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DATE: June 21, 2018

TO: SJVUAPCD Governing Board 

FROM: Seyed Sadredin, Executive Director/APCO
Project Coordinator: Sheraz Gill

RE: **ITEM NUMBER 29: ADOPT REVISION TO STATE IMPLEMENTATION PLAN TO ADDRESS FEDERAL CLEAN AIR ACT REQUIREMENTS FOR REASONABLY AVAILABLE CONTROL TECHNOLOGY**

RECOMMENDATIONS:

1. Adopt proposed *Revision to the State Implementation Plan (SIP) to Address Federal Clean Air Act Requirements for Reasonably Available Control Technology (RACT)*.
2. Authorize the Chair to sign the attached Resolution adopting the proposed *Revision to the State Implementation Plan (SIP) to Address Federal Clean Air Act Requirements for Reasonably Available Control Technology (RACT)*.
3. Direct staff to forward the adopted *Revision to the State Implementation Plan (SIP) to Address Federal Clean Air Act Requirements for Reasonably Available Control Technology (RACT)* and attached Resolution to the California Air Resources Board (ARB) for approval and submittal to EPA.

BACKGROUND:

The San Joaquin Valley (Valley) has been classified as extreme ozone nonattainment area for the 2008 8-hour standard. Sections 182(b)(2) and 182(f) of the federal Clean Air Act (CAA) require areas that are classified as moderate or above for ozone nonattainment to implement Reasonably Available Control Technology (RACT) for sources subject to U.S. Environmental Protection Agency (EPA) Control Technique Guidelines (CTG) or for “major sources” of NOx and volatile organic compounds (VOC).

Seyed Sadredin
Executive Director
Air Pollution Control Officer

Northern Region Office
4800 Enterprise Way
Modesto, CA 95356-8718
(209) 557-6400 • FAX (209) 557-6475

Central Region Office
1990 East Gettysburg Avenue
Fresno, CA 93726-0244
(559) 230-6000 • FAX (559) 230-6061

Southern Region Office
34946 Flyover Court
Bakersfield, CA 93308-9725
(661) 392-5500 • FAX (661) 392-5585

EPA defines RACT as the “lowest emission limitation that a particular source is capable of meeting by the application of control technology that is reasonably available considering technological and economic feasibility.”

In June 2014, the San Joaquin Valley Air Pollution Control District (District) adopted the *2014 Reasonably Available Control Technology Demonstration for the 8-Hour Ozone State Implementation Plan (2014 RACT SIP)* to fulfill the federal Clean Air Act requirements and demonstrate that all federal RACT requirements continue to be satisfied in the Valley. EPA has yet to act on the District’s 2014 RACT SIP.

In response to litigation, EPA entered into a consent decree requiring EPA to take final action to approve or disapprove the District’s RACT SIP demonstration by July 31, 2018. Per EPA’s request, the District is submitting a supplemental demonstration to address issues identified by EPA through their review of the District’s 2014 RACT SIP.

Today’s recommendation includes a proposed action to incorporate permit conditions pertaining to emissions standards for NO_x into the SIP for J.R. Simplot’s nitric acid plant located in Helm, CA under permit C-705-3-19. J.R. Simplot is already required to comply with these NO_x emission requirements by its current permit; therefore, no changes in equipment or operation will result from this proposed action. In addition, the District is proposing that your Board adopt negative declarations certifying that there are no stationary sources in our region for five specified source categories that are subject to EPA Control Technique Guidelines.

DISCUSSION:

Federal Clean Air Act Section 182 requires the District to implement RACT for all major stationary sources of NO_x and VOC. This is satisfied either through the adoption of a source specific rule or the incorporation of relevant permit conditions into the SIP. As part of EPA’s review, EPA found that the District did not have a source specific rule for J.R. Simplot’s nitric acid plant, which is a major source for NO_x. As requested by EPA to comply with the federal Clean Air Act requirements for RACT, the District is proposing to incorporate the relevant conditions of J.R. Simplot’s permit C-705-3-19 into the SIP pertaining to emission standards for NO_x (see Appendix A of the final draft staff report). The District selected this streamlined option in lieu of adopting a source specific rule, since there is only one nitric acid production facility in the San Joaquin Valley, and the District has concluded that the requirements in this permit meet RACT. J.R. Simplot is already required to comply with these requirements through its current permit; therefore, there will be no changes in emissions as a result of this action.

In addition, CAA section 182(b)(2) and 182(f) requires the adoption of RACT level requirements for source categories subject to an EPA Control Techniques Guideline (CTG). Alternatively, per EPA guidance, the District can address this requirement by

adopting a formal Negative Declaration that a source category does not exist in the affected area.

