JUL 21 2011

Mary Grace Houlihan
City of Lathrop
390 Towne Centre Dr.
Lathrop, CA 95330

Re: Notice of Preliminary Decision - Authority to Construct
Project Number: N-1111679

Dear Ms. Houlihan:

Enclosed for your review and comment is the District's analysis of City of Lathrop's application for an Authority to Construct for the installation of a 1,207 bhp diesel-fired emergency standby internal combustion engine, at 2112 E. Louise Ave in Lathrop, CA.

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. Robert Gilles of Permit Services at (209) 557-6455.

Sincerely,

[Signature]

David Warner
Director of Permit Services

DW:npg

Enclosures
JUL 21 2011

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 - Authority to Construct
    Project Number: N-1111679

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Sincerely,

[Signature]

David Warner
Director of Permit Services

DW: rpg

Enclosure
NOTICE OF PRELIMINARY DECISION
FOR THE PROPOSED ISSUANCE OF
AN AUTHORITY TO CONSTRUCT

NOTICE IS HEREBY GIVEN that the San Joaquin Valley Unified Air Pollution Control District solicits public comment on the proposed issuance of Authority to Construct to City of Lathrop for the installation of a 1,207 bhp diesel-fired emergency standby internal combustion engine, at 2112 E. Louise Ave in Lathrop, CA.

The analysis of the regulatory basis for this proposed action, Project #N-1111679, is available for public inspection at http://www.valleymonitor.org/notifications/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, 4800 ENTERPRISE WAY MODESTO, CA 95356.
San Joaquin Valley Air Pollution Control District
Authority to Construct
Application Review
Diesel-Fired Emergency Standby IC Engine

Facility Name: City of Lathrop
Mailing Address: 390 Towne Centre Dr. Lathrop, CA 95330
Contact Person: Mary Grace Houlihan
Telephone: (209) 641-7430
FAX: (209) 941-7449
Application #: N-8591-1-0
Project #: N-1111679
Complete: June 24, 2011
Date: July 11, 2011
Engineer: Robert Gilles
Lead Engineer: Nick Peirce

I. Proposal

The City of Lathrop is requesting an Authority to Construct (ATC) permit for the installation of a 1,207 bhp diesel-fired emergency standby internal combustion (IC) engine powering an electrical generator.

II. Applicable Rules

Rule 2201 New and Modified Stationary Source Review Rule (4/21/11)
Rule 2520 Federally Mandated Operating Permits (6/21/01)
Rule 4001 New Source Performance Standards (4/14/99)
Rule 4002 National Emission Standards for Hazardous Air Pollutants (5/20/04)
Rule 4101 Visible Emissions (2/17/05)
Rule 4102 Nuisance (12/17/92)
Rule 4201 Particulate Matter Concentration (12/17/92)
Rule 4701 Stationary Internal Combustion Engines – Phase 1 (8/21/03)
Rule 4702 Stationary Internal Combustion Engines – Phase 2 (1/18/07)
Rule 4801 Sulfur Compounds (12/17/92)
CH&SC 41700 Health Risk Assessment
CH&SC 42301.6 School Notice
Title 17 CCR, Section 93115 - Airborne Toxic Control Measure (ATCM) for Stationary Compression-Ignition (CI) Engines
California Environmental Quality Act (CEQA)
Public Resources Code 21000-21177: California Environmental Quality Act (CEQA)
California Code of Regulations, Title 14, Division 6, Chapter 3, Sections 15000-15387: CEQA Guidelines
III. **Project Location**

The project is located at 2112 E. Louise Avenue Lathrop, CA.

The District has verified that the equipment is not located within 1,000 feet of the outer boundary of a K-12 school. Therefore, the public notification requirement of California Health and Safety Code 42301.6 is not applicable to this project.

IV. **Process Description**

The standby diesel-fired engine powers an electrical generator for emergency use at a waste water treatment plant in the City of Lathrop. Other than emergency standby operation, the engine may be operated up to 50 hours per year for maintenance and testing purposes.

V. **Equipment Listing**

N-8591-1-0: 1,207 BHP MITSUBISHI MODEL # S12A2-Y2PTAW-2 TIER 2 CERTIFIED DIESEL-FIRED EMERGENCY STANDBY IC ENGINE POWERING AN ELECTRICAL GENERATOR

VI. **Emission Control Technology Evaluation**

The applicant has proposed to install a Tier 2 certified diesel-fired IC engine that is fired on very low-sulfur diesel fuel (0.0015% by weight sulfur maximum).

The proposed engine meets the latest Tier Certification requirements; therefore, the engine meets the latest ARB/EPA emissions standards for diesel particulate matter, hydrocarbons, nitrogen oxides, and carbon monoxide.

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

VII. **General Calculations**

A. **Assumptions**

<table>
<thead>
<tr>
<th>Parameter</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Emergency operating schedule:</td>
<td>24 hours/day</td>
</tr>
<tr>
<td>Non-emergency operating schedule:</td>
<td>50 hours/year</td>
</tr>
<tr>
<td>Density of diesel fuel:</td>
<td>7.1 lb/gal</td>
</tr>
<tr>
<td>EPA F-factor (adjusted to 60 °F):</td>
<td>9,051 dscf/MMBtu</td>
</tr>
<tr>
<td>Fuel heating value:</td>
<td>137,000 Btu/gal</td>
</tr>
<tr>
<td>BHP to Btu/hr conversion:</td>
<td>2,542.5 Btu/bhp-hr</td>
</tr>
<tr>
<td>Thermal efficiency of engine:</td>
<td>commonly ≈ 35%</td>
</tr>
<tr>
<td>PM_{10} fraction of diesel exhaust:</td>
<td>0.96 (CARB, 1988)</td>
</tr>
</tbody>
</table>
The engine has certified NO\textsubscript{x} + VOC emissions of 4.25 g/bhp-hr. It will be assumed the NO\textsubscript{x} + VOC emission factor is split 95% NO\textsubscript{x} and 5% VOC (per the District's Carl Moyer program).

