NOV 06 2019

Dennis Tristao
J.G. Boswell Company
PO Box 457
Corcoran, CA 93212

Re: Notice of Preliminary Decision – Emission Reduction Credits
Facility Number: S-209
Project Number: S-1183831

Dear Mr. Tristao:

Enclosed for your review and comment is the District's analysis of J.G. Boswell Company's application for Emission Reduction Credits (ERCs) resulting from the shutdown of a grain handling facility, at 31500 S Lake Rd in Taft, CA. The quantity of ERCs proposed for banking is 240 lbs-PM10/yr.

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 comment period, the District intends to the issue the ERCs. 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. Thomas Aguirre of Permit Services at (661) 392-5613.

Sincerely,

[Signature]

Arnaud Marjollet
Director of Permit Services

AM:ta

Enclosures

cc: Courtney Graham, CARB (w/ enclosure) via email
cc: Gerardo C. Rios, EPA (w/ enclosure) via email

Samir Sheikh
Executive Director/Air Pollution Control Officer

Northern Region
4800 Enterprise Way
Modesto, CA 95356-6718
Tel: (209) 557-6400  FAX: (209) 557-6475

Central Region (Main Office)
1980 E. Gettysburg Avenue
Fresno, CA 93726-0244
Tel: (559) 230-8000  FAX: (559) 230-6061

Southern Region
34946 Flyover Court
Bakersfield, CA 93308-6725
Tel: 661-392-5500  FAX: 661-392-5585

www.valleyair.org  www.healthyairliving.com
I. Summary

J.G. Boswell Company operated a grain handling operation at 31500 S Lake Rd in Taft, CA. On June 29, 2018, the facility shutdown operations and permits S-209-1, -2, and -3 were surrendered, Emission Reduction Credits (ERCs) are requested for PM$_{10}$. A copy of the surrendered Permits to Operate can be found in Attachment A. All three permits for this facility have been cancelled.

Based on the historical operating data prior to the shutdown, the amounts of bankable ERCs (as calculated in Section V of this document) are shown in the table below. The calculations in Section V are according to the provisions of District Rules 2201 and 2301.

<table>
<thead>
<tr>
<th>Pollutant</th>
<th>ERC #</th>
<th>1st Qtr ERC (lb/qtr)</th>
<th>2nd Qtr ERC (lb/qtr)</th>
<th>3rd Qtr ERC (lb/qtr)</th>
<th>4th Qtr ERC (lb/qtr)</th>
</tr>
</thead>
<tbody>
<tr>
<td>PM$_{10}$</td>
<td>S-5080-4</td>
<td>46</td>
<td>43</td>
<td>0</td>
<td>151</td>
</tr>
</tbody>
</table>

II. Applicable Rules

Rule 2201 – New and Modified Stationary Source Review Rule (2/18/16)
Rule 2301 - Emission Reduction Credit Banking (Last amended 1/19/16)
Rule 4201 - Particulate Matter Concentration (12/17/92)
Rule 4202 – Particulate Matter Emission Rate (12/17/92)

III. Location of Reductions

The grain handling operation was located at 31500 S Lake Rd in Taft, CA.
IV. **Method of Generating Reductions**

The Actual Emission Reductions (AERs) were generated by the shutting down of a permitted grain handling operation. The equipment description for the units at this facility are as follows:

S-209-1-0: GRAIN RECEIVING OPERATION INCLUDING ELEVATORS # 1 & 2, AUGERS AND CONVEYORS, GRAIN STORAGE BUILDING, AND RECEIVING PIT

S-209-2-0: GRAIN STORAGE AND LOADOUT OPERATION INCLUDING AUGERS AND CONVEYORS WITH OPTIONAL WATER SPRAY NOZZLES, RAILCAR LOADOUT SPOUT WITH DISSIPATER AND CANVAS COVERED OPENING ON TOP OF RAILCAR DURING LOADOUT, AND TRUCK LOADOUT SPOUT

