



MAY 12 2010

Richard Ley
Varco Pruden Buildings, Inc
7440 Dce Avenue
Visalia, CA 93291

Re: Notice of Preliminary Decision - Emission Reduction Credits
Project Number: N-1094249

Dear Mr. Ley:

Enclosed for your review and comment is the District's analysis of Varco Pruden Buildings, Inc's application for Emission Reduction Credits (ERCs) resulting from the shutdown the entire facility, at 530 South Tenger Road in Turlock. The quantity of ERCs proposed for banking is 31,430 pounds per year of VOC and 22,450 pounds per year of PM10.

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. Wai-Man So of Permit Services at (209) 557-6449.

Sincerely,

David Warner
Director of Permit Services

DW: WMS/cm

Enclosures

Seyed Sadredin
Executive Director/Air Pollution Control Officer

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

Central Region (Main Office)
1990 E. Gettysburg Avenue
Fresno, CA 93726-0244
Tel: (559) 230-6000 FAX: (559) 230-6061

Southern Region
34946 Flyover Court
Bakersfield, CA 93308-9725
Tel: 661-392-5500 FAX: 661-392-5585



MAY 12 2010

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: N-1094249

Dear Mr. Tollstrup:

Enclosed for your review and comment is the District's analysis of Varco Pruden Buildings, Inc's application for Emission Reduction Credits (ERCs) resulting from the shutdown the entire facility, at 530 South Tenger Road in Turlock. The quantity of ERCs proposed for banking is 31,430 pounds per year of VOC and 22,450 pounds per year of PM10.

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MAY 12 2010

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: N-1094249

Dear Mr. Rios:

Enclosed for your review and comment is the District's analysis of Varco Pruden Buildings, Inc's application for Emission Reduction Credits (ERCs) resulting from the shutdown the entire facility, at 530 South Tenger Road in Turlock. The quantity of ERCs proposed for banking is 31,430 pounds per year of VOC and 22,450 pounds per year of PM10.

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.

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Sincerely,

David Warner
Director of Permit Services

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Modesto Bee

**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 Varco Pruden Buildings, Inc for the shutdown the entire facility, at 530 South Tenger Road in Turlock. The quantity of ERCs proposed for banking is 31,430 pounds per year of VOC and 22,450 pounds per year of PM10.

The analysis of the regulatory basis for this proposed action, Project #N-1094249, 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, 4800 ENTERPRISE WAY, MODESTO CA 95356-8718.**

San Joaquin Valley Air Pollution Control District

ERC Banking Application Review

Processing Engineer: Wai-Man So
Lead Engineer: Nick Peirce
Date: March 18, 2010

Facility Name: BlueScope Building North American, Inc
Varco Pruden Buildings, Division
Mailing Address: 7440 Doe Avenue
Visalia, CA 93921

Contact Person: Richard Ley
Telephone: (816) 968-3536

Facility Location: 530 South Tegner Road,
Turlock, CA 95380

Applications Received: October 20, 2009
Deemed Complete: December 30, 2009
Permits #: N-2274-1-3 and N-2274-2-4
Project #: N1094249

ERC Certification number:

I. Proposal

BlueScope Building North American, Inc Varco Pruden Buildings, Division submitted an application for Emission Reduction Credits (ERCs) banking for shutdown the entire facility. All permit units have been surrendered to the District.

The applicant is proposing to only bank the ERC generated from the shutdown of the metal surface coating operations under permit units N-2274-1 and N-2274-2.

In addition, the applicant is not proposing to bank the ERC generated from the shutdown of the 3.0 MMBtu/hr natural gas-fired curing tunnel under permit unit N-2274-2. Therefore, only VOC and PM₁₀ emissions generated from these coating operations will be considered in this application.

