DEC - 9 2009

Ken Zeiders
Shafter-Wasco Ginning Co
P. O. Box 1567
Shafter, CA 93267

Re: Notice of Preliminary Decision - Emission Reduction Credits
Project Number: S-1094920

Dear Mr. Zeiders:

Enclosed for your review and comment is the District’s analysis of Shafter-Wasco Ginning Co’s application for Emission Reduction Credits (ERCs) resulting from the shutdown of a permitted cotton ginning operation, at the intersection of Bender and Central Valley Highway in Shafter, California. The quantity of ERCs proposed for banking is 13 lb-VOC, 232 lb-NOx, 348 lb-CO, 4695 lb-PM10, and 19 lb-SOx all in the 4th Quarter.

The notice of preliminary decision for this project will be published approximately three days from the date of this letter. Please submit your written comments on this project within the 30-day public comment period, which begins on the date of publication of the public notice.

Thank you for your cooperation in this matter. If you have any questions regarding this matter, please contact Mr. Steve Davidson of Permit Services at (661) 392-5618.

Sincerely,

David Warner
Director of Permit Services

DW: SDD/Is

Enclosures
DEC - 9 2009

Mike Tollstrup, Chief
Project Assessment Branch
Stationary Source Division
California Air Resources Board
PO Box 2815
Sacramento, CA  95812-2815

Re:  Notice of Preliminary Decision - Emission Reduction Credits
Project Number: S-1094920

Dear Mr. Tollstrup:

Enclosed for your review and comment is the District's analysis of Shafter-Wasco Ginning Co's application for Emission Reduction Credits (ERCs) resulting from the shutdown of a permitted cotton ginning operation, at the intersection of Bender and Central Valley Highway in Shafter, California. The quantity of ERCs proposed for banking is 13 lb-VOC, 232 lb-NOx, 348 lb-CO, 4695 lb-PM10, and 19 lb-SOx all in the 4th Quarter.

The notice of preliminary decision for this project will be published approximately three days from the date of this letter. Please submit your written comments on this project within the 30-day public comment period, which begins on the date of publication of the public notice.

Thank you for your cooperation in this matter. If you have any questions regarding this matter, please contact Mr. Steve Davidson of Permit Services at (661) 392-5618.

Sincerely,

David Warner
Director of Permit Services

DW:SDD/Is
Enclosure
DEC - 9 2009

Gerardo C. Rios (AIR 3)
Chief, Permits Office
Air Division
U.S. E.P.A. - Region IX
75 Hawthorne Street
San Francisco, CA 94105

Re: Notice of Preliminary Decision - Emission Reduction Credits
Project Number: S-1094920

Dear Mr. Rios:

Enclosed for your review and comment is the District's analysis of Shafter-Wasco Ginning Co's application for Emission Reduction Credits (ERCs) resulting from the shutdown of a permitted cotton ginning operation, at the intersection of Bender and Central Valley Highway in Shafter, California. The quantity of ERCs proposed for banking is 13 lb-VOC, 232 lb-NOx, 348 lb-CO, 4695 lb-PM10, and 19 lb-SOx all in the 4th Quarter.

The notice of preliminary decision for this project will be published approximately three days from the date of this letter. Please submit your written comments on this project within the 30-day public comment period, which begins on the date of publication of the public notice.

Thank you for your cooperation in this matter. If you have any questions regarding this matter, please contact Mr. Steve Davidson of Permit Services at (661) 392-5618.

Sincerely,

[Signature]

David Warner
Director of Permit Services

DW:SDD/Is

Enclosure
NOTICE OF PRELIMINARY DECISION
FOR THE PROPOSED ISSUANCE OF
EMISSION REDUCTION CREDITS

NOTICE IS HEREBY GIVEN that the San Joaquin Valley Unified Air Pollution Control District solicits public comment on the proposed issuance of Emission Reduction Credits to Shafter-Wasco Ginning Co for the shutdown of a permitted cotton ginning operation, at the intersection of Bender and Central Valley Highway in Shafter, California. The quantity of ERCs proposed for banking is 13 lb-VOC, 232 lb-NOx, 348 lb-CO, 4695 lb-PM10, and 19 lb-SOx all in the 4th Quarter.

The analysis of the regulatory basis for this proposed action, Project #S-1094920, is available for public inspection at http://www.valleyair.org/notices/public_notices_idx.htm and the District office at the address below. Written comments on this project must be submitted within 30 days of the publication date of this notice to DAVID WARNER, DIRECTOR OF PERMIT SERVICES, SAN JOAQUIN VALLEY UNIFIED AIR POLLUTION CONTROL DISTRICT, 34946 FLYOVER COURT, BAKERSFIELD, CA 93308.
I. Summary:

The primary business of this facility is cotton ginning. Shafter-Wasco Ginning company has surrendered Permit to Operate S-539-1-6 following the permanent shutdown of their operation as of September, 2009 and submitted an application to bank the emission reduction credits (ERCs) for the decreased emissions. A copy of the surrendered Permit to Operate (PTO) is included in Appendix A of this report.

The following emission reductions have been found to qualify for ERC banking certificates S-3268-1 (VOC), S-3268-2 (NOx), S-3268-3 (CO), S-3268-4 (PM$_{10}$), and S-3268-5 (SOx):

<table>
<thead>
<tr>
<th>ERC Number</th>
<th>VOC</th>
<th>NOx</th>
<th>CO</th>
<th>PM$_{10}$</th>
<th>SOx</th>
</tr>
</thead>
<tbody>
<tr>
<td>4th Quarter</td>
<td>13</td>
<td>232</td>
<td>348</td>
<td>4695</td>
<td>19</td>
</tr>
</tbody>
</table>

II. Applicable Rules:

Rule 2201  New and Modified Stationary Source Review Rule (9/21/06)
Rule 2301  Emission Reduction Credit Banking (12/17/82)
III. Location of Reduction:

The physical location of the equipment involved with this application is at the intersection of Bender and Central Valley Highway in Shafter, California.