S-209-3-1: GRAIN RECEIVING, STORAGE, AND TRUCK/RAILCAR LOADOUT OPERATION WITH TRUCK DUMP HOPPER, ELEVATOR, TWO 150 TON CAPACITY GRAIN STORAGE TANKS WITH AN EXTENDIBLE LOADOUT SPOUT

V. **Calculations**

A. **Assumptions**

**Particulate Emissions from Grain Handling Operations:**

- Grain handling operations only generated PM$_{10}$.
- Annual criteria pollutant emissions are rounded to the nearest pound. (District practice).
- There are no annual or daily throughput limits on any of the permitted units at this facility.
- There are no NSR based emission limits on any of the permitted units at this facility.
- There are two general areas of emissions, receiving and shipping. All grain is received by truck, however, when shipped, the throughput is divided evenly between rail and truck at an estimated 50/50 split (per applicant).
- Given the individual PTOs do not have any emission or throughput limits, actual emissions will be calculated on a facility wide basis, and not on a permit unit basis.
- The information shown below is based on information submitted by applicant for the active operating seasons between 2008-2017 to establish normal source operation.
- The table below displays the amount of throughput, in tons, the facility processed in each quarter of the listed years.
<table>
<thead>
<tr>
<th>Year</th>
<th>Q1</th>
<th>Q2</th>
<th>Q3</th>
<th>Q4</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>2016</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>2,000</td>
</tr>
<tr>
<td>2015</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>2014</td>
<td>1,350</td>
<td>146</td>
<td>0</td>
<td>400</td>
</tr>
<tr>
<td>2013</td>
<td>0</td>
<td>1,125</td>
<td>0</td>
<td>4,119</td>
</tr>
<tr>
<td>2012</td>
<td>1,000</td>
<td>0</td>
<td>0</td>
<td>2,000</td>
</tr>
<tr>
<td>2011</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>3,000</td>
</tr>
<tr>
<td>2010</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>14,212</td>
</tr>
<tr>
<td>2009</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>2008</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

B. Emission Factors (EF)

Grain Receiving and Shipping Emissions

The facility receives all grain from the fields by trucks, the trucks deliver the grain to the dump pit where it is then transferred via elevator to one of three places. The grain may be transferred to a storage unit or loadout conveyor for shipping by truck or rail. There are no permitted emission limits or source test results for operation of the grain handling and storage facility. The most accurate emission factor information is data from the AP-42 (Air Emissions Factors and Quantification – AP-42: Compilation of Air Emissions Factors).

AP-42 - Table 9.9.1-1 Particulate Emission Factors For Grain Elevators

<table>
<thead>
<tr>
<th>Source</th>
<th>Emission Factors - PM$_{10}$ (Lb/ton)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grain Receiving</td>
<td></td>
</tr>
<tr>
<td>Truck</td>
<td>0.059</td>
</tr>
<tr>
<td>Grain Shipping</td>
<td></td>
</tr>
<tr>
<td>Truck</td>
<td>0.029</td>
</tr>
<tr>
<td>Railcar</td>
<td>0.0022</td>
</tr>
<tr>
<td>Average (used in emission calculations as 50% shipped was via rail and 50% was shipped via truck)</td>
<td>0.0156</td>
</tr>
</tbody>
</table>

C. Baseline Period Determination and Data

Baseline Period Determination

In accordance with the definition in District Rule 2201, Section 3.8, the baseline period is the two consecutive years of operation immediately prior to the submission of the complete application, or another period of at least two consecutive years within the five years immediately prior to the submission of the complete application, if it is more representative of normal source operations.

The PTO cancellation request and ERC application were received on 10/19/18, which was prior to the normal operations season. As such, the 5 year period from which to select the baseline period is 2013-2017.
Grain throughput records for the last 10 operating seasons (2008 – 2017) will be used to determine normal source operation. Therefore, the normal source operation will be the average of the 2008 – 2017 operating seasons.

