months.<sup>6</sup>

### South Coast AQMD Comments

#### *Calculation of Baseline Emissions*

When determining the level of significance during the operation and commissioning phases, the peak daily emissions would need to be compared to the baseline, and the incremental changes in emissions

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<sup>1</sup> Draft EIR, p. 3-1.

<sup>2</sup> *Ibid.*

<sup>3</sup> *Ibid.*

<sup>4</sup> *Ibid.* p. 3-14.

<sup>5</sup> *Ibid.* p. 3-15.

<sup>6</sup> *Ibid.* p. 3-16.

between the baseline and post-project would need to be compared to the applicable significance thresholds adopted by the lead agency or other agency such as the South Coast AQMD air quality significance thresholds.<sup>7</sup> The air quality discussion in Section 4.2 of the Draft EIR defines the baseline condition used in the analysis as “the daily emissions determined from the past two years of historical data for existing Unit 1 and Unit 2 on the day with highest fuel use, which represents the comparable maximum use day for the existing generators.”<sup>8</sup> It appears that the baseline is defined as the maximum peak daily emissions instead of averaging two years of historical emissions data. Thus, the Lead Agency potentially underestimates the emission impacts for the worst-case scenario.

Hence, Staff recommends that the Lead Agency: 1) revise the baseline to reflect an average of the actual emissions for the two-year period; 2) calculate the difference between the post-project emissions and baseline values to show the incremental effects of the Proposed Project; and 3) compare the incremental values to the applicable significance thresholds adopted by the lead agency or other agency such as the to the South Coast AQMD air quality significance thresholds to determine the level of significance for each pollutant. If the revision is not included in the Final EIR, the Lead Agency should provide reasons for not choosing the average of two years of emissions as the baseline, supported by substantial evidence in the record.

#### *Localized Significance Threshold Analysis during Construction and Operation*

The localized significance threshold (LST) analysis in the Draft EIR appears to incorrectly rely upon the LST screening tables, which, as noted in Table 3-2 of the LST methodology, are not appropriate for determining the level of significance because the Proposed Project is subject to South Coast AQMD Regulation XXX – Title V permits<sup>9</sup> and involves the use of large combustion sources.<sup>10</sup>

In addition, the air quality discussion in Section 4.2 of the Draft EIR analyzes the LST impacts during construction by relying on the LST Screening Table for source receptor area SRA Zone 3 for a project size of five acres and a receptor distance of 100 meters (328 feet).<sup>11</sup> The Draft EIR also contains a separate analysis of the ambient air quality impacts for the commissioning phase to ensure that the Proposed Project would not have localized impacts that would cause or contribute to an exceedance of any State or national ambient air quality standard.<sup>12</sup> However, according to Table 4.2-5 – Proposed Project Preliminary Construction Schedule by Phase<sup>13</sup>, commissioning is part of the construction phase as the commissioning activities would be conducted toward the end of the construction period. Hence, the LST analysis, which relies upon the LST screening tables in the Draft EIR, would not be sufficient to determine the significance level during the construction phase. Moreover, for projects exceeding five acres in size or projects that fall into specific categories outlined in Table 3-2 of the LST methodology<sup>14</sup>, the Lead Agency is recommended to conduct project-specific dispersion modeling to accurately assess the localized air quality impacts. Therefore, the Lead Agency is recommended to: 1) perform project-specific air dispersion modeling for the Proposed Project’s construction and

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<sup>7</sup> *Ibid.* p.4.2-19.

<sup>8</sup> *Ibid.* p.4.2-19.

<sup>9</sup> South Coast AQMD Regulation XXX available at <https://www.aqmd.gov/home/rules-compliance/rules/scaqmd-rule-book/regulation-xxx>

<sup>10</sup> South Coast AQMD Final Localized Significance Threshold Methodology available at <https://www.aqmd.gov/docs/default-source/ceqa/handbook/localized-significance-thresholds/final-lst-methodology-document.pdf>

<sup>11</sup> *Ibid.* p. 4.2-37.

<sup>12</sup> *Ibid.* p. 4.2-24.

<sup>13</sup> *Ibid.* p.4.2-17.

<sup>14</sup> South Coast AQMD Final Localized Significance Threshold Methodology available at <https://www.aqmd.gov/docs/default-source/ceqa/handbook/localized-significance-thresholds/final-lst-methodology-document.pdf>

operational phases to determine the localized air quality impacts; and 2) include the results in the Final EIR.