As requested by EPA, based on the District's extensive review of permit files and other sources, the District has determined that there are no sources in the Valley subject to the following CTGs and therefore the Negative Declarations previously adopted for the following CTGs are still valid: *Shipbuilding and Ship Repair Operations, Control of Volatile Organic Emissions from Manufacture of Synthesized Pharmaceutical Products, and Control of Volatile Organic Emissions from Manufacture of Pneumatic Rubber Tires* as referenced in the *2009 RACT SIP*.

Based on an extensive review by the District of permit files and other sources, the District has also determined that there are no source categories in the Valley that are subject to the following CTGs and therefore proposes to adopt Negative Declarations to verify the absence of such source categories:

- Volatile Organic Emissions from Existing Stationary Sources-Volume IV: Surface Coating of Insulation of Magnet Wire (EPA-450/2-77-033, 12/1977)
- Volatile Organic Compound Emissions from Manufacture of High-Density Polyethylene, Polypropylene, and Polystyrene Resins (EPA 450/3-83-008, 11/1983)
- Volatile Organic Compound Leaks from Synthetic Organic Chemical Polymer and Resin Manufacturing Equipment (EPA-450/3-83-006, 03/1984)
- Volatile Organic Compound from Air Oxidation Processes in Synthetic Organic Chemical Manufacturing Industry (EPA-450/3-84-015, 12/1984)
- Volatile Organic Compound from Reactor Processes and Distillation Operations in Synthetic Organic Chemical Manufacturing Industry (EPA-450/4-91-031, 08/1993)

In accordance with CH&SC Section 40725, the proposed action and the draft staff report were publicly noticed and made available on May 22, 2018 to solicit public input. The public was also invited to provide comments during the public hearing for proposed action.

The comments received throughout this public process have been integral to the development of this SIP amendment, and have been incorporated as appropriate. A summary of significant comments and District responses is available in Appendix C of the attached final draft staff report.

Attachments:

Attachment A: Resolution for Proposed SIP Revision (6 pages)

Attachment B: Final Draft Staff Report for Revision to the State Implementation Plan (SIP) to Address Federal Clean Air Act Requirements for Reasonably Available Control Technology (RACT) (16 pages)

San Joaquin Valley Unified Air Pollution Control District
Meeting of the Governing Board
June 21, 2018

**ADOPT REVISION TO STATE IMPLEMENTATION PLAN TO ADDRESS FEDERAL
CLEAN AIR ACT REQUIREMENTS FOR REASONABLY AVAILABLE CONTROL
TECHNOLOGY**

Attachment A:

Resolution for Proposed SIP Revision
(6 PAGES)

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**BEFORE THE GOVERNING BOARD OF THE
SAN JOAQUIN VALLEY UNIFIED
AIR POLLUTION CONTROL DISTRICT**

IN THE MATTER OF: PROPOSED) RESOLUTION NO. _____
REVISION TO STATE IMPLEMENTATION)
PLAN (SIP) TO ADDRESS FEDERAL)
CLEAN AIR ACT REQUIREMENTS FOR)
REASONABLY AVAILABLE CONTROL
TECHNOLOGY (RACT)

WHEREAS, the San Joaquin Valley Unified Air Pollution Control District (District) is a
duly constituted unified air pollution control district, as provided in California Health and
Safety Code (CH&SC) Sections (§) 40150 et seq. and 40600 et seq.; and

WHEREAS, said District is authorized by CH&SC §40702 to make and enforce all
necessary and proper orders, rules, and regulations to accomplish the purpose of
Division 26 of the CH&SC; and

WHEREAS, the San Joaquin Valley (Valley) has been classified as extreme ozone
nonattainment area for the 2008 8-hour standard; and

WHEREAS, Sections 182(b)(2) and 182(f) of the federal Clean Air Act (CAA) require
areas that are classified as moderate or above for ozone nonattainment to implement
Reasonably Available Control Technology (RACT) for sources subject to U.S.
Environmental Protection Agency (EPA) Control Technique Guidelines (CTG) or for
“major sources” of NOx and volatile organic compounds (VOC); and

WHEREAS, in June 2014, the District adopted the 2014 Reasonably Available Control
Technology Demonstration for the 8-Hour Ozone State Implementation Plan (2014
RACT SIP) to fulfill the federal Clean Air Act requirements and demonstrate that all
federal RACT requirements continue to be satisfied in the Valley; and