<table>
<thead>
<tr>
<th>Year</th>
<th>Q1</th>
<th>Q2</th>
<th>Q3</th>
<th>Q4</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>2016</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>2,000</td>
<td>2,000</td>
</tr>
<tr>
<td>2015</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>2014</td>
<td>1,350</td>
<td>146</td>
<td>0</td>
<td>400</td>
<td>1,896</td>
</tr>
<tr>
<td>2013</td>
<td>0</td>
<td>1,125</td>
<td>0</td>
<td>4,119</td>
<td>5,244</td>
</tr>
<tr>
<td>2012</td>
<td>1,000</td>
<td>0</td>
<td>0</td>
<td>2,000</td>
<td>3,000</td>
</tr>
<tr>
<td>2011</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>3,000</td>
<td>3,000</td>
</tr>
<tr>
<td>2010</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>14,212</td>
<td>14,212</td>
</tr>
<tr>
<td>2009</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>2008</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>10-year total</td>
<td>29,352</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>10-year annual average</td>
<td>2,935</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

As determined above, the source normally handled 2,935 ton/year of grain.

The baseline period is one consecutive two-year, three-year, four-year, or five-year period within the last five years of operation that most accurately represents the normal source operation.

The average throughput in 2 through 5-year increments from the 2013 – 2017 operating seasons are presented in the following table. For example, the 2-year average for the period 2013 – 2014 is as follows:

\[
2013-2014 \text{ Average } = \frac{(2013 \text{ throughput} + 2014 \text{ throughput})}{2} = \frac{(5,244 + 1,896)}{2} = 3,570 \text{ tons/year}
\]

Average tons in respective period:

<table>
<thead>
<tr>
<th>Baseline Period Ending in</th>
<th>2-year</th>
<th>3-year</th>
<th>4-year</th>
<th>5-year</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>3,570</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>2015</td>
<td>948</td>
<td>2,380</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>2016</td>
<td>1,000</td>
<td>1,299</td>
<td>2,285</td>
<td>NA</td>
</tr>
<tr>
<td>2017</td>
<td>1,000</td>
<td>667</td>
<td>974</td>
<td>1,828</td>
</tr>
</tbody>
</table>
The tons of throughput in the timeframes specified above are compared to the normal source operation throughput of 2,935 ton/year in the following table. The result is the difference between the specified operating period and normal source operation. The value closest to 0 identifies the period closest to normal source operation, and, therefore is the baseline period. For example for the period 2013 – 2014, the difference is calculated as follows:

\[
\begin{align*}
2012-2014 \text{ Difference} & \quad = \text{Normal Source Operation (tons)} - 2013-14 \text{ average (tons)} \\
& \quad = 2,935 - 3,570 \\
& \quad = -635 \text{ ton/year}
\end{align*}
\]

<table>
<thead>
<tr>
<th>Baseline Period Ending in</th>
<th>2-year</th>
<th>3-year</th>
<th>4-year</th>
<th>5-year</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>(635)</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>2015</td>
<td>1,987</td>
<td>555</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>2016</td>
<td>1,935</td>
<td>1,636</td>
<td>650</td>
<td>NA</td>
</tr>
<tr>
<td>2017</td>
<td>1,935</td>
<td>2,268</td>
<td>1,961</td>
<td>1,107</td>
</tr>
</tbody>
</table>

As shown above, for tons of throughput, the period closest to normal source operation is the 2-year period 2013-2014, and is, therefore, the baseline period. The tons of throughput during the baseline period is shown below.