B. Emission Factors

<table>
<thead>
<tr>
<th>Pollutant</th>
<th>Emission Factor (g/bhp-hr)</th>
<th>Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>NO\textsubscript{x}</td>
<td>4.04</td>
<td>CARB/EPA Certification</td>
</tr>
<tr>
<td>SO\textsubscript{x}</td>
<td>0.0051</td>
<td>Mass Balance Equation Below</td>
</tr>
<tr>
<td>PM\textsubscript{10}</td>
<td>0.13</td>
<td>CARB/EPA Certification</td>
</tr>
<tr>
<td>CO</td>
<td>0.45</td>
<td>CARB/EPA Certification</td>
</tr>
<tr>
<td>VOC</td>
<td>0.21</td>
<td>CARB/EPA Certification</td>
</tr>
</tbody>
</table>

\[
\frac{0.000015 \text{ lb} - \text{fuel}}{\text{gal}} \times \frac{7.1 \text{ lb} - \text{fuel}}{1 \text{ gal}} \times \frac{2 \text{ lb} - \text{SO}_2}{1 \text{ gal}} \times \frac{1 \text{ gal}}{1 \text{ bhp input}} \times \frac{2542.5 \text{ Btu}}{1 \text{ bhp input}} \times \frac{453.6 \text{ g}}{1 \text{ bhp input}} = \frac{0.0051 \text{ g} - \text{SO}_2}{\text{bhp - hr}}
\]

C. Calculations

1. **Pre-Project Emissions (PE1)**

   Since this is a new emissions unit, PE1 = 0 for all criteria pollutants.

2. **Post-Project PE (PE2)**

   The daily and annual PE values are calculated using the equations shown below:

   \[
   \text{Daily PE2} = [\text{EF (g/bhp-hr)} \times \text{Engine Rating (bhp)} \times 24 \text{ hrs/day}] / (453.6 \text{ g/lb})
   \]

   \[
   \text{Annual PE2} = [\text{EF (g/bhp-hr)} \times \text{Engine Rating (bhp)} \times 50 \text{ hrs/yr}] / (453.6 \text{ g/lb})
   \]

   The daily and annual PE2 calculations for each pollutant are outlined in the table below.

<table>
<thead>
<tr>
<th>Pollutant</th>
<th>EF (g/bhp-hr)</th>
<th>Engine Rating (bhp)</th>
<th>Hours of Operation</th>
<th>Daily PE2 (lb/day)</th>
<th>Annual PE2 (lb/day)</th>
</tr>
</thead>
<tbody>
<tr>
<td>NO\textsubscript{x}</td>
<td>4.04</td>
<td>1,207</td>
<td>24</td>
<td>258.0</td>
<td>538</td>
</tr>
<tr>
<td>SO\textsubscript{x}</td>
<td>0.0051</td>
<td>1,207</td>
<td>24</td>
<td>0.3</td>
<td>1</td>
</tr>
<tr>
<td>PM\textsubscript{10}</td>
<td>0.13</td>
<td>1,207</td>
<td>24</td>
<td>8.3</td>
<td>17</td>
</tr>
<tr>
<td>CO</td>
<td>0.45</td>
<td>1,207</td>
<td>24</td>
<td>28.7</td>
<td>60</td>
</tr>
<tr>
<td>VOC</td>
<td>0.21</td>
<td>1,207</td>
<td>24</td>
<td>13.4</td>
<td>28</td>
</tr>
</tbody>
</table>
3. Pre-Project Stationary Source Potential to Emit (SSPE1)

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

Since this is a new facility, **SSPE1 = 0 lb/yr for all criteria pollutants**

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

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

For this project the change in emissions for the facility is due to the installation of the new emergency standby IC engine, permit unit N-8591-1-0. Thus:

<table>
<thead>
<tr>
<th>Permit Unit</th>
<th>NOX (lb/yr)</th>
<th>SOX (lb/yr)</th>
<th>PM10 (lb/yr)</th>
<th>CO (lb/yr)</th>
<th>VOC (lb/yr)</th>
</tr>
</thead>
<tbody>
<tr>
<td>SSPE1</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>N-8591-1-0</td>
<td>538</td>
<td>1</td>
<td>17</td>
<td>60</td>
<td>28</td>
</tr>
<tr>
<td>SSPE2 Total</td>
<td>538</td>
<td>1</td>
<td>17</td>
<td>60</td>
<td>28</td>
</tr>
<tr>
<td>Offset Threshold</td>
<td>20,000</td>
<td>54,750</td>
<td>29,200</td>
<td>200,000</td>
<td>20,000</td>
</tr>
<tr>
<td>Offsets Required?</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
</tbody>
</table>

5. Major Source Determination

Pursuant to Section 3.24 of District Rule 2201, a Major Source is a stationary source with post project emissions or a Post Project Stationary Source Potential to Emit (SSPE2), equal to or exceeding one or more of the following threshold values. However, Section 3.24.2 states, "for the purposes of determining major source status, the SSPE2 shall not include the quantity of emission reduction credits (ERC) which have been banked since September 19, 1991 for Actual
Emissions Reductions that have occurred at the source, and which have not been used on-site."

This facility does not contain ERCs which have been banked at the source; therefore, no adjustment to SSPE2 is necessary.

<table>
<thead>
<tr>
<th>Pollutant</th>
<th>SSPE1 (lb/yr)</th>
<th>SSPE2 (lb/yr)</th>
<th>Major Source Threshold (lb/yr)</th>
<th>Existing Major Source?</th>
<th>Becoming a Major Source?</th>
</tr>
</thead>
<tbody>
<tr>
<td>NO\textsubscript{x}</td>
<td>0</td>
<td>538</td>
<td>20,000</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>SO\textsubscript{x}</td>
<td>0</td>
<td>1</td>
<td>140,000</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>PM\textsubscript{10}</td>
<td>0</td>
<td>17</td>
<td>140,000</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>CO</td>
<td>0</td>
<td>60</td>
<td>200,000</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>VOC</td>
<td>0</td>
<td>28</td>
<td>20,000</td>
<td>No</td>
<td>No</td>
</tr>
</tbody>
</table>

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

6. **Baseline Emissions (BE)**

BE = Pre-project Potential to Emit for:
- Any unit located at a non-Major Source,
- Any Highly-Utilized Emissions Unit, located at a Major Source,
- Any Fully-Offset Emissions Unit, located at a Major Source, or
- Any Clean Emissions Unit, located at a Major Source.

otherwise,

BE = Historic Actual Emissions (HAE), calculated pursuant to Section 3.22

Since this is a new emissions unit, BE = PE1 = 0 for all criteria pollutants.

7. **SB 288 Major Modification**

Major Modification is defined in 40 CFR Part 51.165 as "any physical change in or change in the method of operation of a major stationary source that would result in a significant net emissions increase of any pollutant subject to regulation under the Act."

As previously discussed in Section VII.C.5, the facility is not a Major Source for any criteria pollutant. Therefore, the project does not constitute a SB 288 Major Modification.
8. Federal Major Modification

This facility is not a major source for any criteria pollutant. Therefore, this project cannot trigger a Federal Major Modification.

