

March 11, 2021

Marvin Hogendam
Hogendam Dairy
1650 McNamara Road
Merced, CA 95341

Re: Notice of Preliminary Decision - Authority to Construct
Facility Number: N-5731
Project Number: N-1204480

Dear Mr. Hogendam:

Enclosed for your review and comment is the District's analysis of Hogendam Dairy's application for an Authority to Construct for the installation of a 768 bhp diesel-fired emergency engine powering an electrical generator located at 1650 McNamara Road, Merced.

The notice of preliminary decision for this project has been posted on the District's website (www.valleyair.org). After addressing all comments made during the 30-day public notice period, the District intends to issue the Authority to Construct. Please submit your written comments on this project within the 30-day public comment period, as specified in the enclosed public notice.

Thank you for your cooperation in this matter. If you have any questions regarding this matter, please contact Mr. Fred Cruz of Permit Services at (209) 557-6456.

Sincerely,



Brian Clements
Director of Permit Services

BC:fjc

Enclosures

cc: Courtney Graham, CARB (w/ enclosure) via email

Samir Sheikh
Executive Director/Air Pollution Control Officer

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San Joaquin Valley Air Pollution Control District
Authority to Construct Application Review
Emergency Standby IC Engine

Facility Name: Hogendam Dairy Date: March 5, 2021
Mailing Address: 1650 McNamara Road Engineer: Fred Cruz
Merced, CA 95341
Contact Person: Marv Hogendam Tristan Riordan Lead Engineer: James Harader
Telephone: 209-564-6285 559-355-7853
Email: triordan@fragservices.com
Application No: N-5731-8-0
Project No: N-1204480
Deemed Complete: December 30, 2020

I. Proposal:

Hoogendam Dairy submitted an Authority to Construct application to install a 768 bhp diesel-fired emergency engine powering a 500 kW electrical generator.

II. Applicable Rules:

Rule 2201 New and Modified Stationary Source Review Rule (8/15/2019)
Rule 2410 Prevention of Significant Deterioration (6/16/2011)
Rule 2520 Federally Mandated Operating Permits (8/15/2019)
Rule 4001 New Source Performance Standards (4/14/1999)
Rule 4002 National Emission Standards for Hazardous Air Pollutants (5/20/2004)
Rule 4101 Visible Emissions (2/17/2005)
Rule 4102 Nuisance (12/17/1992)
Rule 4201 Particulate Matter Concentration (12/17/1992)
Rule 4701 Stationary Internal Combustion Engines – Phase 1 (8/21/2003)
Rule 4702 Stationary Internal Combustion Engines – Phase 2 (11/14/2013)
Rule 4801 Sulfur Compounds (12/17/1992)
CH&SC 41700 Health Risk Assessment
CH&SC 42301.6 School Notice
Title 17 CCR, Section 93115 - Airborne Toxic Control Measure (ATCM) for Stationary
Compression-Ignition (CI) Engines
California Environmental Quality Act (CEQA)
Public Resources Code 21000-21177: California Environmental Quality Act (CEQA)
California Code of Regulations, Title 14, Division 6, Chapter 3, Sections 15000-15387:
CEQA Guidelines

III. Project Location:

The facility is located at 1650 McNamara Road, Merced, CA. The project is not located within 1,000 feet of a K-12 school. Therefore, the school notification requirements of CH&SC Section 42301.6 are not required.

IV. Process Description:

The 768 bhp Volvo diesel-fired emergency engine powers a 500 kW electrical generator.

V. Equipment Listing:

N-5731-8-0: 768 BHP VOLVO PENTA MODEL TAD1641GE DIESEL-FIRED EMERGENCY ENGINE (TIER 2 CERTIFIED) POWERING A 500 KW ELECTRICAL GENERATOR

VI. Emission Control Technology Evaluation:

The applicant has proposed to install a Tier 2 certified diesel-fired IC engine that is fired on very low-sulfur diesel fuel.

The proposed engine meets the latest Tier Certification requirements for emergency standby engines. Therefore, this engine meets the latest ARB/EPA emissions standards for diesel particulate matter, hydrocarbons, nitrogen oxides, and carbon monoxide.

The use of very low-sulfur diesel fuel (0.0015% by weight sulfur maximum) reduces SO_x emissions by over 99% from standard diesel fuel.

VII. Emission Calculations:

A. Assumptions:

Operating schedule:	24 hours/day, 50 hours/year
Density of diesel fuel:	7.1 lb/gal
EPA F-factor:	9051 dscf/MMBtu (corrected to 60° F)
PM ₁₀ fraction of diesel exhaust is 96%	(Reference - CARB, 1988)
Fuel heating value:	137,000 Btu/gal
BHP to Btu/hr conversion:	2542.5 Btu/hp-hr
Thermal efficiency of engine commonly	≈ 35%
Fuel rate:	36.8 gal/hr @ 100% load

B. Emission Factors:

The engine manufacturer supplied the emissions factor for NO_x, CO, VOC and PM₁₀ emissions.

Pollutant	Emission Factor (g/bhp-hr)	Source
NO _x	3.872	Engine manufacturer
CO	0.515	Engine manufacturer
VOC	0.119	Engine manufacturer
PM ₁₀	0.084	Engine manufacturer
SO _x	0.0051	See calculation below

The emission factor for SO_x may be calculated based on the current CARB standard for diesel sulfur content, which is 15 ppm by weight.

$$\frac{0.000015 \text{ lb-S}}{\text{lb-fuel}} \times \frac{7.1 \text{ lb-fuel}}{\text{gallon}} \times \frac{2 \text{ lb-SO}_2}{1 \text{ lb-S}} \times \frac{1 \text{ gal}}{137,000 \text{ Btu}} \times \frac{1 \text{ bhp input}}{0.35 \text{ bhp out}} \times \frac{2,542.5 \text{ Btu}}{\text{bhp-hr}} \times \frac{453.6 \text{ g}}{\text{lb}} = 0.0051 \frac{\text{g-SO}_x}{\text{bhp-hr}}$$

C. Calculations:

1. Pre-Project Emissions (PE1)

This emergency engine is considered as new emission units and PE1 will equal zero for all pollutants.

2. Post Project PE (PE2)

The potential to emit emissions from each emergency IC engine is based on the maximum operating capacity of the engine for 24 hours per day. The following calculation for NO_x emissions is representative of emission calculations for all pollutants. Annual emissions are calculated using 50 hours per year for non-emergency operation for this engine.

- NO_x: 3.872 g/hp-hr × 768 bhp × lb/453.6 g
- NO_x: 6.56 lb/hr, 157.3 lb/day, 328 lb/yr
- CO: 0.87 lb/hr, 20.9 lb/day, 44 lb/yr
- VOC: 0.20 lb/hr, 4.8 lb/day, 10 lb/yr
- PM₁₀: 0.14 lb/hr, 3.4 lb/day, 7 lb/yr
- SO_x: 0.01 lb/hr, 0.2 lb/day, 0.4 lb/yr ¹

	NO _x	CO	VOC	PM ₁₀	SO _x
Daily PE	157.3	20.9	4.8	3.4	0.4
Annual PE	328	44	10	7	0

¹ Per District practice, annual emissions less than 0.5 lbs are considered de minimus values are set to zero.

3. Pre-Project Stationary Source Potential to Emit (SSPE1):

Pursuant to Section 4.9 of District Rule 2201, the Pre-Project Stationary Source Potential to Emit (SSPE1) is the Potential to Emit (PE) from all units with valid ATCs or PTOs at the Stationary Source and the quantity of Emission Reduction Credits (ERCs) which have been banked since September 19, 1991 for Actual Emissions Reductions that have occurred at the source, and which have not been used on-site. This is an existing facility and SSPE1 emissions are from project N-1191783, unless otherwise noted.

SSPE1 (lb/year)							
Permit Units	NO_x	SO_x	PM₁₀	CO	VOC	NH₃	H₂S
N-5731-1 through -4 and N-5731-7	0	0	18,284	0	90,750	97,276	398
N-5731-6-0	772	1	37	235	88	--	--
SSPE1	772	1	18,321	235	90,838	97,276	398

4. Post Project Stationary Source Potential to Emit (SSPE2):

Pursuant to Section 4.10 of District Rule 2201, the Post Project Stationary Source Potential to Emit (SSPE2) is the Potential to Emit (PE) from all units with valid ATCs or PTOs, except for emissions units proposed to be shut down as part of the Stationary Project, at the Stationary Source and the quantity of Emission Reduction Credits (ERCs) which have been banked since September 19, 1991 for Actual Emissions Reductions that have occurred at the source, and which have not been used on-site.