<table>
<thead>
<tr>
<th>Year</th>
<th>Q1</th>
<th>Q2</th>
<th>Q3</th>
<th>Q4</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>-</td>
<td>1,125</td>
<td>-</td>
<td>4,119</td>
<td>5,244</td>
</tr>
<tr>
<td>2014</td>
<td>1,350</td>
<td>146</td>
<td>-</td>
<td>400</td>
<td>1,896</td>
</tr>
<tr>
<td>Average</td>
<td>675</td>
<td>636</td>
<td>-</td>
<td>2,260</td>
<td>3,570</td>
</tr>
</tbody>
</table>

- During the baseline period of 2013-2014, the facility was operated in the first, second, and fourth quarters.
- The average grain throughput was 3,570 ton/year.
- Annual throughput was not limited by permit condition.
D. Historical Actual Emission (HAE) Calculations

The Historical Actual Emissions (HAE) are calculated by multiplying the average number of tons by the emissions factor for each activity source of emissions. Results are shown in the following tables:

<table>
<thead>
<tr>
<th>THROUGHPUT DURING BASELINE PERIOD (ton/grain)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1</td>
</tr>
<tr>
<td>-------</td>
</tr>
<tr>
<td>Average</td>
</tr>
</tbody>
</table>

\[
\text{HAE}_{PM10} = \text{Average Grains Processed (tons)} \times \text{EF (lb/ton)}
\]

**GRAIN RECEIVING**

Example Calculation:

Q1 HAE \(= 675 \text{ ton} \times 0.059 \text{ lb/ton} \)
\(= 40 \text{ lb} \)

**GRAIN RECEIVING HAE (LB)**

<table>
<thead>
<tr>
<th>Q1</th>
<th>Q2</th>
<th>Q3</th>
<th>Q4</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>40</td>
<td>38</td>
<td>-</td>
<td>133</td>
<td>211</td>
</tr>
</tbody>
</table>

**GRAIN SHIPPING**

Example Calculation:

Q1 HAE \(= 675 \text{ ton} \times 0.0156 \text{ lb/ton} \)
\(= 11 \text{ lb} \)

**GRAIN SHIPPING HAE (LB)**

<table>
<thead>
<tr>
<th>Q1</th>
<th>Q2</th>
<th>Q3</th>
<th>Q4</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>11</td>
<td>10</td>
<td>-</td>
<td>35</td>
<td>56</td>
</tr>
</tbody>
</table>

**TOTAL HAE (LB)**

<table>
<thead>
<tr>
<th>Q1</th>
<th>Q2</th>
<th>Q3</th>
<th>Q4</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>51</td>
<td>48</td>
<td>-</td>
<td>168</td>
<td>267</td>
</tr>
</tbody>
</table>
E. Adjustment to Historical Actual Emissions (HAE)

Pursuant to Section 3.23 of Rule 2201, Historical Actual Emissions must be discounted for any emissions reduction which is: required or encumbered by any laws, rules, regulations, agreements, orders, or, proposed in the District Air Quality Plan for attaining the annual reductions required by California Clean Air Act.

The total adjustment is equal to the sum of the adjusted parts. There were no adjustments made to the Historical Actual Emissions for PM$_{10}$ as there are no upcoming requirements that would apply. Therefore the HAE will be equal to the values calculated in Section V.D of this evaluation.

F. Post Project Potential to Emit (PE2)

As discussed above, the subject equipment has been permanently shut down and the PTO was surrendered to the District. Therefore, the PE2 = 0 for all emissions.

G. Air Quality Improvement Deduction

The air quality improvement deduction (AQID), per Rule 2201, Section 3.6, is 10% of the Actual Emission Reductions (AER), before the AER is eligible for banking. The criteria pollutant AER are adjusted for the AQID in the following table:

\[
\text{AER} = \text{Adjusted HAE} \\
\text{AQID} = \text{AER} \times 10\%
\]

<table>
<thead>
<tr>
<th></th>
<th>Q1</th>
<th>Q2</th>
<th>Q3</th>
<th>Q4</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>AER</td>
<td>51</td>
<td>48</td>
<td>-</td>
<td>168</td>
<td>267</td>
</tr>
<tr>
<td>AQID</td>
<td>5</td>
<td>5</td>
<td>-</td>
<td>17</td>
<td>27</td>
</tr>
<tr>
<td>Bankable ERCs</td>
<td>46</td>
<td>43</td>
<td>151</td>
<td>240</td>
<td></td>
</tr>
</tbody>
</table>

H. Emission Reductions Eligible for Banking

The following tables display the emissions reductions for each quarter and the eligible reductions after subtracting the AQID.