The amounts of bankable emission reductions for shutdown these two permit units are summarized in the table below:

Pollutant	1 st Quarter (lb)	2 nd Quarter (lb)	3 rd Quarter (lb)	4 th Quarter (lb)	Total (lb)
VOC	5,404	6,473	10,921	8,632	31,430
PM ₁₀	3,827	4,258	7,700	6,665	22,450

II. Applicable Rules

Rule 2201 New and Modified Stationary Source Review Rule (09/21/06)
Rule 2301 Emission Reduction Credit Banking (12/17/92)

III. Location of Reduction:

The facility was located at 530 South Tegner Road, Turlock, California.

IV. Method of Generating Reductions:

All permit units have been surrendered to the District on August 27, 2009. The emissions reductions were generated by shutdown the entire stationary source on April 27, 2009 including the following metal surface coating operations:

N-2274-1-3:

Surface coating of metal parts and products operation conducted within an enclosed building

N-2274-2-4:

Surface coating of metal parts and products operation with a VP1 airless continuous coater served by an Airguard filtration system, a 3.0 MMBtu/hr natural gas-fired curing tunnel, and a permit exempt 2.1 MMBtu/hr natural gas-fired heat transfer system

V. Calculations

A. Assumption:

- The results of all Historical Actual Emission (HAE) and Actual Emission Reduction (AER) calculations are rounded to the nearest whole number.
- The first quarter of the calendar year has 90 days, the second quarter of the calendar year had 91 days, the third quarter of the year had 92 days and the fourth quarter of the calendar year has 92 days.

B. Emission factors:

None of these permit units has ever been required to conduct source testing. The VOC emissions factor for each coating material is referenced to the material VOC content as applied listed on its Material Safety Data Sheet (MSDS) in units of pounds per gallon. The PM10 emissions factor for each coating material is determined based on the solid content listed on its MSDS, the PM10 fraction, the transfer efficiency of the application equipment, and the capture efficiency of the filter system in units of pounds per gallon.

See detail emission factors determination calculations in Appendix II of this document, the VOC and PM10 emissions factors are summarized in the tables below:

N-2274-1-3:

Product Name	Product Code	EF VOC _{as applied} (lb/gal)	EF PM ₁₀ (lb/gal)
Vanex – Bronze	X407-4275	1.8	1.78
Vanex – Red Oxide	X407-6163	1.8	1.74
Vanex – Gray	X407-9106	1.9	1.84
Vanex – White	X407-1	1.9	2.02

N-2274-2-4:

Product Name	Product Code	EF VOC _{as applied} (lb/gal)	EF PM ₁₀ (lb/gal)
Vanex – Bronze	X410-4275	0.96	0.004
Vanex – Red Oxide	X410-6163	0.94	0.004
Vanex – Gray	X410-9106	0.96	0.004
Vanex – White	X410-1	0.89	0.005

C. Baseline Period Determination:

Section 3.8 of District Rule 2201 defines the baseline period as “two consecutive years of operation immediately prior to the submission of the complete application” or “another time period of at least two consecutive years within the five years immediately prior to the submission of the complete application if it is more representative of normal source operation”.

The District has determined that the consecutive two-year period immediately preceding the banking application was not representative of normal source operation.

In order to determine the period that is most representative of normal source operation, the facility’s quarterly coating usage records for the five year period immediately preceding the ERC application were averaged. Next, the usage from each two-consecutive-year (eight calendar quarter) period starting with the quarter in which the application was received were averaged and compared to the five-year average usage value. This comparison is repeated for each two-consecutive-year period until the two-consecutive-year period with average usage closest to the five year average usage is found. The two consecutive year period with average usage closest to the five year average usages is considered to be most representative of normal source operation.

Using the above methodology, the eight consecutive calendar quarter period with average usages closest to the facility’s five year usages average was Q3 2007 through Q2 2009 (see Appendix III of this document). Therefore, Q3 2007 through Q2 2009 is considered to be most representative of normal source operation and will be used as the baseline period.