SSPE2 (lb/year)							
Permit Units	NO_x	SO_x	PM₁₀	CO	VOC	NH₃	H₂S
N-5731-1 through -4 and N-5731-7	0	0	18,284	0	90,750	97,276	398
N-5731-6-0	772	1	37	235	88	0	0
N-5731-8-0 (ATC)	328	0	7	44	10	0	0
SSPE2	1100	1	18,328	279	90,848	97,276	398

5. Major Source Determination:

Pursuant to District Rule 2201, a Major Source is a stationary source with a SSPE2 equal to or exceeding one or more of the following threshold values. For the purposes of determining major source status the following shall not be included:

- Any ERCs associated with the stationary source

- Emissions from non-road IC engines (i.e. IC engines at a particular site at the facility for less than 12 months)
- Fugitive emissions, except for the specific source categories specified in 40 CFR 51.165

Since emissions at a dairy, besides the covered lagoon, are not actually collected, a determination of whether emissions could be reasonably collected must be made by the permitting authority. The California Air Pollution Control Association (CAPCOA) prepared guidance in 2005 for estimating potential to emit of Volatile Organic Compounds from dairy farms. The guidance states that *“VOC emissions from the milking centers, cow housing areas, corrals, common manure storage areas, and land application of manure are not physically contained and could not reasonably pass through a stack, chimney, vent, or other functionally-equivalent opening. No collection technologies currently exist for VOC emissions from these emissions units. Therefore, the VOC emissions from these sources are considered fugitive.”* The guidance also concludes that, because VOC collection technologies do exist for liquid waste systems at dairies, *“... the VOC emissions from waste lagoons and storage ponds are considered non-fugitive.”* The District has researched this issue and concurs with the CAPCOA assessment, as discussed in more detail below.

Cow Housing: Although there are smaller dairy farms that have partially enclosed freestall barns, these barns are not fully enclosed and none of the barns have been found to vent the exhaust through a collection device. The airflow requirements through dairy barns are extremely high, primarily for herd health purposes. The airflow requirements will be even higher in the San Joaquin valley, where temperatures reach in excess of 110 degrees in the hot summer. Collection and control of the exhaust including the large amounts of airflow have not yet been achieved by any facility. Due to this difficulty, the District cannot reasonably demonstrate that emissions can pass through a stack, chimney, vent, or other functionally equivalent opening.

It must also be noted that EPA has determined that emissions from open-air cattle feedlots are fugitive in nature.² In the District’s judgment, this determination for emissions from open feedlots necessitates a similar determination for the open-sided freestalls (usually with open access to corrals or pens and free movement of cattle in and out of the covered area) typical of the San Joaquin Valley since the typical open freestall barn in the San Joaquin Valley bears a far greater resemblance to an extensive shade structure located in a large open lot than an actual enclosed building. Therefore, emissions from open freestall barns are most appropriately treated as fugitive.

Manure Storage Areas: Many dairies have been found to cover dry manure piles. Covering dry manure piles is also a mitigation measure included in District Rule

² Letter from William Wehrum, EPA Acting Administrator, to Terry Stokes, CEO – National Cattlemen’s Beef Association (November 2, 2006) (<http://www.epa.gov/Region7/programs/artd/air/nsr/nsrmemos/cowdust.pdf>)

4570. However, the District was not able to find any facility, which currently captures the emissions from the storage or handling of manure piles. Although some of these piles are covered, the emissions cannot reasonably be captured. Therefore, the District cannot reasonably demonstrate that these emissions can pass through a stack, chimney, vent, or other functionally equivalent opening. In addition, emissions from manure piles have been shown to be insignificant in recent studies.

Land Application: Emissions generated from the application of manure on land cannot reasonably be captured due to the extremely large areas, in some cases thousands of acres, of cropland at dairies. Therefore, the District cannot reasonably demonstrate that these emissions can pass through a stack, chimney, vent, or other functionally equivalent opening.

Feed Handling and Storage: The majority of dairies store the silage piles underneath a tarp or in an Ag-bag. The entire pile is covered except for the face of the pile. The face of the pile is kept open due to the continual need to extract the silage for feed purposes. The silage pile is disturbed 2-3 times per day. Because of the ongoing disturbance to these piles, it makes it extremely difficult to design a system to capture the emissions from these piles. In fact, as far as the District is aware, no system has been designed to successfully extract the gases from the face of the pile to capture them, and, as important, no study has assessed the potential impacts on silage quality of a continuous air flow across the silage pile, as would be required by such a collection system. Therefore, the District cannot demonstrate that these emissions can be reasonably expected to pass through a stack, chimney, vent, or other functionally equivalent opening.

As discussed above, the VOC emissions from the cow housing, manure storage areas, land application of manure and feed handling and storage are considered fugitive. The District has determined that control technology to capture emissions from lagoons (biogas collection systems, for instance) is in use; therefore, these emissions can be reasonably collected and are not fugitive. Therefore, only emissions from the non-fugitive sources (emissions are calculated in Appendix C), and existing IC engine (emissions is calculated in Appendix D) will be used to determine if this facility is a major source.

The facility's non-fugitive stationary source potential emissions are summarized in the following table:

Non-Fugitive SSPE1 (lb/year)					
	NO_x	SO_x	PM₁₀	CO	VOC
N-5731 – Lagoon only	0	0	0	0	4,189
N-5731-6-0 - Engine	772	1	37	235	88
Non-Fugitive SSPE1	772	1	37	235	4,277

Since this project does not result in any change in emissions, the non-Fugitive SSPE2 = non-fugitive SSPE1.

The major source determination is as summarized in the following table:

Rule 2201 Major Source Determination (lb/year)						
	NO_x	SO_x	PM₁₀	PM_{2.5}	CO	VOC
SSPE1	772	1	37	37	235	4,277
SSPE2	1,100	1	44	44	279	4,287
Major Source Threshold	20,000	140,000	140,000	140,000	200,000	20,000
Major Source?	No	No	No	No	No	No

Note: PM_{2.5} assumed to be equal to PM₁₀

As seen in the table above, the facility is not an existing Major Source and is not becoming a Major Source as a result of this project.

Rule 2410 Major Source Determination:

The facility or the equipment evaluated under this project is not listed as one of the categories specified in 40 CFR 52.21 (b)(1)(iii). Therefore the PSD Major Source threshold is 250 tpy for any regulated NSR pollutant.

Note that fugitive emissions are not included here, as dairies are not one of the source categories listed in 40 CFR 52.21 (b)(1)(iii).

PSD Major Source Determination (tons/year)						
	NO₂	VOC	SO₂	CO	PM	PM₁₀
Estimated Facility PE before Project Increase	0.4	2.1	0.0	0.1	0.0	0.0
PSD Major Source Thresholds	250	250	250	250	250	250
PSD Major Source? (Y/N)	N	N	N	N	N	N

As shown above, the facility is not an existing PSD major source for any regulated NSR pollutant expected to be emitted at this facility.

6. Baseline Emissions (BE):

The BE calculation (in lb/year) is performed on a pollutant-by-pollutant basis to determine the amount of offsets required, where necessary. However, agricultural operations that are not major sources are exempt from offsets pursuant to Section 4.6.9 of District Rule 2201. Therefore, BE calculations are not required for the dairy permits.

7. SB 288 Major Modification:

SB 288 Major Modification is defined in 40 CFR Part 51.165 as "any physical change in or change in the method of operation of a major stationary source that would result in a significant net emissions increase of any pollutant subject to regulation under the Act." Since this facility is not a major source for any of the pollutants addressed in this project, this project does not constitute a SB 288 major modification.

8. Federal Major Modification:

District Rule 2201 states that a Federal Major Modification is the same as a "Major Modification" as defined in 40 CFR 51.165 and part D of Title I of the CAA. Since this source is not included in the 28 specific source categories specified in 40 CFR 51.165, the increases in fugitive emissions are not included in the Federal Major Modification determination. Since this facility is not a Major Source for any pollutants, this project does not constitute a Federal Major Modification.

9. Rule 2410 – Prevention of Significant Deterioration (PSD) Applicability Determination

Rule 2410 applies to pollutants for which the District is in attainment or for unclassified pollutants. The pollutants addressed in the PSD applicability determination are listed as follows:

- NO₂ (as a primary pollutant)
- SO₂ (as a primary pollutant)
- CO
- PM
- PM₁₀
- Greenhouse gases (GHG): CO₂, N₂O, CH₄, HFCs, PFCs, and SF₆

The first step of this PSD applicability evaluation consists of determining whether the facility is an existing PSD Major Source. This facility is not an existing PSD Major source (See Section VII.C.5 of this document). In the case the facility is NOT an existing PSD Major Source, the second step of the PSD evaluation is to determine if the project, by itself, would be a PSD major source.

I. Project Emissions Increase - New Major Source Determination

The post-project potentials to emit from all new and modified units are compared to the PSD major source thresholds to determine if the project constitutes a new major source subject to PSD requirements.

The facility or the equipment evaluated under this project is not listed as one of the categories specified in 40 CFR 52.21 (b)(1)(i). The PSD Major Source

threshold is 250 tpy for any regulated NSR pollutant. Note that fugitive emissions are not included here, as dairies are not one of the source categories listed in 40 CFR 52.21(b)(1)(iii).

PSD Major Source Determination: Potential to Emit (tons/yr)						
	NO ₂	VOC	SO ₂	CO	PM	PM ₁₀
Total PE from New and Modified Units	0.16	0.005	0.0002	0.02	0.004	0.004
PSD Major Source threshold	250	250	250	250	250	250
New PSD Major Source?	N	N	N	N	N	N

As demonstrated above, because the project has a total potential to emit from all new and modified emission units below the PSD significant emission increase thresholds, this project is not subject to the requirements of Rule 2410 due to a significant emission increase and no further discussion is required.