<table>
<thead>
<tr>
<th>Bankable Emissions (PM10-lb/quarter)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1</td>
</tr>
<tr>
<td>-----------</td>
</tr>
<tr>
<td>46</td>
</tr>
</tbody>
</table>
VI. **Compliance**

**Rule 2201 - New and Modified Stationary Source Review Rule**

Pursuant to Section 3.2.1, any AER must be real, enforceable, quantifiable, permanent, and surplus.

1. **Real**

   The emission reductions were generated by the shutdown of a grain handling facility. The emissions were calculated from historic throughput data. Therefore, the emissions were real.

   The grain handling equipment has been removed from service and the permits were subsequently surrendered to the District. Therefore, the emission reductions are real.

2. **Surplus**

   To be considered surplus, AER shall be in excess, at the time the application for an ERC is deemed complete, of any emissions reduction which:

   - Is required or encumbered by any laws, rules, regulations, agreements, orders, or
   - Is attributed to a control measure noticed for workshop, or proposed or contained in a State Implementation Plan, or
   - Is proposed in the adopted air quality plan pursuant to the California Clean Air Act.

   There are no laws, rules, regulations, agreements, orders, or permits requiring any of the emission reductions which generated the ERC. In summary:

   - Shutdown of the facility was voluntary and not required by any law, rule, agreement, or regulation.
   - These ERCs are not needed for their current or proposed operations.
   - The emission factors are not subject to additional adjustments and are, therefore, surplus to the requirements of the District’s 2007 PM$_{10}$ Maintenance Plan, 2008, 2012, 2015, 2016, and 2018 PM$_{2.5}$ Attainment Plans, and District Rule 4204.

   Therefore, the emission reductions satisfy the surplus requirement.

3. **Permanent**

   The grain handling facility has been shut down and the PTOs have been cancelled. Further operation requires an application to the District for a new operating permit.

   The permittee has ceased growing grain in the vicinity of the grain mill. As such the need to process grain in this location is no longer needed. There is no shifting of
emissions to grain handling facilities operated by others. Therefore the emission reduction is permanent.

4. Quantifiable

Actual Emission Reductions (AER) amounts were calculated from historic throughput data according to District Rule 2201. Therefore, the reductions are quantifiable and have been quantified.

5. Enforceable

Operation of the equipment without a valid permit would subject the permittee to enforcement action. The PTOs for this facility have been cancelled and grain handling processes cannot be operated without a valid PTO.

Due to the size and complexity of the operation and the large bulk of the material processed, would be readily apparent if it were to be operated in the future. Therefore, the emission reductions satisfy the enforceable requirement.

6. Not used for the Approval of an Authority to Construct or as Offsets

The emission reduction credits generated by the shutdown of a grain handling facility have not been used for the approval of any ATC or as offsets or mitigation. The permits have been cancelled.

The facility had undergone permitting under Rule 2201. The permit complied with all NSR requirements. No adjustments to the HAE are necessary under Rule 2201.

As stated before in this evaluation, pursuant to Section 3.23, HAE must be discounted for any emissions reduction which is:

- required or encumbered by any laws, rules, regulations, agreements, orders, or permits; and
- attributed to a control measure noticed for workshop, or proposed or contained in a State Implementation Plan (SIP), and
- proposed in the District Air Quality Plan for attaining the annual reductions required by the California Clean Air Act; and
- Any Actual Emissions in excess of those required or encumbered by any laws, rules, regulations, orders, or permits. For units covered by a Specific Limiting Condition (SLC), the total overall HAE for all units covered by SLC must be discounted for any emissions in excess of that allowed by the SLC.