9. Quarterly Net Emissions Change (QNEC)

The QNEC is calculated solely to establish emissions that are used to complete the District’s PAS emissions profile screen.

\[ \text{QNEC} = (\text{PE2} - \text{BE}) + 4, \text{ where:} \]

\[ \text{QNEC} = \text{Quarterly Net Emissions Change for each emissions unit, lb/yr.} \]

\[ \text{PE2} = \text{Post Project Potential to Emit for each emissions unit, lb/yr.} \]

\[ \text{BE} = \text{Baseline Emissions (per Rule 2201) for each emissions unit, lb/yr.} \]

For this application:

\[ \text{QNEC}_{\text{NOx}} = (538 \text{ lb-NO}_{x}/\text{yr} - 0 \text{ lb-NO}_{x}/\text{yr}) + 4 = 134.5 \text{ lb/qtr} \]

\[ \text{QNEC}_{\text{SOx}} = (1 \text{ lb-SO}_{x}/\text{yr} - 0 \text{ lb-SO}_{x}/\text{yr}) + 4 = 0.25 \text{ lb/qtr} \]

\[ \text{QNEC}_{\text{PM}_{10}} = (17 \text{ lb-PM}_{10}/\text{yr} - 0 \text{ lb-PM}_{10}/\text{yr}) + 4 = 4.25 \text{ lb/qtr} \]

\[ \text{QNEC}_{\text{CO}} = (60 \text{ lb-CO}/\text{yr} - 0 \text{ lb-CO}/\text{yr}) + 4 = 15 \text{ lb/qtr} \]

\[ \text{QNEC}_{\text{VOC}} = (28 \text{ lb-VOC}/\text{yr} - 0 \text{ lb-VOC}/\text{yr}) + 4 = 7 \text{ lb/qtr} \]

<table>
<thead>
<tr>
<th>QNEC (lb/qtr)</th>
<th>Quarter 1</th>
<th>Quarter 2</th>
<th>Quarter 3</th>
<th>Quarter 4</th>
</tr>
</thead>
<tbody>
<tr>
<td>NOx</td>
<td>134</td>
<td>134</td>
<td>135</td>
<td>135</td>
</tr>
<tr>
<td>SOx</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>PM_{10}</td>
<td>4</td>
<td>4</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>CO</td>
<td>15</td>
<td>15</td>
<td>15</td>
<td>15</td>
</tr>
<tr>
<td>VOC</td>
<td>7</td>
<td>7</td>
<td>7</td>
<td>7</td>
</tr>
</tbody>
</table>
VIII. Compliance

Rule 2201 New and Modified Stationary Source Review Rule

A. Best Available Control Technology (BACT)

1. BACT Applicability

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

a) Any new emissions unit with a potential to emit exceeding 2.0 pounds per day,

b) The relocation from one Stationary Source to another of an existing emissions unit with a potential to emit exceeding 2.0 pounds per day,

c) Modifications to an existing emissions unit with a valid Permit to Operate resulting in an AIPE exceeding 2.0 pounds per day, and/or

d) Any new or modified emissions unit, in a stationary source project, which results in a Major Modification.

As discussed in Section I, the facility is proposing to install a new emergency standby IC engine. Additionally, as determined in Section VII.C.7, this project does not result in a Major Modification. Therefore, BACT can only be triggered if the daily emissions exceed 2.0 lb/day for any pollutant.

The daily emissions from the new engine are compared to the BACT threshold levels in the following table:

<table>
<thead>
<tr>
<th>Pollutant</th>
<th>Daily Emissions for unit -2.0 (lb/day)</th>
<th>BACT Threshold (lb/day)</th>
<th>SSPE2 (lb/yr)</th>
<th>BACT Triggered?</th>
</tr>
</thead>
<tbody>
<tr>
<td>NOx</td>
<td>258.0</td>
<td>&gt; 2.0</td>
<td>n/a</td>
<td>Yes</td>
</tr>
<tr>
<td>SOx</td>
<td>0.3</td>
<td>&gt; 2.0</td>
<td>n/a</td>
<td>No</td>
</tr>
<tr>
<td>PM10</td>
<td>8.3</td>
<td>&gt; 2.0</td>
<td>n/a</td>
<td>Yes</td>
</tr>
<tr>
<td>CO</td>
<td>28.7</td>
<td>&gt; 2.0 and SSPE2 ≥ 200,000 lb/yr</td>
<td>60</td>
<td>No</td>
</tr>
<tr>
<td>VOC</td>
<td>13.4</td>
<td>&gt; 2.0</td>
<td>n/a</td>
<td>Yes</td>
</tr>
</tbody>
</table>

As shown above, BACT will be triggered for NOx, PM10, and VOC emissions from the engine for this project.

---

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

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

3. **Top Down BACT Analysis**

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

Pursuant to the attached Top-Down BACT Analysis, which appears in Appendix B of this report, BACT is satisfied with:

- \( \text{NO}_x \): Latest EPA Tier Certification level for applicable horsepower range
- \( \text{PM}_{10} \): 0.15 g/bhp-hr or the Latest EPA Tier Certification level for applicable horsepower range, whichever is more stringent. (ATCM)
- \( \text{VOC} \): Latest EPA Tier Certification level for applicable horsepower range

The applicant has proposed to install a Tier 2 certified diesel-fired IC engine that is fired on very low-sulfur diesel fuel (0.0015% by weight sulfur maximum).

The proposed engine meets the latest Tier Certification requirements; therefore, the engine meets the latest ARB/EPA emissions standards for diesel particulate matter, hydrocarbons, nitrogen oxides, and carbon monoxide.

The use of very low-sulfur diesel fuel (0.0015% by weight sulfur maximum) reduces \( \text{SO}_x \) emissions by over 99% from standard diesel fuel.