WHEREAS, EPA has yet to act on the District’s 2014 RACT SIP; and

WHEREAS, in response to litigation, EPA entered into a consent decree requiring EPA
to take final action to approve or disapprove the District’s RACT SIP demonstration by
July 31, 2018; and

1 **WHEREAS**, Per EPA's request, the District is submitting a supplemental demonstration
2 to address issues identified by EPA through their review of the District's 2014 RACT SIP;
3 and

4 **WHEREAS**, CAA Section 182 requires the District to implement RACT for all major
5 stationary sources of NOx and VOC. Per EPA guidance, this requirement is satisfied
6 either through the adoption of a source specific rule or the incorporation of relevant
7 permit conditions pertaining to emissions standards into the SIP; and

8 **WHEREAS**, the J.R. Simplot nitric acid plant located in Helm, CA is a major source of
9 NOx, is not subject to a source specific rule, and its permit conditions have not been
10 incorporated into the SIP; and

11 **WHEREAS**, as requested by EPA to comply with the federal Clean Air Act requirements
12 for RACT, the proposed action would incorporate into the SIP the relevant conditions
13 pertaining to emissions standards for NOx for JR Simplot's nitric acid plant under permit
14 #C-705-3-19; and

15 **WHEREAS**, CAA Section 182(b)(2) and 182(f) requires the adoption of RACT level
16 requirements for source categories subject to an EPA Control Techniques Guideline
17 (CTG). Alternatively, per EPA guidance, the District can address this requirement by
18 adopting a formal Negative Declaration that a source category does not exist in the
19 affected area; and

20 **WHEREAS**, as requested by EPA, the District has conducted an extensive review and
21 has determined that there are no source categories in the Valley subject to the following
22 CTGs: *Surface Coating of Insulation of Magnet Wire* (EPA-450/2-77-033, 12/1977);
23 *Manufacture of High Density Polyethylene, Polypropylene, and Polystyrene Resins* (EPA
24 450/3-83-008, 11/1983); *Synthetic Organic Chemical Polymer and Resin Manufacturing*
25 *Equipment* (EPA-450/3-83-006, 03/1984); *Air Oxidation Processes in Synthetic Organic*
26 *Chemical Manufacturing Industry* (EPA-450/3-84-015, 12/1984); *Reactor Processes and*
27 *Distillation Operation in Synthetic Organic Chemical Manufacturing Industry* (EPA-450/4-

1 91-031, 08/1993); and

2 **WHEREAS**, on May 1, 2018, a request for parallel processing of the proposed
3 amendments to the SIP to address federal CAA requirements for RACT was submitted
4 to the California Air Resources Board. It was requested that EPA propose approval of
5 the draft amendments to the SIP, contingent upon the District Governing Board's
6 approval, under U.S. EPA's parallel processing procedure cited in 40 CFR 51 , Appendix
7 V, paragraph 2.3.; and

8 **WHEREAS**, a public hearing for the approval of the incorporation of the J.R. Simplot
9 permit conditions and negative declarations was duly noticed for June 21, 2018 in
10 accordance with CH&SC §40725.

11 **NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:**

12 1. The Governing Board hereby approves amendments to the State Implementation
13 Plan to address federal Clean Air Act requirements for Reasonably Available Control
14 Technology, incorporating the relevant conditions pertaining to emissions standards for
15 NOx for JR Simplot's nitric acid plant under permit #C-705-3-19, and negative
16 declarations certifying that there are no source categories in the Valley subject to the
17 following CTGs: *Surface Coating of Insulation of Magnet Wire* (EPA-450/2-77-033,
18 *12/1977*); *Manufacture of High Density Polyethylene, Polypropylene, and Polystyrene*
19 *Resins* (EPA 450/3-83-008, 11/1983); *Synthetic Organic Chemical Polymer and Resin*
20 *Manufacturing Equipment* (EPA-450/3-83-006, 03/1984); *Air Oxidation Processes in*
21 *Synthetic Organic Chemical Manufacturing Industry* (EPA-450/3-84-015, 12/1984);
22 *Reactor Processes and Distillation Operation in Synthetic Organic Chemical*
23 *Manufacturing Industry* (EPA-450/4-91-031, 08/1993).

24 2. The Governing Board hereby finds, based on the evidence and information
25 presented at the hearing upon which its decision is based, all notices required to be given
26 by law have been duly given in accordance with CH&SC §40725, and the Governing
27 Board has allowed public testimony in accordance with CH&SC §40726.

1 3. In connection with said proposed action, the Governing Board makes the following
2 findings as required by CH&SC §40727:

3 a. **NECESSITY.** The Governing Board finds, based on the staff report, public
4 testimony, and the record for this rulemaking proceeding, that a need exists for said
5 proposed action.