IV. Method of Generating Reductions:

The emissions reduction is generated by the shutdown of a permitted cotton ginning operation. The gin includes two wagon suction assemblies served by three 42" dia 1D/3D cyclones, Three high slip dryers (one 6 MMBtu/hr and two 3 MMBtu/hr heaters) with four incline cleaners, two stick machines, one Airline separator all served by four 38" dia 1D/3D cyclones and four 42" dia 1D/3D cyclones, Three gin stands with feeders served by two 36" dia 1D/3D cyclones and four 42" dia 1D/3D cyclones, Battery condenser served by two 72" dia cyclones and 2 MMBtu/hr natural gas fired humidifier, Motes system including mote cleaner, mote press, and 50 hp blower served by 86" dia 1D/3D cyclone. One seed storage area served by a cyclone. The gin was limited by permit condition to a ginning rate of 720 bales per day 129,600 bales/year. The applicant surrendered their PTOs on October 30, 2009 as part of this application.

V. Calculations:

A. Assumptions and Emission Factors

Assumptions:

- Annual emissions will be rounded to the nearest pound in accordance with District Policy APR-1105 (dated 7/16/1992).
- The exhaust from the burners flows through the process air and exits at the cyclone collectors. In this case, PM$_{10}$ amounts exhausted from the cyclones and filter houses include emissions from both the burners and the ginning process. Therefore, the ginning PM$_{10}$ emissions are not added to those calculated for the burners to determine the HAE.
- Bales are standardized to 500 lb/bale.
- The gins operated only in the 4th quarter.
- Natural Gas Heating Value is 1,000 Btu/scf (District Policy APR-1720, dated 12/20/01).
- One therm of natural gas is equal to 0.100 MMBtu.
- F-Factor for Natural Gas is 8,578 dscl/MMBtu corrected to 60°F (40 CFR 60, Appendix B).

Emission Factors (EF):

Combustion Emission Factors:

The gin is equipped with slip dryers (one 6 MMBtu/hr and two 3 MMBtu/hr heaters) to provide heated air to control the moisture content of the cotton. The fuel usage
information provided by the facility indicates that natural gas was combusted for the last ten years of operation prior to submittal of this application. ERCs are also requested for the shutdown of the dryers.

The following emission factors from permitting the permitting action associated with project S-1031553 will be used to determine the facility’s combustion emissions.

<table>
<thead>
<tr>
<th>Natural Gas Emission Factors</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pollutant</td>
</tr>
<tr>
<td>VOC</td>
</tr>
<tr>
<td>NOx</td>
</tr>
<tr>
<td>CO</td>
</tr>
<tr>
<td>SOx</td>
</tr>
<tr>
<td>PM10 a</td>
</tr>
</tbody>
</table>

a Since the dryers' combustion is discharged through the filter houses and cyclones, then its PM10 emissions will be included with the ginning emissions.

Ginning Emission Factors:

The PM10 emission factors in the current PTOs were based on average emission factors from the California Cotton Ginners Association (CCGA) handbook. The current PTO lists the overall PM10 emission rate to 0.635 lb/bale.

B. Baseline Period Determination and Data

Per Section 3.8 of District Rule 2201, Baseline Period is defined as: a) two consecutive years of operation immediately prior to submission of the complete application; or b) another time period of at least two consecutive years within the five years immediately prior to submission of the complete application as determined by the APCO as more representative of normal operation. District Rule 2301 - “Emissions Reduction Credit Banking” defines Baseline Period as “the same period as in Rule 2201”.

The date of the shutdown and the baseline period were determined in accordance with District Policy APR-1805 (dated 9/9/92) and APR 1810 (revised draft dated 3/18/09). The date of shutdown for permitted sources shall be the date of surrender of the operating permits, unless otherwise determined as stated in the policy. The applicant surrendered their PTO on June 22, 2009 as part of this application. The applicant has provided the historical ginning records for the 1999 to 2007 ginning seasons. There was no production in 2008.
Facility did not operate.
2008 is not representative of normal operation; therefore excluded from the average and baseline average.

The baseline period was determined by comparing the average throughput from 2, 3, 4 and 5 year blocks to the normal source operation (NSO) average throughput and selecting the block that most closely matched.

The 4-year block difference from the NSO is the closest to zero in 2005; therefore, the baseline period for the bale production rate is 2002 through 2005.
The 4-year block difference from the NSO is the closest to zero in 2006; therefore, the baseline period for the bale production rate is 2003 through 2006.

Much of the acreage that provided the gin with cotton in the past has been retired (several hundred thousand acres are being taken out of production in Kern County due to water concerns) or replaced with almonds or pistachios or forage crops for the dairies. This has resulted in a reduction in cotton acreage. The acreage of cotton grown in Kern County has significantly and consistently declined since 1999, as indicated in the table provided by the applicant (Appendix C).

In summary, the following baseline data will be used in the calculation of ERCs for this ERC banking project:

- **Gin:** 8216 bales/yr
- **Natural Gas Usage:** 25,823 therms/yr

### C. Historical Actual Emissions (HAE)

Historical Actual Emissions (HAE) are emissions having actually occurred during the baseline period and are calculated per Rule 2201, Section 3.22. The facility only operated during the 4th quarter of the baseline period; therefore, all HAE are attributed to the 4th quarter.

