



GARY E. JOHNSON
GOVERNOR

State of New Mexico
ENVIRONMENT DEPARTMENT

Office of the Secretary
Harold Runnels Building
1190 St. Francis Drive, P.O. Box 26110
Santa Fe, New Mexico 87502-6110
Telephone (505) 827-2855
Fax (505) 827-2836



PETER MAGGIORE
SECRETARY

July 17, 2002
For Immediate Release

Contact: Richard Goodyear, Permit Prog. Mgr. NMED AQB
Phone: (505) 827-1494

Environment Department Issues Permit for Electric Power Plant near Belen

(Santa Fe, NM) – Last week, New Mexico Secretary of Environment Peter Maggiore signed a final order issuing an air quality construction permit to Valencia Energy, LLC for an electric power generation plant near Belen, in Valencia County. The plant will use natural-gas-fired turbines to produce approximately 280 megawatts.

The Department's Air Quality Bureau supported approval of the permit, which allows construction and the initial operation of the plant with conditions necessary to protect human health and the environment. A public hearing was held on April 8, in Belen. More than 165 attended the hearing, and raised concerns about air pollution, thermal pollution, light pollution, water consumption, and noise.

The facility is proposed for the Rio Grande Industrial Park, south of the developed Rio Communities area. The facility would be a merchant power plant, which markets the power through the "grid," as well as a peaking power plant, providing electricity when other producers cannot meet demand. The facility's operating schedule will be based on market demand for power.

An air quality analysis found that all impacts from the facility would be far less than the National Ambient Air Quality Standards (NAAQS). The proposed turbines would meet the standards for nitrogen dioxide and carbon monoxide. As permitted, the facility would be a minor source for hazardous air pollutants, mainly formaldehyde, and will require continuous emissions monitors for nitrogen dioxide and carbon monoxide.

The order allows for operation of the plant for one year, during which the company must apply for a regular operating, or "Title Five," permit from the Environment Department. The Department may hold a public meeting or hearing during the "Title Five" permitting process, if public interest warrants it. An acid rain permit will also be required from the Department.

Valencia Energy is owned by People's Energy Resources Corporation. Valencia Energy is financing the unit without state or municipal funding.

An engineering expert testifying on behalf of local citizens had raised concerns at the hearing about formaldehyde emissions during the turbines' start-up and shutdown. In response to these concerns, the Bureau recommended additional permit conditions requiring Valencia Energy to test for formaldehyde during the initial start-up and shutdown testing of the turbines, to then determine emissions, and calculate the number of start-ups and shutdowns that could occur without exceeding the thresholds. That limit would then become an enforceable part of the permit. This recommendation was imposed as a condition in the final order, with the flexibility that the company might be able to obtain, prior to construction and operation of the plant, manufacturer-guaranteed emissions levels in lieu of the testing.

For additional information contact Richard Goodyear, Permit Prog. Mgr., AQB, NMED, at (505) 827-1494, or Cathy Tyson-Foster, Communications Dir., NMED, at (505) 827-0314.

XXX