6 b. **AUTHORITY.** The Governing Board finds that it has the legal authority for
7 said proposed action under CH&SC §40000 and 40001.

8 c. **CLARITY.** The Governing Board finds that said proposed action is written or
9 displayed so that the meaning can be easily understood by those persons or industries
10 directly affected by said proposed action.

11 d. **CONSISTENCY.** The Governing Board finds that said proposed action is in
12 harmony with, and not in conflict with or contradictory to, existing statutes, court
13 decisions, or state or federal regulations.

14 e. **NONDUPLICATION.** The Governing Board finds that said proposed action
15 does not impose the same requirements as any existing state or federal regulation.

16 f. **REFERENCE.** The Governing Board finds that said proposed action
17 implements federal CAA §172(c)(1) and CH&SC §40920.

18 4. The Governing Board finds that, because this rulemaking will not cause either a
19 direct physical change in the environment or a reasonably foreseeable indirect physical
20 change in the environment, the proposed actions do not constitute a project under the
21 provisions of the California Environmental Quality Act (CEQA) Guidelines § 15378.
22 Furthermore, the proposed actions are exempt for actions taken by regulatory agencies,
23 as authorized by state or local ordinance, to assure the maintenance, restoration,
24 enhancement, or protection of the environment where the regulatory process involves
25 procedures for protection of the environment (CEQA Guidelines §15308) (Actions by
26 Regulatory Agencies for Protection of the Environment) and exempt from CEQA per the
27

1 general rule that CEQA applies only to projects which have the potential for causing a
2 significant effect on the environment (CEQA Guidelines §15061 (b)(3)).

3 6. Pursuant to Section 15062 of the CEQA guidelines, the Executive Director/Air
4 Pollution Control Officer is directed to file a Notice of Exemption with the County Clerks
5 of each of the counties in the District.

6 7. The Executive Director/Air Pollution Control Officer is directed to file with all
7 appropriate agencies certified copies of this resolution and the proposed action adopted
8 herein and is directed to maintain a record of this rulemaking proceeding in accordance
9 with CH&SC §40728.

10 8. The Executive Director/Air Pollution Control Officer is directed to transmit said
11 proposed action to the California Air Resources Board for incorporation into the SIP.

12 9. The Governing Board authorizes the Executive Director/Air Pollution Control
13 Officer to include in the submittal or subsequent documentation any technical
14 corrections, clarifications, or additions that may be needed to secure EPA approval,
15 provided such changes do not alter the substantive requirements of the approved action.

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1 **THE FOREGOING** was passed and adopted by the following vote of the Governing
2 Board of the San Joaquin Valley Unified Air Pollution Control District this 21st day of June
3 2018, to wit:

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AYES:

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NOES:

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ABSENT:

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SAN JOAQUIN VALLEY UNIFIED
AIR POLLUTION CONTROL DISTRICT

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By _____
Buddy Mendes, Chair
Governing Board

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ATTEST:
Deputy Clerk of the Governing Board

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By _____
Michelle Franco

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San Joaquin Valley Unified Air Pollution Control District
Meeting of the Governing Board
June 21, 2018

**ADOPT REVISION TO STATE IMPLEMENTATION PLAN TO ADDRESS
FEDERAL CLEAN AIR ACT REQUIREMENTS FOR REASONABLY
AVAILABLE CONTROL TECHNOLOGY**

Attachment B:

**Final Draft Staff Report for Revision to the State Implementation Plan (SIP)
to Address Federal Clean Air Act Requirements for Reasonably Available
Control Technology (RACT)**
(5 PAGES)

SAN JOAQUIN VALLEY UNIFIED AIR POLLUTION CONTROL DISTRICT

FINAL DRAFT STAFF REPORT

Proposed Revision to State Implementation Plan (SIP) to Address Federal Clean Air Act Requirements for Reasonably Available Control Technology (RACT)

June 21, 2018

Prepared by: Avilone Anderson, Air Quality Specialist

Reviewed by: Anna Myers, Senior Air Quality Specialist
Chay Thao, Strategies and Incentives Program Manager
Sheraz Gill, Director of Strategies and Incentives

I. SUMMARY

The San Joaquin Valley (Valley) is classified as extreme ozone nonattainment area for the 2008 8-hour standard¹. Sections 182(b)(2) and 182(f) of the federal Clean Air Act (CAA) require areas that are classified as moderate or above for ozone nonattainment to implement Reasonably Available Control Technology (RACT) for sources subject to U.S. Environmental Protection Agency (EPA) Control Technique Guidelines (CTG) or for “major sources” of NO_x and volatile organic compounds (VOC)². EPA defines RACT as the “lowest emission limitation that a particular source is capable of meeting by the application of control technology that is reasonably available considering technological and economic feasibility.”