#### Historical Records

<table>
<thead>
<tr>
<th>Year</th>
<th>Natural Gas Usage (therms/yr)</th>
<th>2-Yr Block Difference from NSO</th>
<th>3-Yr Block Difference from NSO</th>
<th>4-Yr Block Difference from NSO</th>
<th>5-Yr Block Difference from NSO</th>
</tr>
</thead>
<tbody>
<tr>
<td>1999</td>
<td>25,875</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2000</td>
<td>22,579</td>
<td>1545</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2001</td>
<td>34,960</td>
<td>2998</td>
<td>2033</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2002</td>
<td>31,771</td>
<td>7594</td>
<td>3998</td>
<td>3025</td>
<td></td>
</tr>
<tr>
<td>2003</td>
<td>28,398</td>
<td>4313</td>
<td>5938</td>
<td>3655</td>
<td>5090</td>
</tr>
<tr>
<td>2004</td>
<td>36,602</td>
<td>6728</td>
<td>6485</td>
<td>7161</td>
<td>4600</td>
</tr>
<tr>
<td>2005</td>
<td>20,126</td>
<td>2592</td>
<td>2604</td>
<td>3453</td>
<td>1241</td>
</tr>
<tr>
<td>2006</td>
<td>18,167</td>
<td>6625</td>
<td>807</td>
<td>52</td>
<td>2420</td>
</tr>
<tr>
<td>2007</td>
<td>13467</td>
<td>9955</td>
<td>8518</td>
<td>3681</td>
<td>8099</td>
</tr>
<tr>
<td>2008</td>
<td>0</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**NSO Average**

- **a** Facility did not operate.
- **b** 2008 is not representative of normal operation; therefore excluded from the average and baseline average.
PM\textsubscript{10}:

The HAE is calculated based on the emission factor discussed in Section V.A of this evaluation and the average baling rate during the baseline period discussed in Section V.B.

Gin Throughput:

\begin{align*}
4^{th} \text{ Qtr, HAE for PM}_{10} & = 0.635 \text{ lb-PM}_{10}/\text{bale} \times 8216 \text{ bales/qtr} \\
& = 5,217 \text{ lb-PM}_{10}/\text{qtr}
\end{align*}

Natural Gas Combustion -- VOC, NO\textsubscript{x}, CO, and SO\textsubscript{x}:

The HAE is calculated using emission factors for natural gas combustion from project 1031553 except SO\textsubscript{x} (see Section V(A) above) and the average natural gas use during the baseline period. The cotton gin was only operated during the fourth quarter of each year.

Historical Average Natural Gas Usage (therms/yr) = 25,823 therms/yr

Conversion (therms/yr to MMBtu/yr):

\[(25,823 \text{ therms/yr}) \times (0.1 \text{ MMBtu/therm}) = 2582 \text{ MMBtu/yr}\]

Historical Average Natural Gas Usage (MMBtu/yr) = 2582 MMBtu/yr

\[\text{HAE}_{\text{NG}} (\text{lb/qtr}) = \text{EF}_{\text{NG}} (\text{lb/MMBtu}) \times \text{Historical Natural Gas Usage (MMBtu/yr)} \times (\text{Days of Operation/qtr} + \text{Total Days of Operation})\]

\begin{align*}
4^{th} \text{ Qtr, HAE for VOC}_{\text{NG}} (\text{lb/qtr}) & = (0.006 \text{ lb-VOC/MMBtu}) \times 2582 \text{ MMBtu/yr} \\
& = 15 \text{ lb-VOC/qtr}
\end{align*}

\begin{align*}
4^{th} \text{ Qtr, HAE for NO}_{x \text{ NG}} \text{ lb/qtr} & = (0.1 \text{ lb-NO}_{x}/\text{MMBtu}) \times 2582 \text{ MMBtu/yr} \\
& = 258 \text{ lb-NO}_{x}/\text{qtr}
\end{align*}

\begin{align*}
4^{th} \text{ Qtr, HAE for CO}_{\text{NG}} \text{ lb/qtr} & = (0.15 \text{ lb-CO/MMBtu}) \times 2582 \text{ MMBtu/yr} \\
& = 387 \text{ lb-CO/qtr}
\end{align*}

\begin{align*}
4^{th} \text{ Qtr, HAE for SO}_{x \text{ NG}} \text{ lb/qtr} & = (0.008 \text{ lb-SO}_{x}/\text{MMBtu}) \times 2582 \text{ MMBtu/yr} \\
& = 21 \text{ lb-SO}_{x}/\text{qtr}
\end{align*}

Because the exhaust from the burners flows through the process air and exits at the cyclone collectors, PM\textsubscript{10} amounts exhausted from the cyclones include emissions from the dryers and the ginning process. Therefore, the PM\textsubscript{10} emissions from the dryers are not added to those calculated for the ginning operation to determine the HAE.

The HAE for the facility is summarized in the following table:
HAE Summary

<table>
<thead>
<tr>
<th>Pollutant</th>
<th>4&lt;sup&gt;th&lt;/sup&gt; Qtr. HAE (lb/qtr)</th>
</tr>
</thead>
<tbody>
<tr>
<td>VOC</td>
<td>15</td>
</tr>
<tr>
<td>NO&lt;sub&gt;x&lt;/sub&gt;</td>
<td>258</td>
</tr>
<tr>
<td>CO</td>
<td>387</td>
</tr>
<tr>
<td>SO&lt;sub&gt;x&lt;/sub&gt;</td>
<td>21</td>
</tr>
<tr>
<td>PM10</td>
<td>5217</td>
</tr>
</tbody>
</table>

D. Adjustments to HAE

Pursuant to Section 3.22 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
- attributed to a control measure noticed for workshop, or proposed or contained in a State Implementation Plan, or
- proposed in the District Air Quality Plan for attaining the annual reductions required by the California Clean Air Act.

**Emissions Adjusted for Rule 4201 - Particulate Matter Concentration:**

According to Section 3.0 particulate matter (PM) emissions from each source operation should not exceed 0.1 grains per cubic foot of gas at dry standard conditions. The calculation is based on the bales/day ginning rate and the airflow through the control device. Based on similar projects and the CCGA handbook the grain loading of 1D/3D and 2D/2D cyclones do not exceed 0.1 gr/dscf; therefore, no adjustment is necessary.