The following condition will be listed on the ATC to ensure compliance with the \( \text{PM}_{10} \) BACT emissions limit:

- Emissions from this IC engine shall not exceed 0.13 g-\( \text{PM}_{10} \)/bhp-hr based on USEPA certification using ISO 8178 test procedure. [District Rules 2201 and 4102, 17 CCR 93115]

**B. Offsets**

Since emergency IC engines are exempt from the offset requirements of Rule 2201, per Section 4.6.2, offsets are not required for this engine. Therefore, no offset calculations are required.
C. Public Notification

1. Applicability

Public noticing is required for:

a. **Any new Major Source, which is a new facility that is also a Major Source**

   As shown in Section VII.C.5, this facility is not a new Major Source. Therefore, public noticing will not be required for new major source purposes.

b. **Major Modifications**

   As shown in Sections VII.C.7 and VII.C.8, this project is neither a SB288 Major Modification nor a Federal Major Modification. Therefore, public noticing will not be required for major modification purposes.

c. **Any new emissions unit with a Potential to Emit greater than 100 lb/day for any one pollutant**

   As calculated in Section VII.C.2, daily emissions for all pollutants are less than 100 lb/day except for NOx emissions which are 258.0 lb/day. Public noticing requirements are triggered because the NOx potential emissions are above 100 lb/day for this new emission unit.

d. **Any project which results in the offset thresholds being surpassed**

   As shown in Section VII.C.4, an offset threshold will not be surpassed as a result of this project. Therefore, public noticing will not be required for offset threshold exceedance purposes.

e. **Any project with a Stationary Source project Increase in Potential Emissions (SSIPE) greater than 20,000 lb/year for any pollutant.**

   For this project, the proposed engine is the only emissions source that will generate an increase in Potential to Emit. Since the proposed engine emissions are well below 20,000 lb/year for all pollutants (See Section VII.C.2), the SSIPE for this project will be below the public notice threshold.

2. Public Notice Action

This project will result in NOx emissions greater than 100 lb/day, which subjects this project to notification requirements as shown above in Section VII.C.1.c of this document. Therefore, this project will be subject to the requirements of District Rule 2201 Section 5.5 which states:
The APCO shall perform the following actions:

- Within ten (10) calendar days following the preliminary decision the APCO shall publish in at least one newspaper of general circulation in the District a notice stating the preliminary decision, noting how pertinent information can be obtained, and inviting written public comment for a 30 day period following the date of publication. (Section 5.5.1)
- No later than the date of publication, the APCO shall transmit to the applicant its preliminary written decision, the analysis, and a copy of the notice submitted for publication. (Section 5.5.2)
- No later than the date of publication, the APCO shall transmit to the ARB and to any person who requests such information, its preliminary written decision, the analysis, and a copy of the notice submitted for publication. For new Major Sources, Federal Major Modifications, and SB 288 Major Modifications, the APCO shall also transmit the preliminary written decision and supporting documents to the EPA. (Section 5.5.3)
- No later than the time the notice of the preliminary decision is published, the APCO shall make available for public inspection at the District office the information submitted by the applicant and the analysis. (Section 5.5.4)
- The APCO shall provide written notice of the final action to the applicant, and the ARB, and shall publish such notice in a newspaper of general circulation, except that for an application not subject to Section 5.4, the APCO shall not be subject to this section. In such a case, the applicant shall receive notification as provided in Rule 2040 (Applications). For new Major Sources, Federal Major Modifications, and SB 288 Major Modifications, the APCO shall also transmit written notice of the final action to the EPA. (Section 5.5.5)
- No later than the time of notice of final action is published, the APCO shall make available for public inspection at the District office a copy of the notice submitted for publication and all supporting documents. (Section 5.5.6)

D. Daily Emissions Limits

Daily Emissions Limitations (DELs) and other enforceable conditions are required by Section 3.15 to restrict a unit's maximum daily emissions, to a level at or below the emissions associated with the maximum design capacity. Per Sections 3.15.1 and 3.15.2, the DEL must be contained in the latest ATC and contained in or enforced by the latest PTO and enforceable, in a practicable manner, on a daily basis. Therefore, the following conditions will be listed on the ATC to ensure compliance:
• Emissions from this IC engine shall not exceed any of the following limits:
  4.04 g-NOx/bhp-hr, 0.45 g-CO/bhp-hr, or 0.21 g-VOC/bhp-hr. [District Rule 2201, 17 CCR 93115]

• Emissions from this IC engine shall not exceed 0.13 g-PM_{10}/bhp-hr based on USEPA certification using ISO 8178 test procedure. [District Rules 2201 and 4102, 17 CCR 93115]

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

E. Compliance Assurance

1. Source Testing

Pursuant to District Policy APR 1705, source testing is not required for emergency standby IC engines to demonstrate compliance with Rule 2201.

2. Monitoring

No monitoring is required to demonstrate compliance with Rule 2201.

3. Recordkeeping

Recordkeeping requirements, in accordance with District Rule 4702, will be discussed in Section VIII, District Rule 4702, of this evaluation.

4. Reporting

No reporting is required to ensure compliance with Rule 2201.

Rule 2520 Federally Mandated Operating Permits

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

Rule 4001 New Source Performance Standards (NSPS)

40 CFR 60 Subpart III – Standards of Performance for Stationary Compression Ignition Internal Combustion Engines

The proposed engine at this site is subject to the requirements of this subpart. The District has not yet obtained a delegation from EPA to enforce this subpart. Therefore, requirements of this subpart are not listed in the permit at this time.
Rule 4002 National Emission Standards for Hazardous Air Pollutants


The proposed engine at this site is subject to the requirements of this subpart. The District has not yet obtained a delegation from EPA to enforce this subpart. Therefore, requirements of this subpart are not listed in the permit at this time.

Rule 4101 Visible Emissions

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

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

Rule 4102 Nuisance

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

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

California Health & Safety Code 41700 (Health Risk Assessment)

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

Although this project triggers a public notice, an AAQA was not performed. Based on EPA's clarification memoranda for NO₂ & SO₂, dated March 1, 2011, intermittent use equipment can be exempted by the reviewing agency from inclusion in analyses. The District has interpreted EPA's guidance to extend to all modeling periods for which there is a CAAQS/NAAQS. Since the number of hours allowed by the District for emergency and intermittent use equipment is less than the levels
imposed by EPA, this unit will be exempted from CAAQS/NAAQS analyses. Therefore, an AAQA will not be performed and no further discussion is required.

The RMR results are summarized in the following table, and can be seen in detail in Appendix C.