In June 2014, the San Joaquin Valley Air Pollution Control District (District) adopted the *2014 Reasonably Available Control Technology Demonstration for the 8-Hour Ozone State Implementation Plan (2014 RACT SIP)* to fulfill the federal Clean Air Act requirements and demonstrate that all federal RACT requirements continue to be satisfied in the Valley. EPA has yet to act on the District’s 2014 RACT SIP.

In response to litigation, EPA entered into a consent decree requiring EPA to take final action to approve or disapprove the District’s RACT SIP demonstration by July 31, 2018. Per EPA’s request, the District is submitting a supplemental demonstration to address issues identified by EPA through their review of the District’s 2014 RACT SIP.

¹ EPA (May 12, 2012). Air Quality Designations for the 2008 NAAQS. 77 FR 30088. Retrieved from: <http://www.gpo.gov/fdsys/pkg/FR-2012-05-21/pdf/2012-11618.pdf>

² EPA Clean Air Act (CAA) Sections 182 (b)(2) and 182(f). Retrieved from: <https://www.gpo.gov/fdsys/pkg/USCODE-2013-title42/html/USCODE-2013-title42-chap85-subchapl-partD-subpart2-sec7511a.htm>

As requested by EPA due to time constraints, the District submitted a draft of the revision to the SIP through the California Air Resources Board to EPA for parallel processing. It was requested that EPA propose approval of the draft amendments to the SIP, contingent upon the District Governing Board's approval, under U.S. EPA's parallel processing procedure cited in 40 CFR 51, Appendix V, paragraph 2.3.

The draft amendments to the SIP includes a proposed action to incorporate permit conditions pertaining to emissions standards for NO_x into the SIP for JR Simplot's nitric acid plant located in Helm, CA under permit # C-705-3-19 (see Appendix A). J.R. Simplot is already required to comply with these NO_x emission requirements by its current permit; therefore, no changes in equipment or operation will result from this proposed action. In addition, per EPA's recommendation, the District is seeking to adopt negative declarations certifying that there are no stationary sources in our region for five specified source categories that are subject to EPA CTGs.

II. DISCUSSION

Federal Clean Air Act Section 182 requires the District to implement RACT for all major stationary sources of NO_x and VOC. This is satisfied either through the adoption of a source specific rule or the incorporation of relevant permit conditions into the SIP. As part of EPA's review, EPA found that the District did not have a source specific rule for J.R. Simplot's nitric acid plant, which is a major source for NO_x. The J.R. Simplot facility located in Helm, CA is a major source of NO_x. As requested by EPA to comply with the federal Clean Air Act requirements for RACT, the District is proposing to incorporate the relevant conditions of J.R. Simplot's permit C-705-3-19 into the SIP pertaining to emission standards for NO_x (see Appendix A). The District selected this streamlined option in lieu of adopting a source specific rule, since there is only one nitric acid production facility in the San Joaquin Valley, and the District has concluded that the requirements in this permit meet RACT.

The Permit to Operate incorporates an expiration date that is for State of California purposes, only. For federal enforcement purposes the RACT provisions of this permit that are approved by EPA shall remain in effect as part of the State of California Implementation Plan until replaced pursuant to 40 CFR 51 and approved by EPA.

In addition, CAA section 182(b)(2) and 182(f) requires the adoption of RACT level requirements for source categories subject to an EPA CTGs. Alternatively, per EPA guidance, the District can address this requirement by adopting a formal Negative Declaration that a source category does not exist in the affected area. Based on an extensive review by the District of permit files and other sources, the District has determined that there are no stationary sources in our region for five specified source categories that are subject to EPA CTGs (see Appendix B).

III. ANALYSIS

A. Emission Reduction Analysis

This RACT demonstration includes a proposed action to incorporate permit conditions pertaining to emissions standards for NO_x into the SIP for JR Simplot's nitric acid plant located in Helm, CA under permit C-705-3-19. J.R. Simplot is already required to comply with these requirements through its current permit; therefore, there will be no changes in emissions as a result of this action.