**Emissions Adjusted for Rule 4202 Particulate Matter - Emission Rate (12/17/92):**

District Rule 4202, Section 4.0 limits emissions based on process weight. The calculation is based on the bale throughput and the emissions per cyclone. The maximum emissions rate per control device is calculated as follows:

\[
\text{Process Rate (P)} = (720 \text{ bales/day}) \times (500 \text{ lbs/bale}) \times (1 \text{ ton/2000lb}) \times (1 \text{ day/24 hours})
\]

\[
P = 180 \text{ tons/day} = 7.5 \text{ tons/hour}
\]

The emissions limit (E), per District Rule 4202, is calculated as follows:

\[
E = 3.59 \times P^{0.62} \quad \text{when } P < \text{ or } = 30 \text{ ton/hr}
\]

\[
= 3.59 \times (7.5)^{0.62}
\]

\[
= 12.5 \text{ lb-PM/hr}
\]
Based on similar projects and the CCGA handbook the emissions per control device is less than 12.5 lb-PM_{10}/hr; therefore, no adjustment is necessary.

**Emissions Adjusted for Rule 4204 - Cotton Gins:**

Rule 4204 Cotton Gins was adopted on February 17, 2005 and requires cotton gins to use 1D-3D cyclones, with emissions equivalent to the emission factors from the latest revision of the CCGA handbook, by July 1, 2008. Pursuant to Section 3.22 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 the California Clean Air Act.

All systems of cotton gins were controlled by 1D-3D cyclones and filter houses. Therefore, no adjustments are needed for these systems.

**Emissions Adjusted for Rule 4309 - Dryers, Dehydrators, and Ovens:**

District Rule 4309 Dryers, Dehydrators, and Ovens (12/15/05), Section 4.1.6 specifically exempts units used to dry lint cotton or cotton at cotton gins. The dryers at this facility are used to dry cotton; therefore, no adjustment is necessary.

**Emissions Adjusted for Rule 4801 - Sulfur Compounds:**

District Rule 4801 requires that a person shall not discharge into the atmosphere sulfur compounds, which would exist as a liquid or gas at standard conditions, exceeding in concentration at the point of discharge: 0.2 % by volume calculated as SO_2, on a dry basis averaged over 15 consecutive minutes.

Using the ideal gas equation and the emission factors presented in Section V.A, the sulfur compound emissions are calculated as follows:

\[
\text{SO}_x \text{ EF} = 0.008 \text{ lb-SO}_x/\text{MMBtu}
\]

Volume \(SO_2 = \frac{n \times R \times T}{P}\)

With:

- \(N\) = moles \(SO_2\)
- \(T\) (Standard Temperature) = 60 °F = \(520 °R\)
- \(P\) (Standard Pressure) = 14.7 psi
- \(R\) (Universal Gas Constant) = \(\frac{10.73 \text{psi} \cdot \text{ft}^3}{\text{lb} \cdot \text{mol} \cdot °R}\)

EPA F-Factor for Natural Gas: 8,710 dscf/MMBtu at 68 °F, equivalent to
\[
Corrected \ F - \ factor = \left( \frac{8,710 \ dscf}{\text{MMBtu}} \right) \times \left( \frac{60^\circ \ F + 459.6}{68^\circ \ F + 459.6} \right) = \frac{8,578 \ dscf}{\text{MMBtu}} \ \text{at} \ 60^\circ \ F
\]

\[
0.008 \ \frac{\text{lb} - \text{SOx}}{\text{MMBtu}} \times \frac{\text{MMBtu}}{8,578 \ dscf} \times \frac{1 \text{lb} \cdot \text{mol}}{64 \text{lb}} \times \frac{10.73 \text{ psi} \cdot \text{ft}^2}{\text{lb} \cdot \text{mol} \cdot ^\circ \text{R}} \times \frac{520^\circ \text{R}}{14.7 \text{ psi}} \times \frac{1,000,000 \cdot \text{parts}}{\text{million}} = 5.53 \frac{\text{parts}}{\text{million}}
\]

\[
\text{Sulfur Concentration} = 5.53 \frac{\text{parts}}{\text{million}} < 2,000 \ \text{ppmv} \ (\text{or} \ 0.2\%),
\]

Since the sulfur concentration of the natural gas fuel is less than 2,000 ppmv, no adjustment is needed.

**Total Adjusted Historical Actual Emissions (HAE):**

There were no adjustments made to the Historical Actual Emissions for NO\text{X}, SO\text{X}, PM\text{10}, CO, or VOC.

**E. Actual Emissions Reductions (AER)**

Per Rule 2201, Section 4.12, the Actual Emissions Reductions due to shutdown of an emissions unit is equal to the HAE – PE2.

\[
\text{AER} = \text{HAE} - \text{PE2}
\]

**4\text{th} Quarter Actual Emissions Reductions:**

\[
\text{AER}_{\text{VOC}} \ (\text{lb/yr}) = 15 \ \text{lb-VOC/qtr} - 0 \ \text{lb-VOC/qtr} = 15 \ \text{lb-VOC/qtr}
\]
\[
\text{AER}_{\text{NOx}} \ (\text{lb/yr}) = 258 \ \text{lb-NOx/qtr} - 0 \ \text{lb-NOx/qtr} = 258 \ \text{lb-NOx/qtr}
\]
\[
\text{AER}_{\text{CO}} \ (\text{lb/yr}) = 387 \ \text{lb-CO/qtr} - 0 \ \text{lb-CO/qtr} = 387 \ \text{lb-CO/qtr}
\]
\[
\text{AER}_{\text{PM10}} \ (\text{lb/yr}) = 5217 \ \text{lb-PM10/qtr} - 0 \ \text{lb-PM10/qtr} = 5217 \ \text{lb-PM10/qtr}
\]
\[
\text{AER}_{\text{SOx}} \ (\text{lb/yr}) = 21 \ \text{lb-SOX/qtr} - 0 \ \text{lb-SOX/qtr} = 21 \ \text{lb-SOX/qtr}
\]

<table>
<thead>
<tr>
<th>Pollutant</th>
<th>1\text{st} Qtr. AER (lb/qtr)</th>
<th>2\text{nd} Qtr. AER (lb/qtr)</th>
<th>3\text{rd} Qtr. AER (lb/qtr)</th>
<th>4\text{th} Qtr. AER (lb/qtr)</th>
</tr>
</thead>
<tbody>
<tr>
<td>VOC</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>15</td>
</tr>
<tr>
<td>NO\text{X}</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>258</td>
</tr>
<tr>
<td>CO</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>387</td>
</tr>
<tr>
<td>PM\text{10}</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>5217</td>
</tr>
<tr>
<td>SO\text{X}</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>21</td>
</tr>
</tbody>
</table>
F. Air Quality Improvement Deduction