10. Quarterly Net Emissions Change (QNEC):

The QNEC is calculated solely to establish emissions that are used to complete the District’s PAS emissions profile screen. Detailed QNEC calculations are included in Appendix C.

VII. Compliance

Rule 2201 New and Modified Stationary Source Review Rule

A. Best Available Control Technology (BACT):

1. BACT Applicability:

BACT requirements are triggered on a pollutant-by-pollutant basis and on an emissions unit-by-emissions unit basis for the following*:

- a) Any new emissions unit with a potential to emit exceeding 2.0 pounds per day,
- b) The relocation from one Stationary Source to another of an existing emissions unit with a potential to emit exceeding 2.0 pounds per day,
- c) Modifications to an existing emissions unit with a valid Permit to Operate resulting in an AIPE exceeding 2.0 pounds per day, and/or
- d) Any new or modified emissions unit, in a stationary source project, which results in a Major Modification.

*Except for CO emissions from a new or modified emissions unit at a Stationary Source with an SSPE2 of less than 200,000 pounds per year of CO.

a. New emissions units – PE > 2.0 lb/day

This engine is considered as new emission units at the time of installation and the daily emissions from this engine is compared to the BACT thresholds in the following table:

New Emissions Unit BACT Applicability				
Pollutant	Daily Emissions for unit -8-0 (lb/day)	BACT Threshold (lb/day)	SSPE2 (lb/yr)	BACT Triggered?
NO _x	157.3	> 2.0	N/A	Yes
SO _x	0.2	> 2.0	N/A	No
PM ₁₀	3.4	> 2.0	N/A	Yes
CO	20.9	> 2.0 and SSPE2 ≥ 200,000 lb/yr	279	No
VOC	4.8	> 2.0	N/A	Yes

BACT will be triggered for NO_x, VOC and PM₁₀ emissions for this engine.

b. Relocation of emissions units – PE > 2.0 lb/day

This engine is not being relocated from one stationary source to another stationary source as a result of this project.

c. Modification of emissions units – Adjusted Increase in Permitted Emissions (AIPE) > 2.0 lb/day

This engine is not being modified. Therefore, BACT is not triggered for the modification of emissions units with an AIPE > 2.0 lb/day.

d. Major Modification

This project does not constitute a Major Modification. Therefore, BACT is not triggered for a Major Modification.

2. BACT Guideline:

BACT Guideline 3.1.1, which appears in Appendix D of this report, covers diesel-fired emergency IC engines.

3. Top Down BACT Analysis:

Per District Policy APR 1305, Section IX, “A top down BACT analysis shall be performed as a part of the Application Review for each application subject to the BACT requirements pursuant to the District’s NSR Rule for source categories or classes covered in the BACT Clearinghouse, relevant information under each of the following steps may be simply cited from the Clearinghouse without further analysis.”

Pursuant to the attached top down BACT Analysis, which appears in Appendix D of this report, BACT is satisfied with:

NO_x, VOC: Latest Available Tier Certification level for applicable horsepower
PM₁₀: 0.15 g/bhp-hr, or less

The applicant has proposed to install a 768 bhp Tier 2 certified IC engine (with a PM₁₀ emissions rate of 0.084 g/bhp-hr). Therefore, BACT is satisfied for NO_x, VOC and PM₁₀.

B. Offsets:

1. Offset Applicability:

Pursuant to Section 4.6.2 of this rule, offsets are not required for emergency IC engines. The engine in this project is an emergency IC engine; therefore, this exemption is applicable to this project.

However, even when there is an applicable exemption, the SSPE2 values are compared to the offset threshold to determine if offsets are triggered. In its PAS database, the District keeps track of facilities where offsets are triggered but an exemption applies. The SSPE2 values are compared to the offset trigger thresholds in the following table:

Offset Determination (lb/year)					
	NO_x	SO_x	PM₁₀	CO	VOC
SSPE2	1,100	1	18,328	279	90,848
Offset Thresholds	20,000	54,750	29,200	200,000	20,000
Offsets Triggered?	No	No	No	No	Yes

2. Quantity of Offsets Required:

Pursuant to Section 4.6.2 of District Rule 2201, emergency standby IC engines that are limited to less than 200 hours/year for non-emergency purposes are exempt from offset requirements. Therefore, offsets are not required and offset calculations are not necessary.

C. Public Notification:

1. Applicability:

Public noticing is required for:

- a. New Major Sources, which is a new facility that also becomes a Major Source,
- b. Major Modifications,
- c. Any new emissions unit with a Potential to Emit greater than 100 pounds during any one day for any one pollutant,
- d. Any project which results in the offset thresholds being surpassed, and/or

- e. Any project with an SSIPE of greater than 20,000 lb/year for any pollutant,
- f. Title V Significant Modification.

a. New Major Source

A New Major Source is a new facility, which also becomes a major source. This is an existing facility and does not become a Major Source from this project; public noticing is not required for this project for New Major Source purposes.

b. Major Modification

As demonstrated previously in Sections VII.C.7 and VII.C.8, this project does not constitute a Major Modification. Therefore, public noticing for Major Modification purposes is not required.

c. PE > 100 lb/day

The Daily PE for this new emissions unit is compared to the daily PE Public Notice Thresholds in the following table:

PE > 100 lb/day Public Notice Thresholds			
Pollutant	Daily PE for unit -8-0 (lb/day)	Public Notice Threshold (lb/day)	Public Notice Triggered?
NO _x	157.3	100	Yes
SO _x	0.2	100	No
PM ₁₀	3.4	100	No
CO	20.9	100	No
VOC	4.8	100	No

As detailed in the preceding table, NO_x emissions from this engine exceed the pollutant public notice threshold and public noticing is required for this project.

d. Offset Threshold

The following table compares the SSPE1 and SSPE2 with the offset thresholds to determine if any offset thresholds have been surpassed.

Offset Threshold				
Pollutant	SSPE1 (lb/yr)	SSPE2 (lb/yr)	Offset Threshold (lb/yr)	Public Notice Required?
NO _x	772	1,100	20,000	No
SO _x	1	1	54,750	No
PM ₁₀	18,321	18,328	29,200	No
CO	235	279	200,000	No
VOC	90,838	90,848	20,000	No

As detailed in the preceding table, there are no offset thresholds surpassed with this project. Therefore, public noticing is not required for this project

e. SSIPE > 20,000 lb/year

Public notification is required for any permitting action that results in a Stationary Source Increase in Permitted Emissions (SSIPE) of more than 20,000 lb/year of any affected pollutant. According to District policy, the SSIPE is calculated as the Post Project Stationary Source Potential to Emit (SSPE2) minus the Pre-Project Stationary Source Potential to Emit (SSPE1), i.e. SSIPE will equal SSPE2 – SSPE1. The values for SSPE2 and SSPE1 are calculated according to Rule 2201, Sections 4.9 and 4.10, respectively. The SSIPE is compared to the SSIPE Public Notice thresholds in the following table:

SSIPE Public Notice Thresholds					
Pollutant	SSPE2 (lb/year)	SSPE1 (lb/year)	SSIPE (lb/year)	SSIPE Public Notice Threshold	Public Notice Required?
NO _x	1,100	772	328	20,000 lb/year	No
SO _x	1	1	0	20,000 lb/year	No
PM ₁₀	18,328	18,321	7	20,000 lb/year	No
CO	279	235	44	20,000 lb/year	No
VOC	90,848	90,838	10	20,000 lb/year	No
NH ₃	97,276	97,276	0	20,000 lb/year	No
H ₂ S	398	398	0	20,000 lb/year	No

As detailed in the preceding table, there are no SSIPE thresholds surpassed with this project. Therefore, public noticing is not required for exceeding the SSIPE thresholds.

f. Title V Significant Modification:

This facility is not a Major Source and has not been issued a Title V permit. Therefore, public noticing for a Title V Significant Modification is not required.

2. Public Notice Action

As discussed above, this project results in emissions exceeding the 100-lb/day threshold for NOx emissions from this emergency engine. Therefore, public notice is required for this project.

D. Daily Emissions Limits

Daily Emissions Limitations (DELs) and other enforceable conditions are required by Section 3.15 to restrict a unit's maximum daily emissions, to a level at or below the emissions associated with the maximum design capacity. Per Sections 3.15.1 and 3.15.2, the DEL must be contained in the latest ATC and contained in or enforced by the latest PTO and enforceable, in a practicable manner, on a daily basis. DELs are also required to enforce the applicability of BACT. For this emergency standby IC engine, the DELs are stated in the form of emission factors, the maximum engine horsepower rating, and the maximum operational time of 24 hours per day. Therefore, the following conditions will be listed on the ATC to ensure compliance:

N-5731-8-0:

- Emissions from this IC engine shall not exceed any of the following limits: 3.872 g-NOx/bhp-hr, 0.515 g-CO/bhp-hr, or 0.119 g-VOC/bhp-hr. [District Rule 2201 and 17 CCR 93115]
- Emissions from this IC engine shall not exceed 0.084 g-PM₁₀/bhp-hr based on USEPA certification using ISO 8178 test procedure. [District Rules 2201 and 4102, and 17 CCR 93115]
- Only CARB certified diesel fuel containing not more than 0.0015% sulfur by weight is to be used. [District Rules 2201 and 4801, and 17 CCR 93115]

E. Compliance Assurance:

1. Source Testing

Per District Practice, source testing is not required for emergency standby IC engines to demonstrate compliance with Rule 2201.