B. Socioeconomic Analysis

Pursuant to California Health and Safety Code (CH&SC) §40728.5, the District must conduct a socioeconomic analysis of a proposed rule or rule amendment that will significantly affect air quality or emission limitations prior to rule adoption. A socioeconomic analysis examines how a rule project may impact industries, businesses, employment rates, and the economy in the Valley. J.R. Simplot is already required to comply with these requirements through its current permit; therefore, this action will not affect air quality or emission limitations. No socioeconomic analysis is required.

C. Environmental Impact Analysis

The proposed action is to incorporate permit conditions pertaining to emissions standards for NO_x into the SIP for JR Simplot's nitric acid plant located in Helm, CA under permit # C-705-3-19 (see Appendix A). J.R. Simplot is already required to comply with these NO_x emission requirements by its current permit; therefore, no changes in emissions will result from this proposed action. Based on the District's investigation, substantial evidence supports the District's conclusion that the proposed action will not cause either a direct physical change in the environment or a reasonably foreseeable indirect physical change in the environment, and as such is not a "project" as that term is defined under the California Environmental Quality Act (CEQA) Guidelines § 15378. In addition, substantial evidence supports the District's conclusion that assuming the proposed action is a "project" under CEQA, it will not have any significant adverse effects on the environment.

This proposed action will be taken by a regulatory agency, the San Joaquin Valley Air District, as authorized by state law to assure the maintenance, restoration, enhancement, or protection of air quality in the San Joaquin Valley where the regulatory process involves procedures for protection of air quality.

The California Environmental Quality Act (CEQA) Guidelines §15308 (Actions by Regulatory Agencies for Protection of the Environment), provides a categorical exemption for "actions taken by regulatory agencies, as authorized by state or local ordinance, to assure the maintenance, restoration, enhancement, or protection of

the environment where the regulatory process involves procedures for protection of the environment. Construction activities and relaxation of standards allowing environmental degradation are not included in this exemption.” No construction activities or relaxation of standards are included in this project. Therefore, this proposed action is exempt from CEQA.

In addition, according to Section 15061(b)(3) of the CEQA Guidelines, a project is exempt from CEQA if, “(t)he activity is covered by the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA.” As such, for this additional reason, the District finds that the proposed action is exempt from CEQA.

IV. PUBLIC HEARING PROCESS

In accordance with California Health and Safety Code Section 40725, the proposed SIP submittal was made available on May 22, 2018 for public review and comment. The comments received throughout this public process have been integral to the development of this SIP amendment, and have been incorporated as appropriate. A summary of significant comments and District responses is available in Appendix C of the final draft staff report. The proposed SIP submittal will be heard at the District Governing Board public hearing on June 21, 2018.

APPENDIX A

J.R. Simplot Permit Conditions

For Proposed Revision to the State Implementation Plan (SIP) to Address Federal Clean Air Act Requirements for Reasonably Available Control Technology (RACT)

June 21, 2018

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San Joaquin Valley Air Pollution Control District

PERMIT UNIT: C-705-3-19

EXPIRATION DATE:

EQUIPMENT DESCRIPTION:
NITRIC ACID PLANT

PERMIT UNIT REQUIREMENTS

1. All equipment shall be maintained in good operating condition and shall be operated in a manner to minimize emissions of air contaminants into the atmosphere.
- 2.
- 3.
4. NOx emissions (expressed as NO₂), excluding startup, shutdown and malfunction, shall not exceed 2.98 lbs/ton of 100% HNO₃ on a three-hour average as determined by continuous monitor and recording equipment certified to 40 CFR 60, Appendix B Performance Specification 2.
- 5.
6. NOx emissions (expressed as NO₂) shall not exceed 0.78 lbs/ton of 100% HNO₃ on a 12 month rolling average as determined by continuous monitor and recording equipment certified to 40 CFR 60, Appendix B Performance Specification 2 and compliance testing conducted within 60 days of implementation of this Authority to Construct and at least once every twelve months thereafter utilizing USEPA Method 7.
- 7.
- 8.
- 9.
- 10.

PERMIT UNIT REQUIREMENTS CONTINUE ON NEXT PAGE

These terms and conditions are part of the Facility-wide Permit to Operate.