1. There are no agreements or orders regarding the operation or emissions reductions associated with the equipment. The discounts for any Rules have been previously discussed under the applicable Rules.
2. There are no reductions that are attributed to a control measure noticed for workshop, or proposed or contained in a State Implementation Plan.

3. There are no reductions proposed in the District Air Quality Plan for attaining the annual reductions required by the California Clean Air Act.

4. There are no SLCs related to the operation of the facility.

Rule 2301 - Emission Reduction Credit Banking

Section 4.0 - Eligibility of Emission Reductions

Section 4.2, specifies the criteria by which emission reductions, that have occurred after September 19, 1991, are eligible for banking. The emission reductions in this project occurred when the PTOs for the grain handling equipment were surrendered, effective October 12, 2018. As these emission reductions occurred after September 19, 1991, the criteria in Section 4.2 must be satisfied.

Section 4.2.1 requires that the emission reductions are real, surplus, permanent, quantifiable, and enforceable. Discussion of compliance with Section 4.2.1 requirements has been addressed under Rule 2201 above and it has been determined that the emission reductions meet the criteria of this section.

Section 4.2.2 requires that AER be calculated in accordance with the procedure in Rule 2201 (New and Modified Stationary Source Review Rule), including any adjustments for use of Community Bank offsets. As detailed in Section V - Calculations, the AER were calculated according to the procedure in Rule 2201 and the past permitting of the facility did not include Community Bank ERC. Therefore, the emission reductions satisfy the requirements of this section.

Section 4.2.3 requires that an application be filed no later than 180 days after the reduction occurred. The ERC banking application was filed on October 12, 2018, and the PTOs were surrendered on that same date. According to District Policy APR 1805, the date of the shutdown is considered to be the date on which the PTOs are surrendered, unless the equipment was removed or the District determines the owner did not intend to operate again. Since the District has no evidence that either of these were the case, the facility is considered to be operational at time of permit surrender. The application is considered timely and the requirement of this section is satisfied.

Section 4.2.4 applies to emissions from non-permitted units. The facility was permitted; therefore, this section is not applicable.

Section 4.3 applies to banking offsets which were provided for cancelled Authorities to Construct. These emissions were not previously banked so this section is not applicable.

Section 4.4 refers to source categories which are not eligible for ERC. The categories do not include grain handling facility shutdowns, so this section is not applicable.
Section 5.0 - ERC Certificate Application Procedures

This section states that ERC certificate applications for reductions shall be submitted within 180 days after the emission reduction occurs. The ERC banking application was filed and the PTOs were surrendered on October 12, 2018, and the operations at this location were permanently ceased effective June 29, 2018. Therefore, the application was submitted in a timely fashion.

Section 6.0 - Registration of ERC Certificates

The APCO may only grant an ERC Certificate after the emission reductions have actually occurred upon satisfaction of the following applicable provisions:

i. A revised Permit to Operate has been issued if the emission reductions were created as a result of greater operating efficiencies or from the application of more efficient control technology.

ii. If the emission reductions were created as a result of the shutdown of a permitted emissions unit, the relevant Permit(s) to Operate has been surrendered and voided.

6.1.3 If the emission reductions from a permitted emissions unit were created by means of reducing production or production rates, the relevant Permit(s) to Operate have been modified to reflect the emission reductions.

6.1.4 If the emission reductions were created as a result of the application of greater operating efficiencies or from the application of a more efficient control technology to a then non-permitted source.

The permits to operate were surrendered along with the ERC application on October 12, 2018. All permits associated with this operation were cancelled on April 24, 2019.

Compliance with Rule 2301 has been demonstrated and no adjustments are required under this rule.