<table>
<thead>
<tr>
<th>Unit</th>
<th>Acute Hazard Index</th>
<th>Chronic Hazard Index</th>
<th>Cancer Risk</th>
<th>T-BACT Required?</th>
</tr>
</thead>
<tbody>
<tr>
<td>N-8591-1-0</td>
<td>N/A²</td>
<td>N/A²</td>
<td>0.63 in a million</td>
<td>No</td>
</tr>
</tbody>
</table>

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

- **Modified {1901}** The PM10 emissions rate shall not exceed 0.13 g/bhp-hr based on US EPA certification using ISO 8178 test procedure. [District Rules 2201 and 4102, 17 CCR 93115]
- **{1898}** The exhaust stack shall vent vertically upward. The vertical exhaust flow shall not be impeded by a rain cap (flapper ok), roof overhang, or any other obstruction. [District Rule 4102] N
- **Modified {1344}** The engine shall be operated only for maintenance, testing, and required regulatory purposes, and during emergency situations. Operation of the engine for maintenance, testing, and required regulatory purposes shall not exceed 50 hours per year. [District Rules 2201, and 4701] N

The applicant has proposed to install a Tier 2 certified diesel-fired IC engine that is fired on very low-sulfur diesel fuel (0.0015% by weight sulfur maximum). The proposed engine meets the latest Tier Certification requirements; therefore, the engine meets the latest ARB/EPA emissions standards for diesel particulate matter, hydrocarbons, nitrogen oxides, and carbon monoxide.

**Rule 4201 Particulate Matter Concentration**

Rule 4201 limits particulate matter emissions from any single source operation to 0.1 g/dscf, which, as calculated below, is equivalent to a PM10 emission factor of 0.4 g-PM10/bhp-hr.

\[
0.1 \frac{\text{grain} - PM}{dscf} \times \frac{g}{15.43 \text{ grain}} \times \frac{1 \text{ Btu}in}{0.35 \text{ Btu}out} \times \frac{9,051 \text{ dscf}}{10^6 \text{ Btu}} \times \frac{2,542.5 \text{ Btu}}{1 \text{ bhp} - hr} \times \frac{0.96 g - PM_{10}}{1 \text{ g} - PM} = 0.4 \frac{g - PM_{10}}{bhp - hr}
\]

\[\text{Eq. 1}\]

\[^2\] Acute and Chronic Hazard Indices were not calculated since there is no risk factor, or the risk factor is so low that the risk has been determined to be insignificant.
The new engine has a PM$_{10}$ emission factor less than 0.4 g/bhp-hr. Therefore, compliance is expected and the following condition will be listed on the ATC:

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

**Rule 4701 Internal Combustion Engines – Phase 1**

Pursuant to Section 7.5.2.3 of District Rule 4702, as of June 1, 2006 District Rule 4701 is no longer applicable to diesel-fired emergency standby or emergency IC engines. Therefore, the proposed emergency internal combustion engine will comply with the requirements of District Rule 4702 and no further discussion is required.

**Rule 4702 Internal Combustion Engines – Phase 2**

The following table demonstrates how the proposed engine will comply with the requirements of District Rule 4702.

<table>
<thead>
<tr>
<th>District Rule 4702 Requirements Emergency Standby IC Engines</th>
<th>Proposed Method of Compliance with District Rule 4702 Requirements</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operation of emergency standby engines is limited to 100 hours or less per calendar year for non-emergency purposes, verified through the use of a non-resetable elapsed operating time meter.</td>
<td>The Air Toxic Control Measure for Stationary Compression Ignition Engines (Stationary ATCM) limits this engine maintenance and testing to 50 hours/year. Thus, compliance is expected.</td>
</tr>
<tr>
<td>Emergency standby engines cannot be used to reduce the demand for electrical power when normal electrical power line service has not failed, or to produce power for the electrical distribution system, or in conjunction with a voluntary utility demand reduction program or interruptible power contract.</td>
<td>The following conditions will be included on the permit:</td>
</tr>
<tr>
<td></td>
<td>• [3807] An emergency situation is an unscheduled electrical power outage caused by sudden and reasonably unforeseen natural disasters or sudden and reasonably unforeseen events beyond the control of the permittee. [District Rule 4702]</td>
</tr>
<tr>
<td></td>
<td>• [3808] This engine shall not be used to produce power for the electrical distribution system, as part of a voluntary utility demand reduction program, or for an interruptible power contract. [District Rule 4702]</td>
</tr>
<tr>
<td>The owner/operator must operate and maintain the engine(s) and any installed control devices according to the manufacturers written instructions.</td>
<td>A permit condition enforcing this requirement was shown earlier in the evaluation.</td>
</tr>
<tr>
<td>---</td>
<td></td>
</tr>
<tr>
<td>The following condition will be included on the permit:</td>
<td></td>
</tr>
<tr>
<td>- (3478) During periods of operation for maintenance, testing, and required regulatory purposes, the permittee shall monitor the operational characteristics of the engine as recommended by the manufacturer or emission control system supplier (for example: check engine fluid levels, battery, cables and connections; change engine oil and filters; replace engine coolant; and/or other operational characteristics as recommended by the manufacturer or supplier). [District Rule 4702]</td>
<td></td>
</tr>
<tr>
<td>Records of the total hours of operation of the emergency standby engine, type of fuel used, purpose for operating the engine, all hours of non-emergency and emergency operation, and support documentation must be maintained. All records shall be retained for a period of at least five years, shall be readily available, and be made available to the APCO upon request.</td>
<td>The following conditions will be included on the permit:</td>
</tr>
<tr>
<td>- (3496) The permittee shall maintain monthly records of emergency and non-emergency operation. Records shall include the number of hours of emergency operation, the date and number of hours of all testing and maintenance operations, the purpose of the operation (for example: load testing, weekly testing, rolling blackout, general area power outage, etc.) and records of operational characteristics monitoring. For units with automated testing systems, the operator may, as an alternative to keeping records of actual operation for testing purposes, maintain a readily accessible written record of the automated testing schedule. [District Rule 4702 and 17 CCR 93115]</td>
<td></td>
</tr>
<tr>
<td>- The permittee shall maintain monthly records of the type of fuel purchased. [District Rule 4702 and 17 CCR 93115]</td>
<td></td>
</tr>
<tr>
<td>- (3475) All records shall be maintained and retained on-site for a minimum of five (5) years, and shall be made available for District inspection upon request. [District Rule 4702 and 17 CCR 93115]</td>
<td></td>
</tr>
</tbody>
</table>
Rule 4801  Sulfur Compounds