*Additional Clarification Required Regarding the Air Quality Impact Analysis*

The Air Quality discussion in Section 4.2 of the Draft EIR describes the air quality impact analysis (AQIA) for operating the turbine as provided for three turbine vendors, each with two scenarios which assume the turbines utilize 100% natural gas and a minimum of 30% hydrogen fuel blend. For the 1-hour averaging time for CO, NO<sub>2</sub>, and SO<sub>2</sub> and the 8-hour averaging time for CO, the Draft EIR applies a different assumption than what is provided in the Appendix B spreadsheet. The Draft EIR discusses the results of AQIA which assumed cold startup emissions for both fuel-type scenarios to calculate the 1-hour and 8-hour averaging times.<sup>15</sup> Meanwhile, the spreadsheet in Appendix B shows that the 1-hour and 8-hour averaging times for the hydrogen fuel blend assumed normal operating conditions, instead of cold start up conditions. Staff recommends that the Lead Agency remedy this inconsistency between what is described in Chapter 4 and what is relied upon for the calculations in Appendix B and revise the analysis accordingly.

*Recommend Clarifying and Revising the Air Quality Analysis for the Commissioning Phase*

The air quality discussion in Section 4.2 of the Draft EIR mentioned that construction of the Proposed Project would take approximately three years, comprising seven phases which includes the commissioning phase, as shown in Table 4.2-5 – Proposed Project Preliminary Construction Schedule by Phase.<sup>16</sup> However, during the permit application evaluation, Staff found that the commissioning emissions are analyzed and attributed to the operation phase, accounting for 1,282 hours of 8,760 hours per year<sup>17</sup> (this value represents Vendor A commissioning emissions, Application Number (A/N) 652361 for the main Title V permit revision application, A/N 652362 for the turbine, and A/N 652363 for the selective catalytic reduction (SCR) unit. Due to the discrepancies between the Draft EIR and these applications, the Lead Agency is recommended to include a discussion in the Final EIR and update the applications accordingly to provide clarification on what activities constitute the commissioning phase and whether these activities would occur either during construction or operation.

*Greenhouse Gas (GHG) Analysis*

The analysis of GHG emissions in Section 4.3 of the Draft EIR explains that the GHG significant threshold applied to the Proposed Project, as noted in Table 4.3-1 – CEQA Thresholds of Significance for GHGs, is 10,000 metric tons of CO<sub>2</sub> equivalent per year (MT/yr CO<sub>2</sub>eq) for construction.<sup>18</sup> Meanwhile, for operation, Table 4.3-3 relies on the GHG thresholds of 1,110 pounds per megawatt-hour-net (lb/MWh-Net) from California Senate Bill (SB) 1368 and 1,000 lb/MWh-Gross from the U.S. EPA's New Source Performance Standard (NSPS) Subpart TTTT.<sup>19</sup> Although the long-term GHG operational impacts are shown to be less than the federal State standards for all three vendors, it is not clear if the total GHG emissions from operations would also be less than 10,000 MT/yr CO<sub>2</sub>eq. As such, the Lead Agency is recommended to also estimate the operational GHG emissions from the Proposed Project in terms of MT/yr CO<sub>2</sub>eq and compare

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<sup>15</sup> *Ibid.* Table 4.2-22 to Table 4.2-27. p.4.2-30 to p.4.2-36.

<sup>16</sup> *Ibid.* Table 4.2-5. p. 4.2-17.

<sup>17</sup> Permit Application. Appendix B – GE Commissioning Emissions Summary.

<sup>18</sup> *Ibid.* Table 4.3-2. p. 4.3-10.

<sup>19</sup> *Ibid.* Table 4.3 -3. p. 4.3 -11.

that amount to the existing environmental setting/baseline conditions to determine if the GHG impacts are significant.