2. Monitoring

Monitoring is not required to demonstrate compliance with Rule 2201.

3. Recordkeeping

Recordkeeping is required to demonstrate compliance with the offset, public notification, and daily emission limit requirements of Rule 2201. As required by

District Rule 4702, *Stationary Internal Combustion Engines - Phase 2*, this IC engine is subject to recordkeeping requirements. Recordkeeping requirements, in accordance with District Rule 4702, will be discussed in Section VIII, *District Rule 4702*, of this evaluation.

4. Reporting

Reporting is not required to ensure compliance with Rule 2201.

F. Ambient Air Quality Analysis (AAQA)

An AAQA shall be conducted for the purpose of determining whether a new or modified Stationary Source will cause or make worse a violation of an air quality standard. The District's Technical Services Division conducted the required analysis. Refer to Appendix E of this document for the AAQA summary sheet.

The proposed location is in an attainment area for NO_x, CO, and SO_x. As shown by the AAQA summary sheet the proposed equipment will not cause a violation of an air quality standard for NO_x, CO, or SO_x.

The proposed location is in a non-attainment area for the state's PM₁₀ as well as federal and state PM_{2.5} thresholds. As shown by the AAQA summary sheet the proposed equipment will not cause a violation of an air quality standard for PM₁₀ and PM_{2.5}.

Rule 2520 Federally Mandated Operating Permits

Since this facility's potential to emit does not exceed any major source thresholds of Rule 2201, this facility is not a major source and Rule 2520 does not apply.

Rule 4001 New Source Performance Standards (NSPS)

40 CFR 60 Subpart IIII - Standards of Performance for Stationary Compression Ignition Internal Combustion Engines

The District has not been delegated the authority to implement Subpart IIII requirements for non-Major Sources; therefore, no requirements shall be included on the permit.

Rule 4002 National Emission Standards for Hazardous Air Pollutants

40 CFR 63 Subpart ZZZZ - National Emission Standards for Hazardous Air Pollutants for Stationary Reciprocating Internal Combustion Emissions (RICE)

The District has not been delegated the authority to implement NESHAP regulations for Area Source requirements for non-Major Sources; therefore, no requirements shall be included on the permit.

Rule 4101 Visible Emissions

Rule 4101 states that no air contaminant shall be discharged into the atmosphere for a period or periods aggregating more than three minutes in any one hour which is as dark as, or darker than, Ringelmann 1 or 20% opacity. Therefore, the following condition will be listed on the ATC to ensure compliance:

- {15} No air contaminant shall be discharged into the atmosphere for a period or periods aggregating more than three minutes in any one hour which is as dark as, or darker than, Ringelmann 1 or 20% opacity. [District Rule 4101]

Rule 4102 Nuisance

Rule 4102 states that no air contaminant shall be released into the atmosphere, which causes a public nuisance. Public nuisance conditions are not expected as a result of this operation provided the equipment is well maintained. Therefore, the following condition will be listed on the ATC to ensure compliance:

- {98} No air contaminant shall be released into the atmosphere, which causes a public nuisance. [District Rule 4102]

California Health & Safety Code 41700 (Health Risk Assessment)

District Policy APR 1905 - Risk Management Policy for Permitting New and Modified Sources (dated 3/2/01) specifies that for an increase in emissions associated with a proposed new source or modification, the District perform an analysis to determine the possible impact to the nearest resident or worksite.

The District performed an analysis pursuant to the District's Risk Management Policy for Permitting New and Modified Sources (APR 1905, May 28, 2015) to determine the possible cancer and non-cancer health impact to the nearest resident or worksite. This policy requires that an assessment be performed on a unit by unit basis, project basis, and on a facility-wide basis. If a preliminary prioritization analysis demonstrates that:

- A unit's prioritization score is less than the District's significance threshold and;
- The project's prioritization score is less than the District's significance threshold and;
- The facility's total prioritization score is less than the District's significance threshold

Then, generally no further analysis is required.

The District's significant prioritization score threshold is defined as being equal to or greater than 1.0. If a preliminary analysis demonstrates that either the unit(s) or the project's or the facility's total prioritization score is greater than the District threshold, a screening or a refined assessment is required.

If a refined assessment is greater than one in a million but less than 20 in one million for carcinogenic impacts (Cancer Risk) and less than 1.0 for the Acute and Chronic hazard indices (Non-Carcinogenic) on a unit by unit basis, project basis and on a facility-wide basis

the proposed application is considered less than significant. For unit's that exceed a cancer risk of 1 in one million, Toxic Best Available Control Technology (TBACT) must be implemented.

Toxic emissions for this project were calculated using the following methods:

- Toxic emissions for the proposed unit were calculated and provided by the processing engineer.

These emissions were input into the San Joaquin Valley APCD's Hazard Assessment and Reporting Program (SHARP). In accordance with the District's Risk Management Policy, risks from the proposed unit's toxic emissions were prioritized using the procedure in the 2016 CAPCOA Facility Prioritization Guidelines. The prioritization score for this proposed facility was greater than 1.0 (see RMR Summary Table below). Therefore, a refined health risk assessment was required.

The AERMOD model was used, with the parameters outlined below and meteorological data for 2013-2017 from the Merced area to determine the dispersion factors for a receptor grid. These dispersion factors were input into the SHARP Program, which then used the Air Dispersion Modeling and Risk Tool (ADMRT) of the Hot Spots Analysis and Reporting Program Version 2 (HARP 2) to calculate the chronic and acute hazard indices and the carcinogenic risk for the project.

Units	Prioritization Score	Acute Hazard Index	Chronic Hazard Index	Maximum Individual Cancer Risk	T-BACT Required	Special Permit Requirements
-8-0	N/A ¹	N/A ²	0.00	8.28E-08	No	Yes
Project Totals	N/A ¹	N/A ²	0.00	8.28E-08		
Facility Totals	>1	0.00	0.00	8.28E-08		

Notes:

1. Prioritization for this unit was not conducted since it has been determined that all diesel-fired IC engines will result in a prioritization score greater than 1.0.
2. Acute Hazard Indices were not calculated for Unit 8 since there is no risk factor or the risk factor is so low that it has been determined to be insignificant for this type of unit.

The following conditions will be listed on the ATC to ensure compliance with the RMR:

Units N-5731-8-0:

1. The PM₁₀ emissions rate shall not exceed 0.084 g/bhp-hr based on US EPA certification using ISO 8178 test procedure.
2. The exhaust stack shall vent vertically upward. The vertical exhaust flow shall not be impeded by a rain cap (flapper ok), roof overhang, or any other obstruction.
3. This engine shall be operated only for testing and maintenance of the engine, required regulatory purposes, and during emergency situations. Operation of the engine for maintenance, testing, and required regulatory purposes shall not exceed 50 hours per calendar year.

Rule 4201 Particulate Matter Concentration

Particulate matter emissions from the engine will be less than or equal to the rule limit of 0.1 grain per cubic foot of gas at dry standard conditions as shown by the following:

$$0.084 \frac{g - PM_{10}}{bhp - hr} \times \frac{1 bhp - hr}{2,542.5 Btu} \times \frac{10^6 Btu}{8,578 dscf} \times \frac{0.35 Btu_{out}}{1 Btu_{in}} \times \frac{15.43 grain}{g} = 0.01 \frac{grain - PM}{dscf}$$

Since 0.01 grain-PM/dscf is ≤ to 0.1 grain per dscf, compliance with Rule 4201 is expected.

Therefore, the following condition will be listed on the ATC permit to ensure compliance:

- {14} Particulate matter emissions shall not exceed 0.1 grains/dscf in concentration.
[District Rule 4201]

Rule 4701 Internal Combustion Engines – Phase 1

The purpose of this rule is to limit the emissions of nitrogen oxides (NOx), carbon monoxide (CO), and volatile organic compounds (VOC) from internal combustion engines. Except as provided in Section 4.0, the provisions of this rule apply to any internal combustion engine, rated greater than 50 bhp that requires a PTO.

The proposed engine is also subject to District Rule 4702, Internal Combustion Engines. Since emissions limits of District Rule 4702 and all other requirements are equivalent or more stringent than District Rule 4701 requirements for emergency engines, compliance with District Rule 4702 requirements will satisfy requirements of District Rule 4701.

Rule 4702 Internal Combustion Engines – Phase 2

Emergency standby engines are subject to District Rule 4702 requirements. Emergency standby engines are defined in Section 3.0 of District Rule 4702 as follows:

3.15 Emergency Standby Engine: an internal combustion engine which operates as a temporary replacement for primary mechanical or electrical power during an unscheduled outage caused by sudden and reasonably unforeseen natural disasters or sudden and reasonably unforeseen events beyond the control of the operator. An engine shall be considered to be an emergency standby engine if it is used only for the following purposes: (1) periodic maintenance, periodic readiness testing, or readiness testing during and after repair work; (2) unscheduled outages, or to supply power while maintenance is performed or repairs are made to the primary power supply; and (3) if it is limited to operate 100 hours or less per calendar year for non-emergency purposes. An engine shall not be considered to be an emergency standby engine if it is used: (1) to reduce the demand for electrical power when normal electrical power line service has not failed, or (2) to produce power for the utility electrical distribution system, or (3) in conjunction with a voluntary utility demand reduction program or interruptible power contract.