D. Baseline Period Data:

The applicant assured that the facility only be able to obtain total coating usage records for these permit units on a daily basis for calendar years 2006 and 2007. Since this facility had been sold from Varco Pruden Buildings, Inc, to BlueScope Steel Building North America, Inc in late 2007, and the previous management did not maintain daily usage records for each coating. Therefore, the combined coating usage records of year 2007 will be averaged in order to determine the quarterly usage of each coating. The applicant provided the daily usage records for each coating for years 2008 and 2009.

The quarterly averaged and actual usage records for each coating during the baseline period are listed as follow:

BlueScope Steel Buildings North America, Inc Varco Pruden Buildings Division
 N-2274-1-3 and N-2274-2-4; N1094249

N-2274-1-3

Vanex – Bronze (X407-4275) usage (gal)				
	Quarter 1	Quarter 2	Quarter 3	Quarter 4
2007	--	--	1,288	1,330
2008	2,841	3,083	1,802	1,166
2009	496	0	--	--

Vanex – Red Oxide (X407-6163) usage (gal)				
	Quarter 1	Quarter 2	Quarter 3	Quarter 4
2007	--	--	1,288	1,331
2008	14	108	175	150
2009	5	0	--	--

Vanex – Gray (X407-9106) usage (gal)				
	Quarter 1	Quarter 2	Quarter 3	Quarter 4
2007	--	--	1,288	1,331
2008	980	1,633	1,810	830
2009	139	0	--	--

Vanex – White (X407-1) usage (gal)				
	Quarter 1	Quarter 2	Quarter 3	Quarter 4
2007	--	--	1,289	1,331
2008	171	379	367	552
2009	57	0	--	--

N-2274-2-4

Vanex – Bronze (X410-4275) usage (gal)				
	Quarter 1	Quarter 2	Quarter 3	Quarter 4
2007	--	--	1,005	714
2008	2,095	3,093	1,896	1,087
2009	323	0	--	--

Vanex – Red Oxide (X410-6163) usage (gal)				
	Quarter 1	Quarter 2	Quarter 3	Quarter 4
2007	--	--	1,005	714
2008	0	36	0	50
2009	0	0	--	--

Vanex – Gray (X410-9106) usage (gal)				
	Quarter 1	Quarter 2	Quarter 3	Quarter 4
2007	--	--	1,006	714
2008	497	1,671	1,365	592
2009	632	0	--	--

Vanex – White (X410-1) usage (gal)				
	Quarter 1	Quarter 2	Quarter 3	Quarter 4
2007	--	--	1,006	715
2008	0	233	155	0
2009	0	0	--	--

E. Historical Actual Emissions (HAE)

Historical Actual Emissions (HAEs) are emissions that actually occurred. The historical actual emissions from these permit units are calculated as follow (see Appendix IV of this document for detail calculations):

VOC Emissions:

HAE VOC = VOC content of coating (lb-VOC/gal) x quarterly usage (gal)

N-2274-1-3

Vanex – Bronze (X407-4275) HAE VOC (lb)				
	Quarter 1	Quarter 2	Quarter 3	Quarter 4
2007	--	--	2,318	2,394
2008	5,114	5,549	3,244	2,099
2009	893	0	--	--
Average	3,004	2,775	2,781	2,247

Vanex – Red Oxide (X407-6163) HAE VOC (lb)				
	Quarter 1	Quarter 2	Quarter 3	Quarter 4
2007	--	--	2,318	2,396
2008	25	194	315	270
2009	9	0	--	--
Average	17	97	1,317	1,333

Vanex – Gray (X407-9106) HAE VOC (lb)				
	Quarter 1	Quarter 2	Quarter 3	Quarter 4
2007	--	--	2,447	2,529
2008	1,862	3,103	3,439	1,577
2009	264	0	--	--
Average	1,063	1,552	2,943	2,053

Vanex – White (X407-1) HAE VOC (lb)				
	Quarter 1	Quarter 2	Quarter 3	Quarter 4
2007	--	--	2,449	2,529
2008	325	720	697	1,049
2009	108	0	--	--
Average	217	360	1,573	1,789