The Air Quality Improvement Deduction (AQID) is 10% of the AER per Rule 2201, Sections 3.5 and 4.12.1, and is summarized as follows:

```
<table>
<thead>
<tr>
<th>Pollutant</th>
<th>1st Qtr. AQID (lb/qtr)</th>
<th>2nd Qtr. AQID (lb/qtr)</th>
<th>3rd Qtr. AQID (lb/qtr)</th>
<th>4th Qtr. AQID (lb/qtr)</th>
</tr>
</thead>
<tbody>
<tr>
<td>VOC</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>2</td>
</tr>
<tr>
<td>NOx</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>26</td>
</tr>
<tr>
<td>CO</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>39</td>
</tr>
<tr>
<td>PM10</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>522</td>
</tr>
<tr>
<td>SOx</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>2</td>
</tr>
</tbody>
</table>
```

G. Increases in Permitted Emissions (IPE)

No IPE is associated with this project.

H. Bankable Emissions Reductions Credits

The bankable emissions reductions credits, presented in following table, are determined by subtraction of the Air Quality Improvement Deduction (discussed in Section V.F) from the AER. The emission reductions occurred in the fourth quarters.

```
<table>
<thead>
<tr>
<th>Pollutant</th>
<th>1st Qtr. ERCs (lb/qtr)</th>
<th>2nd Qtr. ERCs (lb/qtr)</th>
<th>3rd Qtr. ERCs (lb/qtr)</th>
<th>4th Qtr. ERCs (lb/qtr)</th>
</tr>
</thead>
<tbody>
<tr>
<td>VOC</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>13</td>
</tr>
<tr>
<td>NOx</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>232</td>
</tr>
<tr>
<td>CO</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>348</td>
</tr>
<tr>
<td>PM10</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>4695</td>
</tr>
<tr>
<td>SOx</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>19</td>
</tr>
</tbody>
</table>
```

VI. Compliance:

To comply with the definition of Actual Emissions Reductions (Rule 2201, Section 3.2.1), the reductions must be:

A. Real

The emissions reductions were generated by the shutdown of the cotton ginning equipment. The emissions reductions were calculated from actual historic production data and recognized emission factors. Therefore, the emissions reductions are real.
B. **Enforceable**

The PTOs for this facility have been surrendered and the cotton gins cannot be operated without valid PTOs. Therefore, the emissions reductions are enforceable.

C. **Quantifiable**

Reduction amounts were calculated from actual historic production data, recognized emissions factors (CCGA emission factors) and methods according to District Rule 2201. Therefore, the reductions are quantifiable.

D. **Permanent**

The gin has been shutdown, and the PTOs have been surrendered. As discussed in Section V(B) above, the overall trend of cotton acreage has declined in the last few years and is expected to decline in the future. As a result, many of the permitted cotton gins in Kern County have shut down. Therefore, it can be determined that the cotton that was being processed at the Kern Delta-Weedpatch Ginning Company is no longer being grown nor the cotton is being transferred to another facility and the emissions reductions in this project are permanent.

E. **Surplus**

To be considered surplus, Actual Emission Reductions shall be in excess, at the time the application for an Emission Reduction Credit or an Authority to Construct authorizing such reductions is deemed complete, of any emissions reduction which:

- Is required or encumbered by any laws, rules, regulations, agreements, orders, or

  *No laws, rules, regulations, agreements or orders were responsible for the surrendering the facility's permits or their subsequent application for Emission Reduction Credits (ERC's).*

- Is attributed to a control measure noticed for workshop, or proposed or contained in a State Implementation Plan, or

  *Currently there are no control measures noticed for workshop, or proposed or contained in a State Implementation Plan that require the reduction of the emissions at this facility.*

- Is proposed in the APCO's adopted air quality plan pursuant to the California Clean Air Act.

  *The shutdown of cotton gins is not proposed in the APCO's adopted air quality plan.*
Shutdown of the gin was voluntary and not required by any law, rule, agreement, or regulation. These ERCs are not needed for their current or proposed operations. By using 0.635 lb-PM$_{10}$/bale in our calculations for AER, we have assured that no credit was given for emissions that may have been in excess of the permitted limits. Therefore, the reductions are surplus.

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

The emission reduction credits generated by the shutdown of the cotton ginning operations were not used for the approval of any Authority to Construct or as offsets.

G. **Timely submittal**

Section 5.5 of Rule 2301 – Emissions Reduction Credit Banking (12/17/92) states that ERC certificate applications for reductions shall be submitted within 180 days after the emission reduction occurs. The ERC application was received on September 30, 2009. The applicant surrendered the PTOs and permanently ceased operations at this location on September 30, 2009. Therefore, the application was submitted in a timely fashion.

VII. **Recommendation:**

Based on the preceding analysis, issue Emission Reduction Credit Certificate to Shafter Wasco Ginning Company after completion of the required 30-day public notification period, and review of comments received, for the following amounts:

<table>
<thead>
<tr>
<th>Summary of ERC Amounts</th>
<th>VOC</th>
<th>NO$_x$</th>
<th>CO</th>
<th>PM$_{10}$</th>
<th>SO$_x$</th>
</tr>
</thead>
<tbody>
<tr>
<td>1$^{\text{st}}$ Quarter</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>2$^{\text{nd}}$ Quarter</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>3$^{\text{rd}}$ Quarter</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>4$^{\text{th}}$ Quarter</td>
<td>13</td>
<td>232</td>
<td>348</td>
<td>4695</td>
<td>19</td>
</tr>
</tbody>
</table>

List of Appendixes

A. Permits to Operate
B. Annual Records
C. Support Information
D. Draft Emission Reduction Certificates
List of Appendixes