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

\[ \text{Volume } \text{SO}_2 = (n \times R \times T) + P \]
\[ n = \text{moles } \text{SO}_2 \]
\[ T \text{ (standard temperature)} = 60 \, ^\circ F \text{ or } 520 \, ^\circ R \]
\[ R \text{ (universal gas constant)} = \frac{10.73 \text{ psi} \cdot \text{ft}^3}{\text{lb} \cdot \text{mol} \cdot ^\circ \text{R}} \]

\[
\frac{0.000015 \, \text{lb - S}}{\text{lb - fuel}} \times \frac{7.1 \, \text{lb}}{\text{gal}} \times \frac{64 \, \text{lb - SO}_2}{1 \, \text{MMBtu}} \times \frac{1 \, \text{gpm}}{\text{32 lb - S}} \times \frac{10.73 \, \text{psi} \cdot \text{ft}^3}{\text{lb - mol}} \times \frac{520 \, ^\circ \text{R}}{14.7 \, \text{psi}} \times \frac{1,000,000}{1.0 \, \text{ppmv}} = 1.0 \, \text{ppmv}
\]

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

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

California Health & Safety Code 42301.6  (School Notice)

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

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

The following table demonstrates how the proposed engine(s) will comply with the requirements of Title 17 CCR Section 93115.
<table>
<thead>
<tr>
<th>Title 17 CCR Section 93115 Requirements for New Emergency IC Engines Powering Electrical Generators</th>
<th>Proposed Method of Compliance with Title 17 CCR Section 93115 Requirements</th>
</tr>
</thead>
<tbody>
<tr>
<td>Emergency engine must be fired on CARB diesel fuel, or an approved alternative diesel fuel.</td>
<td>The applicant has proposed the use of CARB certified diesel fuel. The proposed permit condition, requiring the use of CARB certified diesel fuel, was included earlier in this evaluation.</td>
</tr>
<tr>
<td>The engine must emit diesel PM at a rate less than or equal to 0.15 g/bhp-hr or must meet the diesel PM standard, as specified in the Off-road compression ignition standards for off-road engines with the same maximum rated power (Title 13 CCR, Section 2423).</td>
<td>The applicant has proposed the use of a Tier 2 certified engine which is the latest EPA Tier Certification level for the applicable horsepower range, guaranteeing compliance with the emission standards of this section. Additionally, the proposed diesel PM emissions rate is less than or equal to 0.15 g/bhp-hr.</td>
</tr>
<tr>
<td>The engine may not be operated more than 50 hours per year for maintenance and testing purposes.</td>
<td>The following condition will be included on the permit:</td>
</tr>
<tr>
<td>New stationary emergency standby diesel-fueled IC engines (&gt; 50 bhp) must meet the standards for off-road engines of the same model year and maximum rated power as specified in the Off-Road Compression Ignition Engine Standards (Title 13, CCR, Section 2423).</td>
<td>• This engine shall be operated only for testing and maintenance of the engine, required regulatory purposes, and during emergency situations. Operation of the engine for maintenance, testing, and required regulatory purposes shall not exceed 50 hours per calendar year. [District Rule 4702, 17 CCR 93115]</td>
</tr>
<tr>
<td>An owner or operator shall maintain monthly records of the following: emergency use hours of operation; maintenance and testing hours of operation; hours of operation for emission testing; initial start-up testing hours; hours of operation for all other uses; and the type of fuel used. All records shall be retained for a minimum of 36 months.</td>
<td>The applicant has proposed the use of an engine that is Tier 2 certified, which is the latest EPA Tier Certification level for the applicable horsepower range.</td>
</tr>
<tr>
<td></td>
<td>Permit conditions enforcing these requirements were shown earlier in the evaluation.</td>
</tr>
</tbody>
</table>
California Environmental Quality Act (CEQA)

The California Environmental Quality Act (CEQA) requires each public agency to adopt objectives, criteria, and specific procedures consistent with CEQA Statutes and the CEQA Guidelines for administering its responsibilities under CEQA, including the orderly evaluation of projects and preparation of environmental documents. The San Joaquin Valley Unified Air Pollution Control District (District) adopted its Environmental Review Guidelines (ERG) in 2001.

The basic purposes of CEQA are to:

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

Consistent with California Environmental Quality Act (CEQA) and CEQA Guidelines requirements, the San Joaquin Valley Air Pollution Control District (District) has adopted procedures and guidelines for implementing CEQA. The District’s Environmental Review Guidelines (ERG) establishes procedures for avoiding unnecessary delay during the District’s permitting process while ensuring that significant environmental impacts are thoroughly and consistently addressed. The ERG includes policies and procedures to be followed when processing permits for projects that are exempt under CEQA.

The State Legislature granted a number of exemptions from CEQA, including projects that require only ministerial approval. Based upon analysis of its own laws and consideration of CEQA provisions, the District has identified a limited number of District permitting activities considered to be ministerial approvals. As set forth in §4.2.1 of the ERG, projects permitted consistent with the District’s Guidelines for Expedited Application Review (GEAR) are standard application reviews in which little or no discretion is used in issuing Authority to Construct (ATC) documents.

For the proposed project, the District performed an Engineering Evaluation (this document) and determined that the project qualifies for processing under the procedures set forth in the District’s Permit Services Procedures Manual in the Guidelines for Expedited Application Review (GEAR). Thus, as discussed above, this issuance of such ATC(s) is a ministerial approval for the District and is not subject to CEQA provisions.
On December 17, 2009, the District's Governing Board adopted the first comprehensive regional policy and guidance on addressing and mitigating GHG emission impacts caused by industrial, commercial, and residential development in the San Joaquin Valley. The adopted District policy – *Addressing GHG Emission Impacts for Stationary Source Projects Under CEQA When Serving as the Lead Agency* applies to projects for which the District has discretionary approval authority over the project and serves as the lead agency for CEQA purposes. The policy relies on the use of performance based standards, otherwise known as Best Performance Standards (BPS) to assess significance of project specific greenhouse gas emissions on global climate change during the environmental review process, as required by CEQA.

Use of BPS is a method of streamlining the CEQA process of determining significance and is not a required emission reduction measure. However, consistent with the District's objective to achieve the GHG emission reduction targets established pursuant to AB 32, BPS will be incorporated into the District's GEAR application review process. In the interim, projects meeting the existing GEAR requirements will continue to be processed as ministerial approvals.

**IX. Recommendation**

Compliance with all applicable rules and regulations is expected. Issue Authority to Construct N-8591-1-0 subject to the permit conditions on the attached draft Authority to Construct (ATC) permit in Appendix A.