Facility Name: J R SIMPLOT COMPANY

Location: 12688 S COLORADO AVE, HELM, CA 93627

- 11.
12. The owner or operator shall establish a conversion factor for the purpose of converting monitoring data into units of applicable standard (lb/ton of 100% HNO₃ produced). The conversion factor shall be obtained according to procedures and methods specified in 40 CFR 60.73 (b) and shall be reestablished during any performance test under 40 CFR 60.8 or any continuous emission monitoring system performance evaluation under 40 CFR 60.13 (c). |
13. Compliance demonstration (source testing) shall be witnessed or authorized by the District and the samples shall be collected by a California Air Resources Board certified testing laboratory. The District must be notified 30 days prior to any compliance source test, and a source test plan must be submitted for approval 15 days prior to testing. The results of each source test shall be submitted to the District within 60 days of source testing.
14. The owner or operator shall certify, maintain, operate, and quality-assure a Continuous Emissions Monitoring System (CEMS) which continuously measures and records the exhaust gas NO_x concentrations. The CEMS shall be capable of monitoring emissions during startups and shutdowns, as well as during normal operating conditions.
- 15.
16. When the plant is in operation, the monitoring system shall perform a daily calibration drift test in accordance with 40 CFR 60.13d.
17. When the plant is operating, the CEMS shall complete a minimum of one cycle of operation (sampling, analyzing, and data recording) for each successive 15-minute period.
18. The NO_x CEMS shall meet the requirements in 40 CFR Part 60, Appendix B Performance Specification 2.
19. The owner/operator shall perform a relative accuracy test as specified by 40 CFR Part 60, Appendix F, at least once every four calendar quarters. The permittee shall comply with the applicable requirements for quality assurance testing and maintenance of the continuous emission monitor equipment in accordance with the procedures and guidance specified in 40 CFR Part 60, Appendix F.
- 20.
- 21.
- 22.
23. The owner or operator shall submit a written report of CEM operations for each calendar quarter to the APCO. The report is due on the 30th day following the end of the calendar quarter and shall include the following: Time intervals, data and magnitude of excess NO_x emissions, nature and the cause of excess (if known), corrective actions taken and preventative measures adopted; Averaging period used for data reporting corresponding to the averaging period specified in the emission test period and used to determine compliance with an emissions standard; Applicable time and date of each period during which the CEM was inoperative (monitor downtime), except for zero and span checks, and the nature of system repairs and adjustments; A negative declaration when no excess emissions occurred.

PERMIT UNIT REQUIREMENTS CONTINUE ON NEXT PAGE

These terms and conditions are part of the Facility-wide Permit to Operate.

24. A violation of emission standards of this permit, as shown by the stack-monitoring system, shall be reported to the district within 96 hours.
25. The operator shall notify the district at least 24 hours prior to the shutting down of monitoring equipment. In the event of breakdown of monitoring equipment, the owner or the operator shall notify the district within 1 hour after the breakdown is detected. Such a notice is not required for any maintenance or QA/QC activity on the system if the operator expects the down time to be less than four hours, but the operator must still report these periods in their quarterly report.
26. APCO or an authorized representative shall be allowed to inspect, as determined to be necessary, the required monitoring devices to ensure that such devices are functioning properly.
27. The owner or operator shall maintain CEMS records that contain the following: the occurrence and duration of any start-up, shutdown or malfunction, performance testing, evaluations, calibrations, checks, adjustments, maintenance, duration of any periods during which a continuous monitoring system or monitoring device is inoperative, and emissions measurements.
- 28.
29. Permittee shall record daily production rate and emission data. Records shall be retained and provided to the District upon request.
30. Permittee shall maintain records to demonstrate compliance with the rolling average NOx emission rate. 12 month

These terms and conditions are part of the Facility-wide Permit to Operate.

APPENDIX B

Negative Declarations

For Proposed Revision to the State Implementation Plan (SIP) to Address Federal Clean Air Act Requirements for Reasonably Available Control Technology (RACT)

June 21, 2018

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The federal Clean Air Act (CAA) requires areas designated non-attainment for ozone and classified moderate and above to implement Reasonably Available Control Technology (RACT). More specifically, CAA section 182(b)(2) and 182(f) requires the adoption of RACT level requirements for source categories covered by EPA Control Techniques Guideline (CTG), or if a source category does not exist in the affected area, the District may submit a Negative Declaration.

As requested by EPA, based on the District's extensive review of permit files and other sources, the District has determined that there are no sources in the Valley subject to the following CTGs and therefore the Negative Declarations previously adopted for the following CTGs are still valid: *Shipbuilding and Ship Repair Operations*, *Control of Volatile Organic Emissions from Manufacture of Synthesized Pharmaceutical Products*, and *Control of Volatile Organic Emissions from Manufacture of Pneumatic Rubber Tires* as referenced in the 2009 RACT SIP.