A. Permits to Operate
B. Annual Records
C. Support Information
D. Draft Emission Reduction Certificates
Appendix A

Permit to Operate S-539-1-6
PERMIT UNIT REQUIREMENTS

1. The two wagon suction assemblies shall be controlled by three 42" dia 1D/3D cyclones. [District Rule 2201]

2. The three high slip dryers (one 6 MMBtu/hr and two 3 MMBtu/hr heaters) with four incline cleaners, two stick machines, one Airline separator shall be controlled by four 38" dia 1D/3D cyclones and four 42" dia 1D/3D cyclones. [District Rule 2201]

3. The three gin stands with feeders shall be controlled by two 36" dia 1D/3D cyclones, and three double (six total) Continental 16D model 94 lint cleaners each shall be controlled by two 58" dia 1D/3D cyclone (six total). [District Rule 2201]

4. The overflow system shall be controlled by two 36" dia 1D/3D cyclones. [District Rule 2201]

5. The battery condenser shall be controlled by two 72" dia cyclones and 2 MMBtu/hr natural gas fired humidifier. [District Rule 2201]

6. The motes system including mote cleaner, mote press, and 50 hp blower shall be controlled by 86" dia 1D/3D cyclone. [District Rule 2201]

7. The seed storage area shall be controlled by 1 cyclone. [District Rule 2201]

8. 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]

9. Sampling facilities for source testing shall be provided in accordance with the provisions of Rule 1081 (Source Sampling). [District Rule 1081]

10. Visible emissions from lint cleaner 1D/3D cyclones, motes 1D/3D cyclones, and battery condenser 1D/3D cyclone shall not exceed 10% opacity. [District Rule 4101]

11. PM10 emission rates shall not exceed the following - primary lint cleaner cyclones: 0.080 lb/bale, secondary lint cleaner cyclones: 0.015 lb/bale, motes cyclone: 0.075 lb/bale, and battery condenser cyclone: 0.020 lb/bale. [District Rule 2201]

12. Cotton gin overall PM10 emission rate shall not exceed 0.635 lb/bale. [District Rule 2201]

13. Bale production rate shall not exceed 720 bales/day nor 129,600 bales/year. [District Rule 2201]

14. Records of bale production shall be maintained on a daily basis. [District Rules 1070 and 4204]
15. The trash loading area shall be enclosed with four sides that are higher than the trash auger. Two sides shall be solid. The remaining sides shall have flexible wind barriers that extend below the top of the trash trailer sides. [District Rule 4204]

16. Permittee shall conduct daily visual inspections of the material handling systems for leaks, breaks, or other visible signs of equipment malfunctions. [District Rule 4204]

17. Permittee shall maintain a record of the daily inspections of the material handling systems, including any equipment malfunctions discovered and corrective action taken to repair the malfunction, and any source test results. [District Rule 4204]

18. All records shall be retained on site for five years and made available to the District upon request. [District Rules 1070 and 4204]
Appendix B