**X. Billing Information**

<table>
<thead>
<tr>
<th>Permit Number</th>
<th>Fee Schedule</th>
<th>Fee Description</th>
<th>Fee Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>N-8591-1-0</td>
<td>3020-10-F</td>
<td>1,207 bhp IC engine</td>
<td>$749.00</td>
</tr>
</tbody>
</table>

**Appendixes**

A. Draft ATC  
B. BACT Guideline and BACT Analysis  
C. RMR Summary
Appendix A

_Draft ATC_
San Joaquin Valley
Air Pollution Control District

AUTHORITY TO CONSTRUCT

PERMIT NO: N-8591-1-0

LEGAL OWNER OR OPERATOR: CITY OF LATHROP
MAILING ADDRESS: 390 TOWNE CENTRE DR
LATHROP, CA 95330

LOCATION: 2112 E LOUISE AVE
LATHROP, CA

EQUIPMENT DESCRIPTION:
1,207 BHP MITSUBISHI MODEL # S12A2-Y2PTAW-2 TIER 2 CERTIFIED DIESEL-FIRED EMERGENCY STANDBY IC ENGINE POWERING AN ELECTRICAL GENERATOR

CONDITIONS

1. {14} Particulate matter emissions shall not exceed 0.1 grains/dscf in concentration. [District Rule 4201]
2. {15} No air contaminant shall be discharged into the atmosphere for a period or periods aggregating more than three minutes in any one hour which is as dark as, or darker than, Ringelmann 1 or 20% opacity. [District Rule 4101]
3. {98} No air contaminant shall be released into the atmosphere which causes a public nuisance. [District Rule 4102]
4. {1898} The exhaust stack shall vent vertically upward. The vertical exhaust flow shall not be impeded by a rain cap (flapper ok), roof overhang, or any other obstruction. [District Rule 4102]
5. This engine shall be equipped with an operational non-resettable elapsed time meter or other APCO approved alternative. [District Rule 4702, 17 CCR 93115]
6. Only CARB certified diesel fuel containing not more than 0.0015% sulfur by weight is to be used. [District Rules 2201 and 4801, 17 CCR 93115]
7. Emissions from this IC engine shall not exceed any of the following limits: 4.94 g-NOx/bhp-hr, 0.451.19 g-CO/bhp-hr, or 0.21 g-VOC/bhp-hr. [District Rule 2201, 17 CCR 93115]
8. Emissions from this IC engine shall not exceed 0.13 g-PM10/bhp-hr based on USEPA certification using ISO 8178 test procedure. [District Rules 2201 and 4102, 17 CCR 93115]
9. This engine shall be operated and maintained in proper operating condition as recommended by the engine manufacturer or emissions control system supplier. [District Rule 4702]

CONDITIONS CONTINUE ON NEXT PAGE

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

Seyed Sadreddin, Executive Director APCO

DAVID WARNER, Director of Permit Services
NORTH REGIONAL OFFICE • 4800 Enterprise Way • MODESTO, CA 95356-8718 • (209) 557-6400 • FAX (209) 557-6475
10. {3478} During periods of operation for maintenance, testing, and required regulatory purposes, the permittee shall monitor the operational characteristics of the engine as recommended by the manufacturer or emission control system supplier (for example: check engine fluid levels, battery, cables and connections; change engine oil and filters; replace engine coolant; and/or other operational characteristics as recommended by the manufacturer or supplier). [District Rule 4702]

11. {3807} An emergency situation is an unscheduled electrical power outage caused by sudden and reasonably unforeseen natural disasters or sudden and reasonably unforeseen events beyond the control of the permittee. [District Rule 4702]

12. {3808} This engine shall not be used to produce power for the electrical distribution system, as part of a voluntary utility demand reduction program, or for an interruptible power contract. [District Rule 4702]

13. {3496} The permittee shall maintain monthly records of emergency and non-emergency operation. Records shall include the number of hours of emergency operation, the date and number of hours of all testing and maintenance operations, the purpose of the operation (for example: load testing, weekly testing, rolling blackout, general area power outage, etc.) and records of operational characteristics monitoring. For units with automated testing systems, the operator may, as an alternative to keeping records of actual operation for testing purposes, maintain a readily accessible written record of the automated testing schedule. [District Rule 4702 and 17 CCR 93115]

14. This engine shall be operated only for testing and maintenance of the engine, required regulatory purposes, and during emergency situations. Operation of the engine for maintenance, testing, and required regulatory purposes shall not exceed 50 hours per calendar year. [District Rule 4702, 17 CCR 93115]

15. {4263} The permittee shall maintain monthly records of the type of fuel purchased. [District Rule 4702 and 17 CCR 93115]

16. {3475} All records shall be maintained and retained on-site for a minimum of five (5) years, and shall be made available for District inspection upon request. [District Rule 4702 and 17 CCR 93115]

17. U.S. EPA administers the requirements of 40 CFR Part 60 Subpart III and 40 CFR Part 63 Subpart ZZZZ. The owner or operator shall comply with the emission and operating limitations, testing requirements, initial and continuous compliance requirements as specified in these subparts. The owner or operator shall submit all applicable notifications, reports, and records to the administrator by the required compliance dates. [District Rules 4001 and 4002]
Appendix B

BACT Guideline and BACT Analysis
San Joaquin Valley
Unified Air Pollution Control District

<table>
<thead>
<tr>
<th>Pollutant</th>
<th>Achieved in Practice or in the SIP</th>
<th>Technologically Feasible</th>
<th>Alternate Basic Equipment</th>
</tr>
</thead>
<tbody>
<tr>
<td>CO</td>
<td>Latest EPA Tier Certification level for applicable horsepower range</td>
<td></td>
<td></td>
</tr>
<tr>
<td>NOX</td>
<td>Latest EPA Tier Certification level for applicable horsepower range</td>
<td>0.15 g/hp-hr or the Latest EPA Tier Certification level for applicable horsepower range, whichever is more stringent. (ATCM)</td>
<td></td>
</tr>
<tr>
<td>PM10</td>
<td>Very low sulfur diesel fuel (15 ppmw sulfur or less)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SOX</td>
<td>Latest EPA Tier Certification level for applicable horsepower range</td>
<td></td>
<td></td>
</tr>
<tr>
<td>VOC</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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

1. BACT Analysis for NOx, VOC, and PM10 Emissions:

   a. Step 1 - Identify all control technologies

   The SJVUAPCD BACT Clearinghouse guideline 3.1.1 identifies achieved in practice BACT for emissions from emergency diesel IC engines as follows:

<table>
<thead>
<tr>
<th>Pollutant</th>
<th>Achieved in Practice</th>
</tr>
</thead>
<tbody>
<tr>
<td>NOx and VOC</td>
<td>Latest EPA Tier Certification level for applicable horsepower range</td>
</tr>
<tr>
<td>PM10</td>
<td>0.15 g/hp-hr or the Latest EPA Tier Certification level for applicable horsepower range, whichever is more stringent. (ATCM)</td>
</tr>
</tbody>
</table>

   No technologically feasible alternatives or control alternatives identified as alternate basic equipment for this class and category of source are listed.

   b. Step 2 - Eliminate technologically infeasible options

   There are no technologically infeasible options to eliminate from Step 1.

   c. Step 3 - Rank remaining options by control effectiveness

   No ranking needs to be done because only one control option is listed in Step 1.

   d. Step 4 - Cost Effectiveness Analysis

   The applicant has proposed the only control option listed for each pollutant. Therefore, a cost effectiveness analysis is not required.

   e. Step 5 - Select BACT

   BACT for NOx and VOC emissions from this emergency standby diesel IC engine is the latest EPA Tier Certification level for the applicable horsepower range. The applicant has proposed to install a Tier 2 certified 1,207 bhp emergency standby diesel IC engine, which is the latest Tier Certification for an engine this size as shown in the attached Tier Certification table at the end of this Appendix.