BlueScope Steel Buildings North America, Inc Varco Pruden Buildings Division
N-2274-1-3 and N-2274-2-4; N1094249

	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Total N-2274-1-3	4,301	4,784	8,614	7,422

N-2274-2-4

Vanex – Bronze (X410-4275) HAE VOC (lb)				
	Quarter 1	Quarter 2	Quarter 3	Quarter 4
2007	--	--	965	685
2008	2,011	2,969	1,820	1,044
2009	310	0	--	--
Average	1,161	1,485	1,393	865

Vanex – Red Oxide (X410-6163) HAE VOC (lb)				
	Quarter 1	Quarter 2	Quarter 3	Quarter 4
2007	--	--	945	671
2008	0	34	0	47
2009	0	0	--	--
Average	0	17	473	359

Vanex – Gray (X410-9106) HAE VOC (lb)				
	Quarter 1	Quarter 2	Quarter 3	Quarter 4
2007	--	--	966	685
2008	477	1,604	1,310	568
2009	607	0	--	--
Average	542	802	1,138	627

Vanex – White (X410-1) HAE VOC (lb)				
	Quarter 1	Quarter 2	Quarter 3	Quarter 4
2007	--	--	895	636
2008	0	207	138	0
2009	0	0	--	--
Average	0	104	517	318

	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Total N-2274-2-4	1,703	2,408	3,521	2,169

Total VOC HAE = HAE_{N-2274-1-3} + HAE_{N-2274-2-4}

	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Total VOC HAE	6,004	7,192	12,135	9,591

BlueScope Steel Buildings North America, Inc Varco Pruden Buildings Division
 N-2274-1-3 and N-2274-2-4; N1094249

PM₁₀ Emissions:

HAE PM₁₀ = EF PM₁₀ (lb-PM₁₀/gal) x quarterly usage (gal)

N-2274-1-3

Vanex - Bronze (X407-4275) HAE (lb)				
	Quarter 1	Quarter 2	Quarter 3	Quarter 4
2007	--	--	2,292	2,366
2008	5,055	5,485	3,206	2,074
2009	882	0	--	--
Average	2,969	2,743	2,749	2,220

Vanex - Red Oxide (X407-6163) HAE (lb)				
	Quarter 1	Quarter 2	Quarter 3	Quarter 4
2007	--	--	2,242	2,317
2008	24	188	305	261
2009	9	0	--	--
Average	17	94	1,274	1,289

Vanex - Gray (X407-9106) HAE (lb)				
	Quarter 1	Quarter 2	Quarter 3	Quarter 4
2007	--	--	2,364	2,443
2008	1,799	2,997	3,322	1,523
2009	255	0	--	--
Average	1,027	1,499	2,843	1,983

Vanex - White (X407-1) HAE (lb)				
	Quarter 1	Quarter 2	Quarter 3	Quarter 4
2007	--	--	2,606	2,690
2008	346	766	742	1,116
2009	115	0	--	--
Average	231	383	1,674	1,903

	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Total N-2274-1-3	4,244	4,719	8,540	7,395

N-2274-2-4

Vanex - Bronze (X410-4275) HAE (lb)				
	Quarter 1	Quarter 2	Quarter 3	Quarter 4
2007	--	--	4	3
2008	9	13	8	5
2009	1	0	--	--
Average	5	7	6	4

BlueScope Steel Buildings North America, Inc Varco Pruden Buildings Division
N-2274-1-3 and N-2274-2-4; N1094249

Vanex – Red Oxide (X410-6163) HAE (lb)				
	Quarter 1	Quarter 2	Quarter 3	Quarter 4
2007	--	--	4	3
2008	0	0	0	0
2009	0	0	--	--
Average	0	0	2	2

Vanex – Gray (X410-9106) HAE (lb)				
	Quarter 1	Quarter 2	Quarter 3	Quarter 4
2007	--	--	4	3
2008	2	7	6	2
2009	3	0	--	--
Average	3	4	5	3