Emergency standby engines cannot be used to reduce the demand for electrical power when normal electrical power line service has not failed, or to produce power for the electrical distribution system, or in conjunction with a voluntary utility demand reduction program or interruptible power contract. The following conditions will be included on the permit:

- {3807} An emergency situation is an unscheduled electrical power outage caused by sudden and reasonably unforeseen natural disasters or sudden and reasonably unforeseen events beyond the control of the permittee. [District Rule 4702 and 17 CCR 93115]
- {3808} This engine shall not be used to produce power for the electrical distribution system, as part of a voluntary utility demand reduction program, or for an interruptible power contract. [District Rule 4702 and 17 CCR 93115]

The 100 hour requirement is less stringent than the Air Toxic Control Measure operating limitations for emergency standby engines. Therefore, compliance with the applicable Air Toxic Control Measure requirements ensures compliance with the 100 hour requirement.

Operation of emergency standby engines are limited to 100 hours or less per calendar year for non-emergency purposes. The Air Toxic Control Measure for Stationary Compression Ignition Engines (Stationary ATCM) limits this engine's maintenance and testing to 50 hours/year; therefore, compliance is expected. The following conditions will be included on the permit:

- {4920} This engine shall be operated only for testing and maintenance of the engine, required regulatory purposes, and during emergency situations. Operation of the engine for maintenance, testing, and required regulatory purposes shall not exceed 50 hours per calendar year. [District Rules 2201, 4102, and 4702, and 17 CCR 93115]

The following exemption in Section 4.2 of District Rule 4702 applies to emergency standby engines:

4.2 Except for the requirements of Section 5.9 and Section 6.2.3, the requirements of this rule shall not apply to:

4.2.1 An emergency standby engine as defined in Section 3.0 of this rule, and provided that it is operated with a nonresettable elapsed operating time meter. In lieu of a nonresettable time meter, the owner of an emergency engine may use an alternative device, method, or technique, in determining operating time provided that the alternative is approved by the APCO. The owner of the engine shall properly maintain and operate the time meter or alternative device in accordance with the manufacturer's instructions.

Pursuant to the exemption in Section 4.2, the following requirements of Section 5.9 are applicable to emergency standby engines
Section 5.9 requires the owner to:

5.9.2 Properly operate and maintain each engine as recommended by the engine manufacturer or emission control system supplier.

5.9.3 Monitor the operational characteristics of each engine as recommended by the engine manufacturer or emission control system supplier.

5.9.4 Install and operate a nonresettable elapsed operating time meter. In lieu of installing a nonresettable time meter, the owner of an engine may use an alternative device, method, or technique, in determining operating time provided that the alternative is approved by the APCO and is allowed by Permit-to-Operate or Permit-Exempt Equipment Registration condition. The owner of the engine shall properly maintain and operate the time meter or alternative device in accordance with the manufacturer's instructions.

Properly operate and maintain each engine as recommended by the engine manufacturer or emission control system supplier. The following condition will be included on the permit:

- {4261} This engine shall be operated and maintained in proper operating condition as recommended by the engine manufacturer or emissions control system supplier. [District Rule 4702]

Monitor the operational characteristics of each engine as recommended by the engine manufacturer or emission control system supplier. The following condition will be included on the permit:

- {3478} During periods of operation for maintenance, testing, and required regulatory purposes, the permittee shall monitor the operational characteristics of the engine as recommended by the manufacturer or emission control system supplier (for example: check engine fluid levels, battery, cables and connections; change engine oil and filters; replace engine coolant; and/or other operational characteristics as recommended by the manufacturer or supplier). [District Rule 4702]

Install and operate a nonresettable elapsed time meter. In lieu of installing a nonresettable elapsed time meter, the operator may use an alternative device, method, or technique, in determining operating time provided that the alternative is approved by the APCO and EPA and is allowed by Permit-to-Operate condition. The operator shall properly maintain and operate the nonresettable elapsed time meter or alternative device in accordance with the manufacturer's instructions. The following condition will be included on the permit:

- {4749} This engine shall be equipped with a non-resettable hour meter with a minimum display capability of 9,999 hours, unless the District determines that a non-resettable hour meter with a different minimum display capability is appropriate in consideration of the historical use of the engine and the owner or operator's compliance history. [District Rule 4702 and 17 CCR 93115]

The exemption in Rule 4702 Section 4.2 for emergency standby engines requires the engines to comply with Section 6.2.3, shown below.

6.2.3 An owner claiming an exemption under Section 4.2 or Section 4.3 shall maintain annual operating records. This information shall be retained for at least five years, shall be readily available, and provided to the APCO upon request. The records shall include, but are not limited to, the following:

6.2.3.1 Total hours of operation,

6.2.3.2 The type of fuel used,

6.2.3.3 The purpose for operating the engine,

6.2.3.4 For emergency standby engines, all hours of non-emergency and emergency operation shall be reported, and

6.2.3.5 Other support documentation necessary to demonstrate claim to the exemption.

Records of the total hours of operation, type of fuel used, purpose for operating the engine, all hours of non-emergency and emergency operation, and other support documentation must be maintained. All records shall be retained for a period of at least five years, shall be readily available, and be made available to the APCO upon request. The following conditions will be included on the permit:

- {3496} The permittee shall maintain monthly records of emergency and non-emergency operation. Records shall include the number of hours of emergency operation, the date and number of hours of all testing and maintenance operations, the purpose of the operation (for example: load testing, weekly testing, rolling blackout, general area power outage, etc.) and records of operational characteristics monitoring. For units with automated testing systems, the operator may, as an alternative to keeping records of actual operation for testing purposes, maintain a readily accessible written record of the automated testing schedule. [District Rule 4702 and 17 CCR 93115]
- {4263} The permittee shall maintain monthly records of the type of fuel purchased. [District Rule 4702 and 17 CCR 93115]
- {3475} All records shall be maintained and retained on-site for a minimum of five (5) years, and shall be made available for District inspection upon request. [District Rule 4702 and 17 CCR 93115]

Rule 4801 Sulfur Compounds

Rule 4801 requires that sulfur compound emissions (as SO₂) shall not exceed 0.2% by volume. Using the ideal gas equation, the sulfur compound emissions are calculated as follows:

$$\text{Volume SO}_2 = (n \times R \times T) \div P$$

n = moles SO₂

$$T \text{ (standard temperature)} = 60 \text{ }^\circ\text{F or } 520 \text{ }^\circ\text{R}$$

$$R \text{ (universal gas constant)} = \frac{10.73 \text{ psi} \cdot \text{ft}^3}{\text{lb} \cdot \text{mol} \cdot \text{ }^\circ\text{R}}$$

$$\frac{0.000015 \text{ lb} - S}{\text{lb} - \text{fuel}} \times \frac{7.1 \text{ lb}}{\text{gal}} \times \frac{64 \text{ lb} - \text{SO}_2}{32 \text{ lb} - S} \times \frac{1 \text{ MMBtu}}{9,051 \text{ scf}} \times \frac{1 \text{ gal}}{0.137 \text{ MMBtu}} \times \frac{\text{lb} - \text{mol}}{64 \text{ lb} - \text{SO}_2} \times \frac{10.73 \text{ psi} - \text{ft}^3}{\text{lb} - \text{mol} - ^\circ\text{R}} \times \frac{520^\circ\text{R}}{14.7 \text{ psi}} \times 1,000,000 = 1.0 \text{ ppmv}$$

Since 1.0 ppmv is \leq 2,000 ppmv, each engine is expected to comply with Rule 4801. Therefore, the following condition will be listed on the ATC to ensure compliance:

- Only CARB certified diesel fuel containing not more than 0.0015% sulfur by weight is to be used. [District Rules 2201 and 4801, and 17 CCR 93115]

California Health & Safety Code 42301.6 (School Notice)

The District has verified that this site is not located within 1,000 feet of a school. Therefore, pursuant to California Health and Safety Code 42301.6, a school notice is not required.