Annual Records
<table>
<thead>
<tr>
<th>Date</th>
<th>2007 Bales Ginned</th>
<th>Date</th>
<th>2006 Bales Ginned</th>
<th>Date</th>
<th>2005 Bales Ginned</th>
<th>Date</th>
<th>2004 Bales Ginned</th>
</tr>
</thead>
<tbody>
<tr>
<td>11/12/07</td>
<td>34</td>
<td>11/06/06</td>
<td>64</td>
<td>11/01/05</td>
<td>32</td>
<td>10/19-21/04</td>
<td>163</td>
</tr>
<tr>
<td>11/13/07</td>
<td>75</td>
<td>11/07/05</td>
<td>69</td>
<td>11/02/05</td>
<td>49</td>
<td>10/22/04</td>
<td>148</td>
</tr>
<tr>
<td>11/14/07</td>
<td>92</td>
<td>11/08/05</td>
<td>97</td>
<td>11/03/05</td>
<td>107</td>
<td>10/23/04</td>
<td>117</td>
</tr>
<tr>
<td>11/15/07</td>
<td>89</td>
<td>11/09/05</td>
<td>89</td>
<td>11/04/05</td>
<td>131</td>
<td>10/25/04</td>
<td>142</td>
</tr>
<tr>
<td>11/16/07</td>
<td>84</td>
<td>11/10/05</td>
<td>91</td>
<td>11/05/05</td>
<td>139</td>
<td>10/26/04</td>
<td>160</td>
</tr>
<tr>
<td>11/17/07</td>
<td>129</td>
<td>11/11/06</td>
<td>149</td>
<td>11/07/05</td>
<td>108</td>
<td>10/27-28/04</td>
<td>221</td>
</tr>
<tr>
<td>11/19/07</td>
<td>122</td>
<td>11/13/06</td>
<td>127</td>
<td>11/08/05</td>
<td>105</td>
<td>10/29/04</td>
<td>163</td>
</tr>
<tr>
<td>11/20/07</td>
<td>112</td>
<td>11/14/06</td>
<td>150</td>
<td>11/09/05</td>
<td>111</td>
<td>10/30/04</td>
<td>148</td>
</tr>
<tr>
<td>11/21/07</td>
<td>144</td>
<td>11/15/06</td>
<td>112</td>
<td>11/10/05</td>
<td>115</td>
<td>11/01/04</td>
<td>176</td>
</tr>
<tr>
<td>11/23/07</td>
<td>130</td>
<td>11/16/06</td>
<td>178</td>
<td>11/11/05</td>
<td>153</td>
<td>11/02/04</td>
<td>208</td>
</tr>
<tr>
<td>11/24/07</td>
<td>141</td>
<td>11/17/06</td>
<td>110</td>
<td>11/12/05</td>
<td>70</td>
<td>11/03/04</td>
<td>186</td>
</tr>
<tr>
<td>11/26/07</td>
<td>174</td>
<td>11/18/06</td>
<td>94</td>
<td>11/14/05</td>
<td>139</td>
<td>11/04/04</td>
<td>205</td>
</tr>
<tr>
<td>11/27/07</td>
<td>193</td>
<td>11/20/06</td>
<td>143</td>
<td>11/15/05</td>
<td>158</td>
<td>11/05/04</td>
<td>166</td>
</tr>
<tr>
<td>11/28/07</td>
<td>187</td>
<td>11/21/06</td>
<td>157</td>
<td>11/16/05</td>
<td>113</td>
<td>11/06/04</td>
<td>201</td>
</tr>
<tr>
<td>11/29/07</td>
<td>169</td>
<td>11/22/06</td>
<td>159</td>
<td>11/17/05</td>
<td>126</td>
<td>11/08/04</td>
<td>179</td>
</tr>
<tr>
<td>11/30/07</td>
<td>204</td>
<td>11/24/06</td>
<td>93</td>
<td>11/18/05</td>
<td>161</td>
<td>11/09/04</td>
<td>195</td>
</tr>
<tr>
<td>12/01/07</td>
<td>120</td>
<td>11/25/06</td>
<td>128</td>
<td>11/19/05</td>
<td>171</td>
<td>11/10/04</td>
<td>173</td>
</tr>
<tr>
<td>12/03/07</td>
<td>177</td>
<td>11/27/06</td>
<td>153</td>
<td>11/21/05</td>
<td>164</td>
<td>11/11/04</td>
<td>192</td>
</tr>
<tr>
<td>12/04/07</td>
<td>158</td>
<td>11/28/06</td>
<td>170</td>
<td>11/22/05</td>
<td>162</td>
<td>11/12/04</td>
<td>196</td>
</tr>
<tr>
<td>12/05/07</td>
<td>198</td>
<td>11/29/06</td>
<td>127</td>
<td>11/23/05</td>
<td>163</td>
<td>11/13/04</td>
<td>195</td>
</tr>
<tr>
<td>12/06/07</td>
<td>184</td>
<td>11/30/06</td>
<td>130</td>
<td>11/25/05</td>
<td>155</td>
<td>11/15/04</td>
<td>143</td>
</tr>
<tr>
<td>12/07/07</td>
<td>196</td>
<td>12/01/06</td>
<td>141</td>
<td>11/26/05</td>
<td>162</td>
<td>11/16/04</td>
<td>203</td>
</tr>
<tr>
<td>12/08/07</td>
<td>137</td>
<td>12/02/06</td>
<td>166</td>
<td>11/28/05</td>
<td>159</td>
<td>11/17/04</td>
<td>177</td>
</tr>
<tr>
<td>12/10/07</td>
<td>116</td>
<td>12/04/06</td>
<td>137</td>
<td>11/29/05</td>
<td>147</td>
<td>11/18/04</td>
<td>208</td>
</tr>
<tr>
<td>12/11/07</td>
<td>193</td>
<td>12/05/06</td>
<td>137</td>
<td>11/30/05</td>
<td>159</td>
<td>11/19/04</td>
<td>163</td>
</tr>
<tr>
<td>12/12/07</td>
<td>129</td>
<td>12/06/06</td>
<td>134</td>
<td>12/01/05</td>
<td>156</td>
<td>11/20/04</td>
<td>201</td>
</tr>
<tr>
<td>12/13/07</td>
<td>70</td>
<td>12/07/06</td>
<td>160</td>
<td>12/02/05</td>
<td>142</td>
<td>11/22/04</td>
<td>184</td>
</tr>
<tr>
<td>12/14/07</td>
<td>139</td>
<td>12/08/06</td>
<td>129</td>
<td>12/03/05</td>
<td>167</td>
<td>11/23/04</td>
<td>180</td>
</tr>
<tr>
<td>12/15/07</td>
<td>141</td>
<td>12/09/06</td>
<td>133</td>
<td>12/05/05</td>
<td>119</td>
<td>11/24/04</td>
<td>193</td>
</tr>
<tr>
<td>12/17/07</td>
<td>118</td>
<td>12/11/06</td>
<td>124</td>
<td>12/06/05</td>
<td>140</td>
<td>11/26/04</td>
<td>221</td>
</tr>
<tr>
<td>12/18/07</td>
<td>84</td>
<td>12/12/06</td>
<td>148</td>
<td>12/07/05</td>
<td>159</td>
<td>11/27/04</td>
<td>195</td>
</tr>
<tr>
<td>12/19/07</td>
<td>67</td>
<td>12/13/06</td>
<td>150</td>
<td>12/08/05</td>
<td>165</td>
<td>11/29/04</td>
<td>202</td>
</tr>
<tr>
<td>Total:</td>
<td>4,306</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>12/14/06</td>
<td>123</td>
<td>12/15/06</td>
<td>107</td>
<td>12/10/05</td>
<td>40</td>
<td>12/01/04</td>
<td>204</td>
</tr>
<tr>
<td>12/16/06</td>
<td>92</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total:</td>
<td>4,521</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Total: 10,377
Proposal for Emission Reduction Credits (ERCs) for
the shutdown of Shafter-Wasco Ginning Co.
located at Bender & Central Valley Hwy, Shafter, California

**Historical Production Data (Bales Ginned and Gallons of Propane Consumed)** -

<table>
<thead>
<tr>
<th>Year</th>
<th>Bales Ginned</th>
<th>Natural Gas Usage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1999</td>
<td>10579</td>
<td>25875</td>
</tr>
<tr>
<td>2000</td>
<td>9558</td>
<td>22579</td>
</tr>
<tr>
<td>2001</td>
<td>10982</td>
<td>34960</td>
</tr>
<tr>
<td>2002</td>
<td>9388</td>
<td>31771</td>
</tr>
<tr>
<td>2003</td>
<td>8626</td>
<td>28398</td>
</tr>
<tr>
<td>2004</td>
<td>10377</td>
<td>36602</td>
</tr>
<tr>
<td>2005</td>
<td>4523</td>
<td>20126</td>
</tr>
<tr>
<td>2006</td>
<td>4471</td>
<td>18167</td>
</tr>
<tr>
<td>2007</td>
<td>4273</td>
<td>13467</td>
</tr>
<tr>
<td>2008</td>
<td>-</td>
<td>0</td>
</tr>
</tbody>
</table>

**Baseline Period** –

Use the closest 2, 3, 4, or 5 year average that most closely matches the 10 year average to determine baseline bale production.

\[
2004-2005 = \frac{7450.0 \text{ bales/yr}}{2}
\]

Bales = \((10377 + 4523)/2\)

**Bales = 7,450**

Therms of Natural Gas consumed from 2004-2005 = \((36602 + 20126)/2\)

**Therms of Natural Gas consumed = 28,364**

**Historical Actual Emissions (HAE)** -

**Cotton Gin Emission Factor** -

As listed in permit condition No. 5 (PTO#: S-539-1-6), emissions from this gin are equal to 0.98 lbs. PM10/bale.