Rule 4201 Particulate Matter Concentration

Section 3.1 prohibits discharge of dust, fumes, or total particulate matter into the atmosphere from any single source operation in excess of 0.1 grain per dry standard cubic foot.

Per Rule 4201 compliance with this limit is determined using EPA methods 2, 4, and 5. These methods require that the source operation be equipped with a stack that can be tested.

The emissions from the grain handling operation does not pass through a stack that can be tested using the methods in Rule 4201. As such, the emission limit in Rule 4201 is not applicable to this operation.
Rule 4201 Particulate Matter Emission Rate

Section 4.0 establishes maximum particulate matter emissions (lb/hr) from individual source operations based on the process weight of material processed in (ton/hr).

To be conservative, it is assumed that the grain handling operation consists of only one source operations, when in fact the facility includes several individual source operations. Utilizing the highest calendar quarter (Q4), and assuming the facility operated for 8 hr/day and 5 days/week, the hourly process weight rate is as follows:

Hourly process weight rate = \( (2,260 \text{ ton/qtr})(1 \text{ qtr/13 weeks})(1 \text{ week/5 day})(1 \text{ day/8 hr}) \)
\( = 4.3 \text{ ton/hr} \)
\( = 8,600 \text{ lb/hr} \)

Allowable PM emissions per section 4.0 \( = 3.59(8600)^{0.62} \)
\( = 987 \text{ lb/hr} \)

Please note that for the entire Q4, actual emissions are only 188 lb, which is much less than 987 lb/hr.

As such, the actual emissions from the grain handling operation are much less than PM emission allowed by Rule 4202.

VII. Recommendation

Pending a successful Public Noticing period, issue Emission Reduction Credit (ERC) certificate to J.G. Boswell Company in accordance with the amounts specified on the draft ERC certificates in Attachment B.

Attachments:

Attachment A: Surrendered PTO S-209-1-0, S-209-2-0 and S-209-3-1
Attachment B: Draft ERC Certificates
Attachment C: Throughput Records
Attachment A
Surrendered PTO S-209-1-0, S-209-2-0 and S-209-3-1
San Joaquin Valley
Air Pollution Control District

PERMIT UNIT: S-209-1-0
EXPIRATION DATE: 09/30/2021
SECTION: 12  TOWNSHIP: 32S  RANGE: 25E

EQUIPMENT DESCRIPTION:
GRAIN RECEIVING OPERATION INCLUDING ELEVATORS # 1 & 2, AUGERS AND CONVEYORS, GRAIN STORAGE BUILDING, AND RECEIVING PIT

PERMIT UNIT REQUIREMENTS

1. No air contaminant shall be released into the atmosphere which causes a public nuisance. [District Rule 4102]
2. Particulate matter emissions shall not exceed 0.1 grains/dscf in concentration. [District Rule 4201]
3. 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]
San Joaquin Valley
Air Pollution Control District

PERMIT UNIT: S-209-2-0
SECTION: 12  TOWNSHIP: 32S  RANGE: 25E
EXPIRATION DATE: 09/30/2021

EQUIPMENT DESCRIPTION:
GRAIN STORAGE AND LOADOUT OPERATION INCLUDING AUGERS AND CONVEYORS WITH OPTIONAL WATER SPRAY NOZZLES, RAILCAR LOADOUT SPOUT WITH DISSIPATER AND CANVAS COVERED OPENING ON TOP OF RAILCAR DURING LOADOUT, AND TRUCK LOADOUT SPOUT

PERMIT UNIT REQUIREMENTS

1. No air contaminant shall be released into the atmosphere which causes a public nuisance. [District Rule 4102]
2. Particulate matter emissions shall not exceed 0.1 grains/dscf in concentration. [District Rule 4201]
3. 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]
PERMIT UNIT REQUIREMENTS