   BACT for PM10 is 0.15 g/hp-hr, or the latest EPA Tier Certification level for the applicable horsepower range, whichever is more stringent. The applicant is proposing a Tier 2 certified engine that meets this requirement.
<table>
<thead>
<tr>
<th>Power Rating (hp)</th>
<th>Tier</th>
<th>Model Year</th>
<th>NO\textsubscript{x}</th>
<th>HC</th>
<th>NMHC + NO\textsubscript{x}</th>
<th>CO</th>
<th>PM</th>
</tr>
</thead>
<tbody>
<tr>
<td>50 ≤ hp &lt; 75</td>
<td>1</td>
<td>1998 – 2003</td>
<td>6.9</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>2</td>
<td>2004 - 2007</td>
<td>-</td>
<td>-</td>
<td>5.6</td>
<td>3.7</td>
<td>0.3</td>
</tr>
<tr>
<td></td>
<td>3</td>
<td>2008 - 2011</td>
<td>-</td>
<td>-</td>
<td>3.5</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>4*</td>
<td>2008 – 2012 (Interim)</td>
<td>3.5</td>
<td></td>
<td>3.7</td>
<td></td>
<td>0.22</td>
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<td>-</td>
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</tr>
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<td>-</td>
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<td>2.6</td>
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<td>2</td>
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<td>&gt; 750</td>
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<td>-</td>
<td>-</td>
<td>4.8</td>
<td>2.6</td>
<td>0.15</td>
</tr>
</tbody>
</table>

* Manufacturers may optionally certify engine families to the interim Tier 4 for this power category through 2012.
Appendix C

RMR Summary
San Joaquin Valley Air Pollution Control District
Risk Management Review

To: Robert Gilles – Permit Services
From: Cheryl Lawler – Technical Services
Date: July 11, 2011
Facility Name: City of Lathrop
Location: 2112 E. Louise Avenue, Lathrop
Application #(s): N-8591-1-0
Project #: N-1111679

A. RMR SUMMARY

<table>
<thead>
<tr>
<th>Categories</th>
<th>Emergency Diesel ICE (Unit 1-0)</th>
<th>Project Totals</th>
<th>Facility Totals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prioritization Score</td>
<td>N/A(^1)</td>
<td>&gt;1</td>
<td>&gt;1</td>
</tr>
<tr>
<td>Acute Hazard Index</td>
<td>N/A(^2)</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Chronic Hazard Index</td>
<td>N/A(^2)</td>
<td>N/A</td>
<td>N/A</td>
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<tr>
<td>Maximum Individual Cancer Risk</td>
<td>6.3E-07</td>
<td>6.3E-07</td>
<td>6.3E-07</td>
</tr>
<tr>
<td>T-BACT Required?</td>
<td>No</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Special Permit Conditions?</td>
<td>Yes</td>
<td></td>
<td></td>
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</tbody>
</table>

1 Prioritization for this unit was not conducted since it has been determined that all diesel-fired IC engines will result in prioritization scores greater than 1.0.
2 Acute and Chronic Hazard indices were not calculated since there is no risk factor or the risk factor is so low that it has been determined to be insignificant for these types of units.

Proposed Permit Conditions

To ensure that human health risks will not exceed District allowable levels, the following permit conditions must be included for:

Unit #1-0

1. Modified (1901) The PM10 emissions rate shall not exceed 0.13 g/hp-hr based on US EPA certification using ISO 8178 test procedure. [District Rule 2201]
2. (1898) The exhaust stack shall vent vertically upward. The vertical exhaust flow shall not be impeded by a rain cap (flapper ok), roof overhang, or any other obstruction. [District Rule 4102] N
3. Modified (1344) The engine shall be operated only for maintenance, testing, and required regulatory purposes, and during emergency situations. Operation of the engine for maintenance, testing, and required regulatory purposes shall not exceed 50 hours per year. [District NSR Rule and District Rule 4701] N
B. RMR REPORT

I. Project Description

Technical Services received a request on June 27, 2011, to perform a Risk Management Review (RMR) and Ambient Air Quality Analysis (AAQA) for a 1207 bhp emergency diesel IC engine powering an electrical generator.

II. Analysis

Technical Services performed a screening level health risk assessment using the District's Diesel Exhaust Risk Screening spreadsheet.

The following parameters were used for the review:

<table>
<thead>
<tr>
<th>Analysis Parameters</th>
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<td>Unit #</td>
</tr>
<tr>
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<td>1-0</td>
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</tbody>
</table>

Location Type: Rural
Receptor Type: Business

Although this project triggers a public notice, an AAQA was not performed. Based on EPA's clarification memoranda for NO₂ and SO₂, dated March 1, 2011, intermittent use equipment can be exempted by the reviewing agency from inclusion in analyses. The District has interpreted EPA's guidance to extend to all modeling periods for which there is a CAAQS/NAAQS. Since the number of hours allowed by the District for emergency and intermittent use equipment is less than the levels imposed by EPA, this unit will be exempted from CAAQS/NAAQS analyses. Therefore, an AAQA will not be performed and no further discussion is required.

III. Conclusion

The cancer risk associated with the operation of the proposed emergency diesel IC engine is 6.3E-07, which is greater than the 1 in a million threshold. In accordance with the District's Risk Management Policy, the engine is approved without Toxic Best Available Control Technology (T-BACT).

To ensure that human health risks will not exceed District allowable levels; the permit conditions listed on Page 1 of this report must be included for the proposed unit.

These conclusions are based on the data provided by the applicant and the project engineer. Therefore, this analysis is valid only as long as the proposed data and parameters do not change.