**Cotton Gin Emissions** -

\[
\text{HAE} = \text{Emission Factor (lb PM10/Bale)} \times \text{Baseline Period Production History (bales/yr)}
\]

HAE = 0.98 lb PM10/bale \times 7,450 bales/yr

**HAE = 7,301.0 lb PM10/yr**
Appendix C

Support Information
Natural Gas Combustion Emission Factors –

<table>
<thead>
<tr>
<th>Pollutant</th>
<th>Emission Factor (lb/1000 therms)</th>
</tr>
</thead>
<tbody>
<tr>
<td>NOx</td>
<td>10</td>
</tr>
<tr>
<td>SOx</td>
<td>0.3</td>
</tr>
<tr>
<td>CO</td>
<td>2</td>
</tr>
<tr>
<td>VOC</td>
<td>0.6</td>
</tr>
</tbody>
</table>

Natural Gas Combustion Emissions -

HAE = Emission Factor (lb/1000 therms) x 1000 therms burned

<table>
<thead>
<tr>
<th>Pollutant</th>
<th>Emission Factor (lb/1000 therms)</th>
<th>Natural Gas Usage (therms)</th>
<th>Emissions (lb/yr)</th>
</tr>
</thead>
<tbody>
<tr>
<td>NOx</td>
<td>14</td>
<td>28,364.0</td>
<td>397.1</td>
</tr>
<tr>
<td>SOx</td>
<td>0.35</td>
<td>28,364.0</td>
<td>9.9</td>
</tr>
<tr>
<td>CO</td>
<td>1.9</td>
<td>28,364.0</td>
<td>53.9</td>
</tr>
<tr>
<td>VOC</td>
<td>0.5</td>
<td>28,364.0</td>
<td>14.2</td>
</tr>
</tbody>
</table>
San Joaquin Valley
Air Pollution Control District
Southern Regional Office • 34946 Flyover Court • Bakersfield, CA 93308

Emission Reduction Credit Certificate
S-3268-1

ISSUED TO: SHAFTER-WASCO GINNING COMPANY
ISSUED DATE: <DRAFT>
LOCATION OF REDUCTION: BENDER AND CENTRAL VALLEY HWY
SHAFTER, CA 93263

For VOC Reduction 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>None</td>
<td>None</td>
<td>None</td>
<td>13 lbs</td>
</tr>
</tbody>
</table>

[ ] Conditions Attached

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

Shut down of cotton gin

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

Seyed Sadrein, Executive Director / APCO

David Warner, Director of Permit Services
San Joaquin Valley
Air Pollution Control District

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

Emission Reduction Credit Certificate
S-3268-2

ISSUED TO: SHAFTER-WASCO GINNING COMPANY
ISSUED DATE: <DRAFT>
LOCATION OF REDUCTION: BENDER AND CENTRAL VALLEY HWY

SHAAFTER, CA 93263

For NOx Reduction 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>None</td>
<td>None</td>
<td>None</td>
<td>232 lbs</td>
</tr>
</tbody>
</table>

[ ] Conditions Attached

Method Of Reduction

[ ] Shutdown of Entire Stationary Source
[X] Shutdown of Emissions Units
[ ] Other

Shut down of cotton gin

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

Seyed Sadredin, Executive Director / APCO

David Warner, Director of Permit Services
San Joaquin Valley
Air Pollution Control District

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

Emission Reduction Credit Certificate
S-3268-3

ISSUED TO: SHAFTER-WASCO GINNING COMPANY
ISSUED DATE: <DRAFT>
LOCATION OF REDUCTION: BENDER AND CENTRAL VALLEY HWY
SHAFTER, CA 93263

For CO Reduction 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>None</td>
<td>None</td>
<td>None</td>
<td>348 lbs</td>
</tr>
</tbody>
</table>

[ ] Conditions Attached

Method Of Reduction
[ ] Shutdown of Entire Stationary Source
[X] Shutdown of Emissions Units
[ ] Other
Shut down of cotton gin

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

Seyed Sadreddin, Executive Director / APCO

David Warner, Director of Permit Services

DRAFT
San Joaquin Valley
Air Pollution Control District

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

Emission Reduction Credit Certificate
S-3268-4

<table>
<thead>
<tr>
<th>Quarter 1</th>
<th>Quarter 2</th>
<th>Quarter 3</th>
<th>Quarter 4</th>
</tr>
</thead>
<tbody>
<tr>
<td>None</td>
<td>None</td>
<td>None</td>
<td>4,695 lbs</td>
</tr>
</tbody>
</table>

[ ] Conditions Attached

Method Of Reduction
[ ] Shutdown of Entire Stationary Source
[X] Shutdown of Emissions Units
[ ] Other
Shut down of cotton gin

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

Seyed Sadreddin, Executive Director / APCO

David Warner, Director of Permit Services
Emission Reduction Credit Certificate
S-3268-5

ISSUED TO: SHAFTER-WASCO GINNING COMPANY
ISSUED DATE: <DRAFT>
LOCATION OF REDUCTION: BENDER AND CENTRAL VALLEY HWY

For SOx Reduction 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>None</td>
<td>None</td>
<td>None</td>
<td>19 lbs</td>
</tr>
</tbody>
</table>

[ ] Conditions Attached

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

Shut down of cotton gin

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

Seyed Sadredin, Executive Director / APCO

David Warner, Director of Permit Services