Based on an extensive review by the District of permit files and other sources, the District has also determined that there are no source categories in the Valley that are subject to the following CTGs and therefore proposes to adopt Negative Declarations to verify the absence of such source categories:

- *Volatile Organic Emissions from Existing Stationary Sources-Volume IV: Surface Coating of Insulation of Magnet Wire* (EPA-450/2-77-033, 12/1977)
- *Volatile Organic Compound Emissions from Manufacture of High-Density Polyethylene, Polypropylene, and Polystyrene Resins* (EPA 450/3-83-008, 11/1983)
- *Volatile Organic Compound Leaks from Synthetic Organic Chemical Polymer and Resin Manufacturing Equipment* (EPA-450/3-83-006, 03/1984)
- *Volatile Organic Compound from Air Oxidation Processes in Synthetic Organic Chemical Manufacturing Industry* (EPA-450/3-84-015, 12/1984)
- *Volatile Organic Compound from Reactor Processes and Distillation Operations in Synthetic Organic Chemical Manufacturing Industry* (EPA-450/4-91-031, 08/1993)

APPENDIX C

**Summary of Significant Comments and Responses
For Proposed Revision to the State Implementation Plan (SIP) to Address Federal
Clean Air Act Requirements for Reasonably Available Control Technology (RACT)**

June 21, 2018

SAN JOAQUIN VALLEY UNIFIED AIR POLLUTION CONTROL DISTRICT

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**SUMMARY OF SIGNIFICANT COMMENTS
PROPOSED REVISION TO THE STATE IMPLEMENTATION PLAN (SIP) TO
ADDRESS FEDERAL CLEAN AIR ACT REQUIREMENTS FOR REASONABLY
AVAILABLE CONTROL TECHNOLOGY (RACT)**

May 22, 2018

The San Joaquin Valley Unified Air Pollution Control District (District) posted proposed revision to the State Implementation Plan (SIP) to meet requirements of the federal Clean Air Act for Reasonably Available Control Technology (RACT) on the District web for public review and comment on May 22, 2018. Summaries of significant comments received are summarized below.

The District only received one comment letter. The letter was from Krista Kinsey, P.E., J.R. Simplot Company.

Permit Conditions:

- 1. COMMENT:** The District should consider removing the lists of components required for the production of nitric acid under *Equipment Description* and describe the source as “a nitric acid production unit” as defined by 40 CFR 60, Subpart G. The potential emissions from the nitric acid production unit is being released from one common stack (one emission point), where NO_x emissions are continuously monitored and production unit is considered one emission unit. In the event that equivalent equipment changes are necessary, changes to the SIP would be required. Additionally, a facility would be required to make modifications to meet requirements of a SIP revision, that facility would have an economic disadvantage to other facilities and product suppliers.

RESPONSE: The District agrees with J.R. Simplot that the equipment description should not specifically list the components for the nitric acid plant and has removed references to the components, leaving “Nitric acid plant”.

- 2. COMMENT:** Simplot agrees with the District in regards to some of the emission limit conditions proposed for inclusion in the SIP, however, many of the proposed conditions are redundant with existing federal NSPS requirements and existing SIP-approved rules. Simplot disagrees with the redundancy of permit conditions as necessary for the RACT determination and requests those conditions be omitted from inclusion in the SIP due to redundancy with existing SIP approved rules.

RESPONSE: Per EPA guidance, existing rule requirements need to be incorporated into the SIP when using permit conditions to satisfy RACT requirements.

3. **COMMENT:** Simplot supports inclusion of Condition #6 (see below) based on emission limit that includes startup, shutdown and malfunction (SSM) emissions. However, Simplot requests striking out the language below to eliminate any potential confusion that an additional source is required upon approval of the SIP.

“NOx emissions (expressed as NO2) shall not exceed 0.78 lbs/ton of 100% on a 12 month rolling average as determined by continuous monitor and recording equipment certified to 40 CFR, Appendix B Performance Specification 2 and compliance testing conducted ~~within 60 days of implementation of this Authority to Construct~~ and at least once every twelve months thereafter utilizing USEPA Method 7.”

RESPONSE: The “within 60 days of implementation of this Authority to Construct” language is required to establish the starting date for the ongoing annual 12-month testing requirement. In addition, adoption of the permit conditions into the SIP is not considered an implementation of the Authority to Construct.

4. **COMMENT:** Simplot suggests the District to omit Condition #25. Simplot requests this condition be omitted from inclusion in the SIP due to redundancy with existing SIP approved rules, and that it is more restrictive than the existing District Rule. Further, a requirement with respect to timing of reporting does not provide RACT demonstration of compliance with NOx emission limits.

RESPONSE: This reporting requirement is essential in ensuring compliance with the NOx emission standards. Furthermore, the requirements in this condition have undergone extensive public review through the Title V process over the years.