Title 17 California Code of Regulations (CCR), Section 93115 - Airborne Toxic Control Measure (ATCM) for Stationary Compression-Ignition (CI) Engines

The following requirements apply to new engines (those installed after 1/1/2005):

Title 17 CCR Section 93115 Requirements for New Emergency IC Engines Powering Electrical Generators	Proposed Method of Compliance with Title 17 CCR Section 93115 Requirements
Emergency engines must be fired on CARB diesel fuel, or an approved alternative diesel fuel.	<p>The applicant has proposed the use of CARB certified diesel fuel. The proposed permit condition, requiring the use of CARB certified diesel fuel, is included on each permit.</p> <ul style="list-style-type: none"> • {4258} Only CARB certified diesel fuel containing not more than 0.0015% sulfur by weight is to be used. [District Rules 2201 and 4801, and 17 CCR 93115]
The engine must meet the emission standards in Table 1 of the ATCM for the specific power rating and model year of the proposed engine.	The applicant has proposed the use of an engine that is certified to the latest EPA Tier Certification standards for the applicable horsepower range, guaranteeing compliance with the emission standards of the ATCM. Additionally, the proposed diesel PM emissions rate is less than or equal to 0.15 g/bhp-hr.
The engine may not be operated more than 50 hours per year for maintenance and testing purposes unless the PM emissions are \leq 0.01 g/bhp-hr, then the engine is allowed 100 hours per year. Emissions from this engine are certified at 0.084 g/bhp-hr, therefore the engine is allowed 50 hours.	<p>The following conditions will be included on the permit:</p> <ul style="list-style-type: none"> • Emissions from this IC engine shall not exceed 0.084 g-PM10/bhp-hr based on USEPA certification using ISO 8178 test procedure. [District Rules 2201 and 4102, and 17 CCR 93115] • {4920} This engine shall be operated only for testing and maintenance of the engine, required regulatory purposes, and during emergency situations. Operation of the engine for

	<p>maintenance, testing, and required regulatory purposes shall not exceed 50 hours per calendar year. [District Rules 2201, 4102, and 4702, and 17 CCR 93115]</p>
<p>A non-resettable hour meter with a minimum display capability of 9,999 hours shall be installed upon engine installation, or by no later than January 1, 2005, on all engines subject to all or part of the requirements of sections 93115.6, 93115.7, or 93115.8(a) unless the District determines on a case-by-case basis that a non-resettable hour meter with a different minimum display capability is appropriate in consideration of the historical use of the engine and the owner or operator's compliance history.</p>	<p>The following condition will be included on the permit:</p> <ul style="list-style-type: none"> • {4749} This engine shall be equipped with a non-resettable hour meter with a minimum display capability of 9,999 hours, unless the District determines that a non-resettable hour meter with a different minimum display capability is appropriate in consideration of the historical use of the engine and the owner or operator's compliance history. [District Rule 4702 and 17 CCR 93115]
<p>An owner or operator shall maintain monthly records of the following: emergency use hours of operation; maintenance and testing hours of operation; hours of operation for emission testing; initial start-up testing hours; hours of operation for all other uses; and the type of fuel used. All records shall be retained for a minimum of 36 months.</p>	<p>The following conditions will be included on the permit:</p> <ul style="list-style-type: none"> • {3496} The permittee shall maintain monthly records of emergency and non-emergency operation. Records shall include the number of hours of emergency operation, the date and number of hours of all testing and maintenance operations, the purpose of the operation (for example: load testing, weekly testing, rolling blackout, general area power outage, etc.) and records of operational characteristics monitoring. For units with automated testing systems, the operator may, as an alternative to keeping records of actual operation for testing purposes, maintain a readily accessible written record of the automated testing schedule. [District Rule 4702 and 17 CCR 93115] • {4263} The permittee shall maintain monthly records of the type of fuel purchased. [District Rule 4702 and 17 CCR 93115] • {3475} All records shall be maintained and retained on-site for a minimum of five (5) years, and shall be made available for District inspection upon request. [District Rule 4702 and 17 CCR 93115]

California Environmental Quality Act (CEQA)

The California Environmental Quality Act (CEQA) requires each public agency to adopt objectives, criteria, and specific procedures consistent with CEQA Statutes and the CEQA Guidelines for administering its responsibilities under CEQA, including the orderly evaluation of projects and preparation of environmental documents. The San Joaquin Valley Unified

Air Pollution Control District (District) adopted its *Environmental Review Guidelines* (ERG) in 2001.

The basic purposes of CEQA are to:

- Inform governmental decision-makers and the public about the potential, significant environmental effects of proposed activities.
- Identify the ways that environmental damage can be avoided or significantly reduced.
- Prevent significant, avoidable damage to the environment by requiring changes in projects through the use of alternatives or mitigation measures when the governmental agency finds the changes to be feasible.
- Disclose to the public the reasons why a governmental agency approved the project in the manner the agency chose if significant environmental effects are involved.

The District performed an Engineering Evaluation (this document) for the proposed project and determined that the project qualifies for ministerial approval under the District's Guideline for Expedited Application Review (GEAR). Section 21080 of the Public Resources Code exempts from the application of CEQA those projects over which a public agency exercises only ministerial approval. Therefore, the District finds that this project is exempt from the provisions of CEQA.

Indemnification Agreement/Letter of Credit Determination

According to District Policy APR 2010 (CEQA Implementation Policy), when the District is the Lead or Responsible Agency for CEQA purposes, an indemnification agreement and/or a letter of credit may be required. The decision to require an indemnity agreement and/or a letter of credit is based on a case-by-case analysis of a particular project's potential for litigation risk, which in turn may be based on a project's potential to generate public concern, its potential for significant impacts, and the project proponent's ability to pay for the costs of litigation without a letter of credit, among other factors.

The criteria pollutant emissions and toxic air contaminant emissions associated with the proposed project are not significant, and there is minimal potential for public concern for this particular type of facility/operation. Therefore, an Indemnification Agreement and/or a Letter of Credit will not be required for this project in the absence of expressed public concern.

IX. Recommendation:

Compliance with all applicable prohibitory rules and regulations is expected. Issue the Authority to Construct permit subject to the conditions on the attached permit.

X. Billing Information:

Permit Number	Fee Schedule	Fee Description
N-5731-8-0	3020-10-F	768 bhp (\$900)

Appendix A - Authority to Construct permit N-5731-8-0

Appendix B - QNEC Calculations

Appendix C -RMR Summary

Appendix D – BACT Guideline and Top-down Analysis

Appendix A

Authority to Construct Permit
N-5731-8-0

*San Joaquin Valley
Air Pollution Control District*

AUTHORITY TO CONSTRUCT

ISSUANCE DATE: DRAFT
DRAFT

PERMIT NO: N-5731-8-0

LEGAL OWNER OR OPERATOR: HOOGEN DAM DAIRY
MAILING ADDRESS: 1650 MCNAMARA RD
MERCED, CA 95341

LOCATION: 1650 MCNAMARA RD
MERCED, CA 95341

EQUIPMENT DESCRIPTION:

768 BHP VOLVO PENTA MODEL TAD1641GE DIESEL-FIRED EMERGENCY ENGINE (TIER 2 CERTIFIED) POWERING A 500 KW ELECTRICAL GENERATOR

CONDITIONS

1. {98} No air contaminant shall be released into the atmosphere which causes a public nuisance. [District Rule 4102]
2. {15} No air contaminant shall be discharged into the atmosphere for a period or periods aggregating more than three minutes in any one hour which is as dark as, or darker than, Ringelmann 1 or 20% opacity. [District Rule 4101]
3. {14} Particulate matter emissions shall not exceed 0.1 grains/dscf in concentration. [District Rule 4201]
4. {1898} The exhaust stack shall vent vertically upward. The vertical exhaust flow shall not be impeded by a rain cap (flapper ok), roof overhang, or any other obstruction. [District Rule 4102]
5. {4749} This engine shall be equipped with a non-resettable hour meter with a minimum display capability of 9,999 hours, unless the District determines that a non-resettable hour meter with a different minimum display capability is appropriate in consideration of the historical use of the engine and the owner or operator's compliance history. [District Rule 4702 and 17 CCR 93115]
6. {4258} Only CARB certified diesel fuel containing not more than 0.0015% sulfur by weight is to be used. [District Rules 2201 and 4801, and 17 CCR 93115]
7. Emissions from this IC engine shall not exceed any of the following limits: 3.872 NOx/bhp-hr, 0.515 g-CO/bhp-hr, or 0.119 g-VOC/bhp-hr. [District Rule 2201 and 17 CCR 93115]
8. Emissions from this IC engine shall not exceed 0.084 g-PM10/bhp-hr based on USEPA certification using ISO 8178 test procedure. [District Rules 2201 and 4102, and 17 CCR 93115]

CONDITIONS CONTINUE ON NEXT PAGE

YOU MUST NOTIFY THE DISTRICT COMPLIANCE DIVISION AT (209) 557-6400 WHEN CONSTRUCTION IS COMPLETED AND PRIOR TO OPERATING THE EQUIPMENT OR MODIFICATIONS AUTHORIZED BY THIS AUTHORITY TO CONSTRUCT. This is NOT a PERMIT TO OPERATE. Approval or denial of a PERMIT TO OPERATE will be made after an inspection to verify that the equipment has been constructed in accordance with the approved plans, specifications and conditions of this Authority to Construct, and to determine if the equipment can be operated in compliance with all Rules and Regulations of the San Joaquin Valley Unified Air Pollution Control District. Unless construction has commenced pursuant to Rule 2050, this Authority to Construct shall expire and application shall be cancelled two years from the date of issuance. The applicant is responsible for complying with all laws, ordinances and regulations of all other governmental agencies which may pertain to the above equipment.