Vanex – White (X410-1) HAE (lb)				
	Quarter 1	Quarter 2	Quarter 3	Quarter 4
2007	--	--	5	4
2008	0	1	1	0
2009	0	0	--	--
Average	0	1	3	2

	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Total N-2274-2-4	8	12	16	11

Total PM₁₀ HAE = HAE_{N-2274-1-3} + HAE_{N-2274-2-4}

	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Total PM ₁₀ HAE	4,252	4,731	8,556	7,406

F. Actual Emissions Reductions

Per District Rule 2201, section 4.12, Actual Emissions Reductions (AER) shall be calculated, on a pollutant-by-pollutant basis, as follows:

$$AER = HAE - PE2$$

Where:

HAE = Historic Actual Emissions

PE2 = Post Project Potential to Emit

Since the applicant proposed to shutdown the entire facility, therefore, the PE2 of each criteria pollutant from these permit units are equal to zero. AER is equal to HAE for each permit unit, unless the HAE must be reduced such that they are surplus. As shown in section VI.E of this document, all HAE are surplus.

The total averaged AER for these coating operations are summarized in the following table:

Total AER	Quarter 1	Quarter 2	Quarter 3	Quarter 4
VOC	6,004	7,192	12,135	9,591
PM ₁₀	4,252	4,731	8,556	7,406

G. Air Quality Improvement Deduction

Per District Rule 2201, section 4.12.1, prior to banking, AER shall be discounted by 10% for Air Quality Improvement Deduction. Therefore, the Air Quality Improvement Deduction for emissions from these permit units are summarized in the following table:

Pollutant	Quarter 1	Quarter 2	Quarter 3	Quarter 4
VOC	600	719	1,214	959
PM ₁₀	425	473	856	741

H. Bankable Emissions Reductions

The bankable emissions reductions are determined by subtraction of the air quality improvement deduction from the Actual Emissions Reductions. The bankable ERC of these units are summarized in the table below:

Pollutant	Quarter 1	Quarter 2	Quarter 3	Quarter 4
VOC	5,404	6,473	10,921	8,632
PM ₁₀	3,827	4,258	7,700	6,665

VI. Compliance

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

A. Real

The emissions reductions are real since the reductions were generated by permanent shutdown the entire metal surface coating operations facility.

B. Enforceable

The reductions are enforceable since all permit units have been surrendered to the District. Operating the equipment without permits would result in enforcement action being taken.

C. Quantifiable

The reductions are quantifiable since the reductions were calculated utilizing District-approved emission factors, and actual baseline period coating usages.

D. Permanent

The reductions are considered to permanent since all of the facility's Permits to Operate have been surrendered to the District. Operation of the equipment without permits would result in enforcement action. Moreover, there is no clear evidence that production from this facility will be shifted to other facilities in the District, since the company has no other metal surface coating facilities in the District.

E. Surplus

This section will contain an explanation of what actions were taken to ensure that all emission reductions were surplus.

1) Rules and Regulations:

The following air districts in California have Rules for Metal Surface Coating Operations:

SJAPCD Rule 4603:	Surface Coating of Metal Parts and Products, Plastic Parts and products, and pleasure crafts (9/17/09)
BAAQMD Rule 19:	Surface Preparation And Coating of Miscellaneous Metal Parts and Products (10/16/02)
Monterey Bay APCD Rule 434:	Coating of Metal Parts and Products (1/17/01)
Sac Metro APCD Rule 451:	Surface Coating of Miscellaneous Metal Parts and Products (9/25/08)
San Luis Obispo APCD Rule 411:	Surface Coating of Metal Parts and Products (1/28/98)
San Diego APCE Rule 67.3:	Metal Parts and Products Coating Operations (4/9/03)
SCAQMD Rule 1107:	Coating of Metal Parts and Products (1/6/06)
Yolo-Solano AQMD Rule 2.25	Metal Parts and Products Coating Operations (5/14/08)

These Rules' requirements will be used to ensure the VOC emissions from these metal parts and products surface coating operations are surplus.