In addition, it is unclear in the Draft EIR how the CEQA baseline for the existing environmental setting and post-project GHG emissions were defined for the Proposed Project. The GHG baseline should discuss existing conditions, including direct and indirect on-site and off-site sources. To calculate GHG emissions for both the baseline and post-project conditions, the Lead Agency is recommended to first convert the emissions of CO<sub>2</sub>, CH<sub>4</sub>, and N<sub>2</sub>O into CO<sub>2</sub>eq by applying the appropriate Global Warming Potentials (GWPs) and then subtract the baseline emissions from the post-project emissions to determine the incremental change.<sup>20</sup> The GHG analysis in the Draft EIR should also discuss post-project scenarios for GHG sources by addressing both construction and all operational GHG sources. GHGs from short-term construction activities are typically amortized over 30 years. To amortize GHGs from temporary construction activities over a 30-year period (estimated life of the project/equipment), the amount of CO<sub>2</sub>eq emissions during construction is calculated and then divided by 30. Relative to operational activities, the GHG analysis should include all direct and indirect on-site and off-site sources. As a result, the Lead Agency is recommended to revise the GHG analysis in the revised CEQA document or the Final EIR.

### *Green Hydrogen Delivery Analysis*

The project description in Chapter 3 of the Draft EIR mentioned that the Lead Agency would not implement or operate the hydrogen infrastructure on-site but would purchase green hydrogen to supply the Proposed Project.<sup>21</sup> Even though the Lead Agency intends to analyze the supply of hydrogen in a separate environmental review, Staff recommends that the Lead Agency should include a worst-case scenario analysis of the different scenarios on how the green hydrogen can be delivered to the Proposed Project site, such as via delivery trucks or transfer via pipelines. For instance, if trucks are used to transfer the green hydrogen to the facility, the Lead Agency should estimate the number of trucks that will be needed per day (based on the amount of hydrogen needed) with the truck routes, re-calculate the operational emissions, and re-estimate the health risk assessment to account for the additional trucks coming and leaving the Proposed Project site. If transferring via pipeline, then the Lead Agency should include an analysis of constructing a new pipeline (if applicable) and update the construction analysis in the Final EIR accordingly. Regardless of the method, the emissions associated with hydrogen delivery should be incorporated into the associated construction or operation phases and compared to the corresponding South Coast AQMD regional thresholds.

### *Recommend Revising the EIR to Include All Information and Associated Analyses*

The Proposed Project will occur at a facility (South Coast AQMD Facility ID 800075) which is subject to South Coast AQMD Regulation XVII – Prevention of Significant Deterioration (PSD)<sup>22</sup>, Regulation XX – Regional Clean Air Incentives Market (RECLAIM)<sup>23</sup>, Regulation XXX – Title

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<sup>20</sup> The most recent Global Warming Potentials (GWPs) are available on U.S. EPA's website at: <https://www.epa.gov/ghgemissions/understanding-global-warming-potentials>

<sup>21</sup> *Ibid.* p. 3-3.

<sup>22</sup> South Coast AQMD Regulation XVII available at <https://www.aqmd.gov/home/rules-compliance/rules/scaqmd-rule-book/regulation-xvii>

<sup>23</sup> South Coast AQMD Regulation XX available at <https://www.aqmd.gov/home/rules-compliance/rules/scaqmd-rule-book/regulation-xx>

V Permits.<sup>24</sup> However, the Draft EIR and Appendix B contain no information or discussion regarding these regulatory requirements and the associated analyses. However, information pertaining to these regulatory requirements was submitted separately with the permit applications, which are being reviewed by the South Coast AQMD Engineering and Permitting (E&P) Division. Thus, Staff recommends including the same information from the permit applications and associated analyses in the Final EIR to ensure consistency with the contents in the applications transmitted to the South Coast AQMD E&P Division. *South Coast AQMD Air Permits and Role as a Responsible Agency*

The Proposed Project would require the use of new stationary and portable sources, including but not limited to a turbine, compressors, emergency generators, fire water pumps, boilers, etc., for which air permits from South Coast AQMD will be required. Additionally, the Draft EIR mentioned that new gas compressors and/or pressure reducers would be installed. However, it is unclear if this type of equipment is driven by electric motor or an engine. Permits may be required depending on what powering the gas compressors and/or pressure reducers. The Final EIR should include a discussion about the South Coast AQMD rules that may be applicable to the Proposed Project. In addition to the regulations mentioned earlier in this letter, the following rules and regulations may apply to the Proposed Project, including but not limited to Regulation II – Permits<sup>25</sup>, Regulation IV – Prohibitions<sup>26</sup>, Rule 1135 – Emissions of NOx From Electricity Generating Facilities<sup>27</sup>, Regulation XIII – New Source Review<sup>28</sup>, and Regulation XIV – Toxics and Other Non-Criteria Pollutants.<sup>29</sup>