Samir Sheikh, Executive Director / APCO

Brian Clements, Director of Permit Services

N-5731-8-0 : Mar 5 2021 2:23PM -- CRUZF : Joint Inspection NOT Required

9. {4261} This engine shall be operated and maintained in proper operating condition as recommended by the engine manufacturer or emissions control system supplier. [District Rule 4702]
10. {3478} During periods of operation for maintenance, testing, and required regulatory purposes, the permittee shall monitor the operational characteristics of the engine as recommended by the manufacturer or emission control system supplier (for example: check engine fluid levels, battery, cables and connections; change engine oil and filters; replace engine coolant; and/or other operational characteristics as recommended by the manufacturer or supplier). [District Rule 4702]
11. {3807} An emergency situation is an unscheduled electrical power outage caused by sudden and reasonably unforeseen natural disasters or sudden and reasonably unforeseen events beyond the control of the permittee. [District Rule 4702 and 17 CCR 93115]
12. {3808} This engine shall not be used to produce power for the electrical distribution system, as part of a voluntary utility demand reduction program, or for an interruptible power contract. [District Rule 4702 and 17 CCR 93115]
13. {3496} The permittee shall maintain monthly records of emergency and non-emergency operation. Records shall include the number of hours of emergency operation, the date and number of hours of all testing and maintenance operations, the purpose of the operation (for example: load testing, weekly testing, rolling blackout, general area power outage, etc.) and records of operational characteristics monitoring. For units with automated testing systems, the operator may, as an alternative to keeping records of actual operation for testing purposes, maintain a readily accessible written record of the automated testing schedule. [District Rule 4702 and 17 CCR 93115]
14. {4920} This engine shall be operated only for testing and maintenance of the engine, required regulatory purposes, and during emergency situations. Operation of the engine for maintenance, testing, and required regulatory purposes shall not exceed 50 hours per calendar year. [District Rules 2201, 4102, and 4702, and 17 CCR 93115]
15. {4263} The permittee shall maintain monthly records of the type of fuel purchased. [District Rule 4702 and 17 CCR 93115]
16. {3475} All records shall be maintained and retained on-site for a minimum of five (5) years, and shall be made available for District inspection upon request. [District Rule 4702 and 17 CCR 93115]

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Appendix B

QNEC Calculations

Quarterly Net Emissions Change (QNEC)

The Quarterly Net Emissions Change is used to complete the emission profile screen for the District's PAS database. The QNEC shall be calculated as follows:

QNEC = PE2 - PE1, where:

- QNEC = Quarterly Net Emissions Change for each emissions unit, lb/qtr
- PE2 = Post-Project Potential to Emit for each emissions unit, lb/qtr
- PE1 = Pre-Project Potential to Emit for each emissions unit, lb/qtr

Using the emission calculations in this evaluation, PE2_{quarterly} and BE_{quarterly} can be calculated as follows:

This calculation is required for application emission profile purposes. It is assumed that each unit's annual emissions are evenly distributed throughout the year as follows: $\Delta PE \text{ (lb/qtr)} = PE \text{ (lb/yr)} \div 4 \text{ qtr/yr}$

N-5731-8-0:

- $\Delta PE_{NOx} = 328 \text{ lb-NOx/year} - 0 \text{ lb-NOx/year} = 328 \text{ lb/year}$
- $\Delta PE_{CO} = 44 \text{ lb-CO/year} - 0 \text{ lb-CO/year} = 44 \text{ lb/year}$
- $\Delta PE_{VOC} = 10 \text{ lb-VOC/year} - 0 \text{ lb-VOC/year} = 10 \text{ lb/year}$
- $\Delta PE_{PM10} = 7 \text{ lb-PM10/year} - 0 \text{ lb-PM10/year} = 7 \text{ lb/year}$
- $\Delta PE_{SOx} = 0 \text{ lb-SOx/year} - 0 \text{ lb-SOx/year} = 0 \text{ lb/year}$

	Quarter 1	Quarter 2	Quarter 3	Quarter 4
NOx	82	82	82	82
CO	11	11	11	11
VOC	2	2	3	3
PM₁₀	1	2	2	2
SOx	0	0	0	0

Appendix C

RMR Summary

Date: January 6, 2021
 Facility Name: Hoogendam Dairy
 Location: 1650 McNamara Road, Merced, CA
 Application #(s): N-5731-8-0
 Project #: N-1204480

Summary;

RMR:

Units	Prioritization Score	Acute Hazard Index	Chronic Hazard Index	Maximum Individual Cancer Risk	T-BACT Required	Special Permit Requirements
-8-0	N/A ¹	N/A ²	0.00	8.28E-08	No	Yes
Project Totals	N/A ¹	N/A ²	0.00	8.28E-08		
Facility Totals	>1	0.00	0.00	8.28E-08		

Notes:

1. Prioritization for this unit was not conducted since it has been determined that all diesel-fired IC engines will result in a prioritization score greater than 1.0.
2. Acute Hazard Indices were not calculated for Unit 8 since there is no risk factor or the risk factor is so low that it has been determined to be insignificant for this type of unit.

AAQA:

Pollutant	Air Quality Standard (State/Federal)				
	1 Hour	3 Hours	8 Hours	24 Hours	Annual
CO	NA		NA		
NO_x	NA				Pass
SO_x	NA	NA		NA	Pass
PM10				NA	Pass
PM2.5				NA	Pass
Ozone	NA		NA		

Notes:

1. Results were taken from the attached AAQA Report.
2. The project is an intermittent source as defined in APR-1920. In accordance with APR-1920, compliance with short-term (i.e., 1-hour, 3-hour, 8-hour and 24-hour) standards is not required.
3. ²The criteria pollutants are below EPA's level of significance as found in 40 CFR Part 51.165 (b)(2) unless otherwise noted.
4. Modeled PM10 concentrations were below the District SIL for non-fugitive sources of 1 µg/m³ for the annual concentration.
5. Modeled PM2.5 concentrations were below the District SIL for non-fugitive sources of 0.2 µg/m³ for the annual concentration.

Proposed Permit Requirements:

To ensure that human health risks will not exceed District allowable levels; the following shall be included as requirements for:

Unit # 8 - 0

1. The PM₁₀ emissions rate shall not exceed 0.084 g/bhp-hr based on US EPA certification using ISO 8178 test procedure.
2. The exhaust stack shall vent vertically upward. The vertical exhaust flow shall not be impeded by a rain cap (flapper ok), roof overhang, or any other obstruction.
3. This engine shall be operated only for testing and maintenance of the engine, required regulatory purposes, and during emergency situations. Operation of the engine for maintenance, testing, and required regulatory purposes shall not exceed 50 hours per calendar year.

Project Description:

Technical Services received a request on January 06, 2021 to perform a Risk Management Review (RMR) and Ambient Air Quality Analysis (AAQA) for the following:

- Unit -8-0: 768 BHP VOLVO PENTA MODEL TAD1641GE DIESEL-FIRED EMERGENCY ENGINE (TIER 2 CERTIFIED) POWERING A 500 KW ELECTRICAL GENERATOR

RMR Report:**Analysis:**

The District performed an analysis pursuant to the District's Risk Management Policy for Permitting New and Modified Sources (APR 1905, May 28, 2015) to determine the possible cancer and non-cancer health impact to the nearest resident or worksite. This policy requires that an assessment be performed on a unit by unit basis, project basis, and on a facility-wide basis. If a preliminary prioritization analysis demonstrates that:

- A unit's prioritization score is less than the District's significance threshold and;
- The project's prioritization score is less than the District's significance threshold and;
- The facility's total prioritization score is less than the District's significance threshold

Then, generally no further analysis is required.

The District's significant prioritization score threshold is defined as being equal to or greater than 1.0. If a preliminary analysis demonstrates that either the unit's or the project's or the facility's total prioritization score is greater than the District threshold, a screening or a refined assessment is required

If a refined assessment is greater than one in a million but less than 20 in one million for carcinogenic impacts (Cancer Risk) and less than 1.0 for the Acute and Chronic hazard indices(Non-Carcinogenic) on a unit by unit basis, project basis and on a facility-wide basis the proposed application is considered less than significant. For unit's that exceed a cancer risk of 1 in one million, Toxic Best Available Control Technology (TBACT) must be implemented.

Toxic emissions for this project were calculated using the following methods:

- Toxic emissions for the proposed unit were calculated and provided by the processing engineer.

These emissions were input into the San Joaquin Valley APCD's Hazard Assessment and Reporting Program (SHARP). In accordance with the District's Risk Management Policy, risks from the proposed unit's toxic emissions were prioritized using the procedure in the 2016 CAPCOA Facility Prioritization Guidelines. The prioritization score for this proposed facility was greater than 1.0 (see RMR Summary Table). Therefore, a refined health risk assessment was required.

The AERMOD model was used, with the parameters outlined below and meteorological data for 2013-2017 from Merced (rural dispersion coefficient selected) to determine the dispersion factors (i.e., the predicted concentration or X divided by the normalized source strength or Q) for a receptor grid. These dispersion factors were input into the SHARP Program, which then used the Air Dispersion Modeling and Risk Tool (ADMRT) of the Hot Spots Analysis and Reporting Program Version 2 (HARP 2) to calculate the chronic and acute hazard indices and the carcinogenic risk for the project.