N-2274-1-3

All these Rules require the VOC content (less water and exempt compounds) of air-dried metal surface coating operation of 2.8 lb/gal (340 g/l), except for the Monterey Bay Unified APCD of 3.5 lb/gal (420 g/l). Therefore, VOC limit of 2.8 lb/gal will be considered as a standard requirement of this type of operation.

N-2274-2-4

All these Rules require the VOC content (less water and exempt compounds) of heat-cured metal surface coating operation of 2.3 lb/gal (275 g/l), except for the Monterey Bay Unified APCD of 3.0 lb/gal (360 g/l). Therefore, VOC limit of 2.3 lb/gal will be considered as a standard requirement of this type of operation.

According to the materials' MSDS, the VOC content (less water and exempt compounds) of each coating is complied with these limits (see Appendix II of this document for the VOC content of each coating). Therefore, these metal surface coating operations were in compliance with the requirements of all Districts Rules listed above during the baseline period.

2) Permitted Limitations:

N-2274-1-3

VOC emissions

Per current permit the daily VOC emissions is limited to 225.8 pounds.

The quarterly VOC emissions from this metal surface coating operation during the baseline period are summarized below:

Year	Product Code	Q1 (lb/qr)	Q2 (lb/qr)	Q3 (lb/qr)	Q4 (lb/qr)
2007	X407-4275	--	--	2,318	2,394
	X407-6163	--	--	2,318	2,396
	X407-9106	--	--	2,447	2,529
	X407-1	--	--	2,449	2,529
Total		0	0	9,532	9,848
2008	X407-4275	5,114	5,549	3,244	2,099
	X407-6163	25	194	315	270
	X407-9106	1,862	3,103	3,439	1,523
	X407-1	325	720	697	1,116
Total		7,326	9,566	7,695	4,975
2009	X407-4275	882	0	--	--
	X407-6163	9	0	--	--
	X407-9106	255	0	--	--
	X407-1	115	0	--	--
Total		1,261	0	0	0

As shown above, the highest VOC emissions from this metal surface coating operation occurred during the 4th quarter of 2007. Since there are 92 days in the 4th quarter, the corresponding worst-case actual daily VOC emissions were:

$$\text{Daily VOC (lb/day)} = 9,848 \text{ (lb/qr)} \div 92 \text{ (day/qr)} = 107.0 \text{ (lb/day)}$$

PM₁₀ emissions

Per current permit the daily PM₁₀ emissions is limited to 145.2 pounds

The quarterly PM₁₀ emissions from this metal surface coating operation during the baseline period are summarized below:

Year	Product Code	Q1 (lb/qr)	Q2 (lb/qr)	Q3 (lb/qr)	Q4 (lb/qr)
2007	X407-4275	--	--	2,292	2,366
	X407-6163	--	--	2,242	2,317
	X407-9106	--	--	2,364	2,443
	X407-1	--	--	2,604	2,690
Total		0	0	9,503	9,816
2008	X407-4275	5,055	5,485	3,206	2,074
	X407-6163	24	188	305	261
	X407-9106	1,799	2,997	3,322	1,523
	X407-1	346	766	74	1,116
Total		7,224	9,436	7,575	4,974
2009	X407-4275	882	0	--	--
	X407-6163	9	0	--	--
	X407-9106	255	0	--	--
	X407-1	115	0	--	--
Total		1,261	0	0	0

As shown above, the highest PM₁₀ emissions from this metal surface coating operation occurred during the 4th quarter of 2007. Since there are 92 days in the 4th quarter, the corresponding worst-case actual daily PM₁₀ emissions were:

$$\text{Daily PM}_{10} \text{ (lb/day)} = 9,816 \text{ (lb/qr)} \div 92 \text{ (day/qr)} = 106.7 \text{ (lb/day)}$$

Therefore, this metal surface coating operation operated in compliance with its permit conditions during the baseline period.