In addition, it is important to note that since air permits from South Coast AQMD are required, South Coast AQMD's role under CEQA is as a Responsible Agency. CEQA Guidelines Section 15096 sets forth specific procedures for a Responsible Agency, including making a decision on the adequacy of the CEQA document for use as part of the process for conducting a review of the Proposed Project and issuing discretionary approvals. Also, as set forth in CEQA Guidelines Section 15096(h), the Responsible Agency is required to make Findings in accordance with CEQA Guidelines Section 15091 for each significant effect of the project and issue a Statement of Overriding Considerations in accordance with CEQA Guidelines Section 15093, if necessary. Lastly, as set forth CEQA Guidelines Section 15096(i), the Responsible Agency may file a Notice of Determination.

In light of these procedural requirements under CEQA, it is important to note that if a Responsible Agency determines that a CEQA document is not adequate to rely upon for its discretionary approvals, the Responsible Agency must take further actions listed in CEQA Guidelines Section 15096(e), which could have the effect of delaying the implementation of the Proposed Project. In its role as CEQA Responsible Agency, the South Coast AQMD is obligated to ensure that the CEQA document prepared for the Proposed Project contains a sufficient project description and analysis to be relied upon in order to issue any discretionary approvals that may be needed for air permits, as well as to make Findings, issue a Statement of Overriding Considerations and file a Notice of Determination, if applicable. South

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<sup>24</sup> South Coast AQMD Regulation XXX available at <http://www.aqmd.gov/home/rules-compliance/rules/scaqmd-rule-book/regulation-xxx>

<sup>25</sup> South Coast AQMD Regulation II available at <https://www.aqmd.gov/home/rules-compliance/rules/scaqmd-rule-book/regulation-ii>

<sup>26</sup> South Coast AQMD Regulation IV available at <https://www.aqmd.gov/home/rules-compliance/rules/scaqmd-rule-book/regulation-iv>

<sup>27</sup> South Coast AQMD Rule 1135 available at <http://www.aqmd.gov/docs/default-source/rule-book/reg-xi/rule-1135.pdf>

<sup>28</sup> South Coast AQMD Regulation XIII available at <https://www.aqmd.gov/home/rules-compliance/rules/scaqmd-rule-book/regulation-xiii>

<sup>29</sup> South Coast AQMD Regulation XIV available at <https://www.aqmd.gov/home/rules-compliance/rules/scaqmd-rule-book/regulation-xiv>

Coast AQMD is concerned that the project description and analysis in its current form in the Draft EIR is inadequate to be relied upon for this purpose.

For these reasons, the analysis should be revised so that the Final EIR includes a discussion about any and all new stationary and portable equipment requiring South Coast AQMD air permits, provide the evaluation of their air quality and GHG impacts will be relied upon as the basis for the permit conditions and emission limits for the air permit(s). Please contact South Coast AQMD's E&P Division at (909) 396-3385 for questions regarding what types of equipment would require air permits. For more general information on air permits, please visit South Coast AQMD's webpage at <https://www.aqmd.gov/home/permits>.

### Conclusion

As set forth in Public Resources Code Section 21092.5(a) and CEQA Guidelines Section 15088(a-b), the Lead Agency shall evaluate comments from public agencies on the environmental issues and prepare a written response at least 10 days prior to certifying the Final EIR. As such, please provide South Coast AQMD written responses to all comments contained herein at least 10 days prior to the certification of the Final EIR. In addition, as provided by CEQA Guidelines Section 15088(c), if the Lead Agency's position is at variance with recommendations provided in this comment letter, detailed reasons supported by substantial evidence in the record to explain why specific comments and suggestions are not accepted must be provided.

Thank you for the opportunity to provide comments. South Coast AQMD staff is available to work with the Lead Agency to address any air quality questions that may arise from this comment letter. Please contact Danica Nguyen, Air Quality Specialist, at [dnguyen1@aqmd.gov](mailto:dnguyen1@aqmd.gov) or myself at [swang1@aqmd.gov](mailto:swang1@aqmd.gov) should you have any questions.

Sincerely,

*Sam Wang*

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