The following parameters were used for the review:

Source Process Rates					
Unit Id	Process Id	Process Material	Process Units	Hourly Process Rate	Annual Process Rate
8	1	PM10	lbs	0.14	7

Point Source Parameters						
Unit Id	Unit Description	Release Height (m)	Temp. (°K)	Exit Velocity (m/sec)	Stack Diameter (m)	Vertical/Horizontal/Capped
8	768 BHP DICE	2.59	751	56.75	0.20	Vertical

AAQA Report:

The District modeled the impact of the proposed project on the National Ambient Air Quality Standard (NAAQS) and/or California Ambient Air Quality Standard (CAAQS) in accordance with District Policy APR-1925 (Policy for District Rule 2201 AAQA Modeling) and EPA's Guideline for Air Quality Modeling (Appendix W of 40 CFR Part 51). The District uses a progressive three level approach to perform AAQAs. The first level (Level 1) uses a very conservative approach. If this analysis indicates a likely exceedance of an AAQS or Significant Impact Level (SIL), the analysis proceeds to the second level (Level 2) which implements a more refined approach. For the 1-hour NO₂ standard, there is also a third level that can be implemented if the Level 2 analysis indicates a likely exceedance of an AAQS or SIL.

The modeling analyses predicts the maximum air quality impacts using the appropriate emissions for each standard's averaging period. Required model inputs for a refined AAQA include background ambient air quality data, land characteristics, meteorological inputs, a receptor grid, and source parameters including emissions. These inputs are described in the sections that follow. Ambient air concentrations of criteria pollutants are recorded at monitoring stations throughout the San Joaquin Valley. Monitoring stations may not measure all necessary pollutants, so background data may need to be collected from multiple sources. The following stations were used for this evaluation:

Monitoring Stations				
Pollutant	Station Name	County	City	Measurement Year
CO	Madera-Pump Yard	Madera	Madera	2018
NOx	Merced-Coffee	Merced	Merced	2018
PM10	2334 'M' ST.	Merced	Merced	2018
PM2.5	Merced-Coffee	Merced	Merced	2018
SOx	Fresno - Garland	Fresno	Fresno	2018

Technical Services performed modeling for directly emitted criteria pollutants with the emission rates below:

Emission Rates (lbs/hour)						
Unit ID	Process	NOx	SOx	CO	PM ₁₀	PM _{2.5}
8	1	N/A ¹	N/A ¹	N/A ¹	N/A ¹	N/A ¹

Notes:

1. The project is an intermittent source as defined in APR-1920. In accordance with APR-1920, compliance with short-term (i.e., 1-hour, 3-hour, 8-hour and 24-hour) standards is not required.

Emission Rates (lbs/year)						
Unit Id	Process	NOx	SOx	CO	PM ₁₀	PM _{2.5}
8	1	328	0.4	44	7	7

The AERMOD model was used to determine if emissions from the project would cause or contribute to an exceedance of any state of federal air quality standard. The parameters outlined below and meteorological data for 2013-2017 from Merced (rural dispersion coefficient selected) were used for the analysis:

The following parameters were used for the review:

Point Source Parameters						
Unit Id	Unit Description	Release Height (m)	Temp. (°K)	Exit Velocity (m/sec)	Stack Diameter (m)	Vertical/ Horizontal/ Capped
8	755 BHP DICE	2.59	751	56.75	0.20	Vertical

Conclusion:

RMR:

The cumulative acute and chronic indices for this facility, including this project, are below 1.0; and the cumulative cancer risk for this facility, including this project, is less than 20 in a million. In addition, the cancer risk for each unit in this project is less than 1.0 in a million. **In accordance with the District's Risk Management Policy, the project is approved without Toxic Best Available Control Technology (T-BACT).**

To ensure that human health risks will not exceed District allowable levels; the permit requirements listed on page 1 of this report must be included for this proposed unit. These conclusions are based on the data provided by the applicant and the project engineer. Therefore, this analysis is valid only as long as the proposed data and parameters do not change.

AAQA:

The emissions from the proposed equipment will not cause or contribute significantly to a violation of the State and National AAQS.

Attachments

- A. Modeling request from the project engineer
- B. Additional information from the applicant/project engineer
- C. Prioritization score with toxic emissions summary
- D. Facility Summary
- E. AAQA results

Appendix D

BACT Guideline and BACT Analysis

San Joaquin Valley Unified Air Pollution Control District

Best Available Control Technology (BACT) Guideline 3.1.1
Last Update: 6/13/2019
Emergency Diesel IC Engine

Pollutant	Achieved in Practice or in the SIP	Technologically Feasible	Alternate Basic Equipment
CO	Latest EPA Tier Certification level for applicable horsepower range		
NOx	Latest EPA Tier Certification level for applicable horsepower range		
PM ₁₀	0.15 g/bhp-hr or the Latest EPA Tier Certification level for applicable horsepower range, whichever is more stringent. (ATCM)		
SOx	Very low sulfur diesel fuel (15 ppmw sulfur or less)		
VOC	Latest EPA Tier Certification level for applicable horsepower range		

BACT is the most stringent control technique for the emissions unit and class of source. Control techniques that are not achieved in practice or contained in a state implementation plan must be cost effective as well as feasible. Economic analysis to demonstrate cost effectiveness is required for all determinations that are not achieved in practice or contained in an EPA approved State Implementation Plan.

Top Down BACT Analysis for the Emergency IC Engine

This application was deemed complete on December 9, 2020. Therefore, BACT Guideline 3.1.1 (June 13, 2019) was in effect at the time the project was deemed complete and will be used for this emergency diesel IC engine. In accordance with the District BACT policy, information from that guideline will be utilized without further analysis.

1. BACT Analysis for NO_x and VOC Emissions:

a. Step 1 - Identify all control technologies

BACT Guideline 3.1.1 identifies only the following option:

- *Latest EPA Tier Certification level for applicable horsepower range*

To determine the latest applicable Tier level, the following steps were taken:

- Conduct a survey of all the emergency IC engines permitted in the District to determine the latest EPA Tier certification level that has been permitted for the proposed engine size
- Conduct a survey of the major IC engine manufacturers/genset vendors to determine the latest EPA Tier certification level that is readily available for the proposed engine size and use
- Review Title 17 CCR, Section 93115 - Airborne Toxic Control Measure (ATCM) for Stationary Compression-Ignition (CI) Engines to determine the latest Tier certification level required in California for the proposed engine size

Survey of Permitted Units:

The proposed emergency IC engine is rated at 768 BHP. Based on the latest survey of all permitted emergency IC engines powering electrical generators in the horsepower range applicable to the proposed unit, the District found that a Tier 2 certification level is the highest certification level that has been permitted for an IC engine of the size associated with an emergency engine at a dairy.

Survey of IC Engine Manufacturers/Genset Vendors:

Based on the latest survey of the major IC engine/genset manufacturers and vendors (Cummins, Caterpillar, Kohler, MQ Power, etc.) to determine the availability of Tier 4F certified units in the size range associated with the proposed project that are suitable for stationary emergency standby applications, the District concluded that no Tier 4F certified unit is suitable and available for stationary emergency standby use in the size range appropriate for the proposed project. Pursuant to the engine manufacturer's, a Tier 4F certified engine is not appropriate for dairy emergency IC engines that supply backup power to a milking parlor. Certified Tier 4F engines may shutdown if a fault in the emissions system is detected, which may result in the loss of cooling to the milk tank in the milking parlor at the dairy. Thus, the engine manufacturer's only recommend a Tier 3 unit for this specific application.

Stationary ATCM:

Table 1 of the CARB Stationary Air Toxic Control Measure (ATCM) for stationary emergency standby diesel-fired IC engines requires a Tier 2 certification level for IC engines rated greater than 750 bhp. The ATCM does not require a Tier certification level higher than Tier 2 for engines rated greater than 750 bhp.

Summary:

The proposed emergency IC engine is rated at 768 BHP. Based on the above analysis, the District finds that a Tier 4F emergency IC engine/generator with a rating of approximately 768 bhp is not readily available for this specific application.

Consequently, the District considers a Tier 2 certification level to be the latest available Tier certification level for the proposed engine size. Furthermore, a Tier 2 certification level satisfies the stationary ATCM requirement for emergency standby IC engines rated greater than 750 bhp.

b. Step 2 - Eliminate technologically infeasible options

The control option listed in Step 1 is not technologically infeasible.

c. Step 3 - Rank remaining options by control effectiveness

Ranking is not necessary since there is only one control option listed in Step 1.

d. Step 4 - Cost Effectiveness Analysis

The applicant has proposed the only control option remaining under consideration. Therefore, a cost effectiveness analysis is not required.

e. Step 5 - Select BACT

BACT for NO_x and VOC will be the use of an EPA Tier 2 certified engine. The applicant is proposing such a unit. Therefore, BACT will be satisfied.

2. BACT Analysis for PM₁₀ Emissions:

a. Step 1 - Identify all control technologies

BACT Guideline 3.1.1 identifies only the following option:

- 0.15 g/bhp-hr or the latest EPA Tier Certification level for applicable horsepower range, whichever is more stringent. (ATCM)

b. Step 2 - Eliminate technologically infeasible options

The control option listed in Step 1 is not technologically infeasible.

c. Step 3 - Rank remaining options by control effectiveness

Ranking is not necessary since there is only one control option listed in Step 1.

d. Step 4 - Cost Effectiveness Analysis

The applicant has proposed the only control option remaining under consideration. Therefore, a cost effectiveness analysis is not required.

e. Step 5 - Select BACT

BACT for PM₁₀ is emissions of 0.15 g/hp-hr, or less. The applicant is proposing an engine with PM₁₀ emissions of 0.084 g/bhp-hr which meets this requirement. Therefore, BACT will be satisfied.