N-2274-2-4

VOC emissions

Per current permit the daily VOC emissions is limited to 139.0 pounds.

The quarterly VOC emissions from this metal surface coating operation during the baseline period are summarized below:

Year	Product Code	Q1 (lb/qr)	Q2 (lb/qr)	Q3 (lb/qr)	Q4 (lb/qr)
2007	X410-4275	--	--	965	685
	X410-6163	--	--	945	671
	X410-9106	--	--	966	685
	X410-1	--	--	895	636
Total		0	0	3,771	2,677

BlueScope Steel Buildings North America, Inc Varco Pruden Buildings Division
N-2274-1-3 and N-2274-2-4; N1094249

Year	Product Code	Q1 (lb/qr)	Q2 (lb/qr)	Q3 (lb/qr)	Q4 (lb/qr)
2008	X410-4275	2,011	2,969	1,820	1,044
	X410-6163	0	34	0	47
	X410-9106	477	1,604	1,310	568
	X410-1	0	207	138	0
Total		2,488	4,814	3,268	1,659
2009	X410-4275	310	0	--	--
	X410-6163	0	0	--	--
	X410-9106	607	0	--	--
	X410-1	0	0	--	--
Total		917	0	0	0

As shown above, the highest VOC emissions from this metal surface coating operation occurred during the 2nd quarter of 2008. Since there are 91 days in the 2nd quarter, the corresponding worst-case actual daily VOC emissions were:

$$\text{Daily VOC (lb/day)} = 4,814 \text{ (lb/qr)} \div 91 \text{ (day/qr)} = 52.9 \text{ (lb/day)}$$

PM₁₀ emissions

Per current permit the daily PM₁₀ emissions is limited to 0.3 pounds

The quarterly PM₁₀ emissions from this metal surface coating operation during the baseline period are summarized below:

Year	Product Code	Q1 (lb/qr)	Q2 (lb/qr)	Q3 (lb/qr)	Q4 (lb/qr)
2007	X410-4275	--	--	4	3
	X410-6163	--	--	4	3
	X410-9106	--	--	4	3
	X410-1	--	--	5	4
Total		0	0	17	13
2008	X410-4275	9	13	8	5
	X410-6163	0	0	0	0
	X410-9106	2	7	6	2
	X410-1	0	1	1	0
Total		11	21	15	7
2009	X410-4275	1	0	--	--
	X410-6163	0	0	--	--
	X410-9106	3	0	--	--
	X410-1	0	0	--	--
Total		4	0	0	0

As shown above, the highest PM₁₀ emissions from this metal surface coating operation occurred during the 2nd quarter of 2008. Since there are 91 days in the 2nd quarter, the corresponding worst-case actual daily PM₁₀ emissions were:

Daily PM₁₀ (lb/day) = 21 (lb/qtr) ÷ 91 (day/qtr) = 0.2 (lb/day)

Therefore, this metal surface coating operation operated in compliance with its permit conditions during the baseline period.

3) Summary:

These metal surface coating operations were found to be in compliance with all applicable Rules and Regulations as well as their permitted emissions limits during the baseline period, so no adjustments to either the VOC or PM₁₀ emissions were necessary. Moreover, the proposed emission reductions were made voluntarily and were not required by any present or pending regulation. Therefore, the emission reductions from the shutdown of the metal parts and products surface coating facility are surplus.

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

The ERCs generated by permanent shutdown the entire facility were not used in the approval of an Authority to Construct or as offsets for any projects.

G. Timely Submittal

Pursuant to District Rule 2301, Section 4.2, in order to deem emissions reductions eligible for banking, an application for ERC has been filed no later than 180 days after the emissions reductions occurred. The applicant confirmed that the entire metal surface coating facility has been shutdown on April 27, 2009, and the emissions reduction banking application was received on October 20, 2009. Therefore, the application was received within 180 days of the date the reductions occurred. The ERC application was filed in a timely manner.