1. No air contaminant shall be released into the atmosphere which causes a public nuisance. [District Rule 4102]

2. 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. Particulate matter emissions shall not exceed 0.1 grains/dscf in concentration. [District Rule 4201]
Attachment B
Draft ERC Certificates
San Joaquin Valley
Air Pollution Control District

Southern Regional Office • 34946 Flyover Court • Bakersfield, CA 93308

Emission Reduction Credit Certificate
S-5080-4

ISSUED TO: J G BOSWELL CO
ISSUED DATE: <DRAFT>
LOCATION OF REDUCTION: 31500 S LAKE RD

TAFT, CA 93252

For PM10 Reductions In The Amount Of:

<table>
<thead>
<tr>
<th>Quarter 1</th>
<th>Quarter 2</th>
<th>Quarter 3</th>
<th>Quarter 4</th>
</tr>
</thead>
<tbody>
<tr>
<td>46 lbs</td>
<td>43 lbs</td>
<td>None</td>
<td>152 lbs</td>
</tr>
</tbody>
</table>

Method Of Reduction
[X] Shutdown of Entire Stationary Source
[ ] Shutdown of Emissions Units
[ ] Other

Shutdown of grain handling operation

Use of these credits outside the San Joaquin Valley Unified Air Pollution Control District (SJVUAAPCD) is not allowed without express written authorization by the SJVUAAPCD.

Samir Sheikh, Executive Director / ARCO

Arnaud Marjollet, Director of Permit Services
Attachment C
Throughput Records
2. Baseline Period

<table>
<thead>
<tr>
<th>Year</th>
<th>Q1</th>
<th>Q2</th>
<th>Q3</th>
<th>Q4</th>
<th>Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>tons</td>
</tr>
<tr>
<td>2016</td>
<td></td>
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<td>2,000</td>
<td>tons</td>
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<td>2015</td>
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<td>tons</td>
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<tr>
<td>2014</td>
<td>1,350</td>
<td>146</td>
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<td>400</td>
<td>tons</td>
</tr>
<tr>
<td>2013</td>
<td></td>
<td>1,125</td>
<td></td>
<td>4,119</td>
<td>tons</td>
</tr>
<tr>
<td>2012</td>
<td>1,000</td>
<td></td>
<td></td>
<td>2,000</td>
<td>tons</td>
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<td>2011</td>
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<td>3,000</td>
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<td>2010</td>
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<td>14,212</td>
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<td>2009</td>
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<td>tons</td>
</tr>
<tr>
<td>2008</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>tons</td>
</tr>
<tr>
<td>10 yr average</td>
<td>1,175</td>
<td>636</td>
<td></td>
<td>4,289</td>
<td>tons</td>
</tr>
<tr>
<td>Year 1*</td>
<td>1,350</td>
<td>146</td>
<td></td>
<td>4,119</td>
<td>tons</td>
</tr>
<tr>
<td>Year 2*</td>
<td></td>
<td>1,125</td>
<td></td>
<td>2,000</td>
<td>tons</td>
</tr>
<tr>
<td>2 yr average</td>
<td>1,350</td>
<td>636</td>
<td></td>
<td>3,060</td>
<td>tons</td>
</tr>
</tbody>
</table>

*These are the two closest years to the 10 year average, within the last 5 years

3. Actual Emissions

Actual emissions are calculated by multiplying the baseline process rate by the emission factors.

<table>
<thead>
<tr>
<th>Q1</th>
<th>Q2</th>
<th>Q4</th>
<th>Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>114.08</td>
<td>53.70</td>
<td>258.53</td>
<td>lbs PM10</td>
</tr>
</tbody>
</table>

4. AQID Adjustment

The below values have been adjusted using the 10% AQID. This quantifies the amount eligible for banking.

<table>
<thead>
<tr>
<th>Q1</th>
<th>Q2</th>
<th>Q4</th>
<th>Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>102.67</td>
<td>48.33</td>
<td>232.67</td>
<td>lbs PM10</td>
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</tbody>
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