VII. Recommendation

Pending a successful public noticing period, issue Emission Reduction Credit Certificates to Varco Pruden Buildings, Inc for VOC and PM₁₀ in the following amounts:

Pollutant	1 st Quarter (lb)	2 nd Quarter (lb)	3 rd Quarter (lb)	4 th Quarter (lb)	Total (lb)
VOC	5,404	6,473	10,921	8,632	31,430
PM ₁₀	3,827	4,258	7,700	6,665	22,450

Appendices

- Appendix I Permits to Operate (PTO) N-2274-1-3 and N-2274-2-4
- Appendix II Emissions Factors Determination Calculations
- Appendix III Baseline Period Determination
- Appendix IV Historical Actual Emissions Calculations
- Appendix V Draft Emissions Reduction Credit Certificates

Appendix I

Permit to Operate (PTO)
N-2274-1-3 and N-2274-2-4

San Joaquin Valley Air Pollution Control District

PERMIT UNIT: N-2274-1-3

EXPIRATION DATE: 09/30/2007

EQUIPMENT DESCRIPTION:

SURFACE COATING OF METAL PARTS AND PRODUCTS OPERATION CONDUCTED WITHIN AN ENCLOSED BUILDING

PERMIT UNIT REQUIREMENTS

1. No air contaminant shall be released into the atmosphere which causes a public nuisance. [District Rule 4102, 4.1]
2. VOC content of any coatings as applied, excluding water and exempt compounds, used for any metal parts or product shall not exceed any of the following limits, except as allowed elsewhere in this permit: baked coating 275 g/l (2.3 lb/gal), air-dried coating: 340 g/l (2.8 lb/gal), air-dried dip coating of steel joists with coating viscosity, as applied, of more than 45.6 centistokes at 78 °F or an average dry-film thickness of greater than 2.0 millimeters: 340 g/l (2.8 lb/gal), air-dried dip coating of steel joists with coating viscosity, as applied, of less than or equal to 45.6 centistokes at 78 °F or an average dry-film thickness of less than or equal to 2.0 millimeters: 400 g/l (3.32 lb/gal). [District Rule 4603, 5.1] Federally Enforceable Through Title V Permit
3. VOC content of baked specialty coatings as applied, excluding water and exempt compounds, used for metal parts or product shall not exceed any of the following limits: camouflage 360 g/l (3.0 lb/gal), extreme performance: 420 g/l (3.5 lb/gal), heat resistant: 360 g/l (3.0 lb/gal), high gloss: 360 g/l (3.0 lb/gal), high performance architectural: 420 g/l (3.5 lb/gal), high temperature: 420 g/l (3.5 lb/gal), metallic topcoat: 360 g/l (3.0 lb/gal), pretreatment wash primer: 420 g/l (3.5 lb/gal), silicone release: 420 g/l (3.5 lb/gal), solar absorbant: 360 g/l (3.0 lb/gal), and solid film lubricant: 880 g/l (7.3 lb/gal). [District Rule 4603, 5.2] Federally Enforceable Through Title V Permit
4. VOC content of air-dried specialty coatings as applied, excluding water and exempt compounds, used for metal parts or product shall not exceed any of the following limits: camouflage 420 g/l (3.5 lb/gal), extreme performance: 420 g/l (3.5 lb/gal), heat resistant: 420 g/l (3.5 lb/gal), high gloss: 420 g/l (3.5 lb/gal), high performance architectural: 420 g/l (3.5 lb/gal), high temperature: 420 g/l (3.5 lb/gal), metallic topcoat: 420 g/l (3.5 lb/gal), pretreatment wash primer: 420 g/l (3.5 lb/gal), silicone release: 420 g/l (3.5 lb/gal), solar absorbant: 420 g/l (3.5 lb/gal), and solid film lubricant: 880 g/l (7.3 lb/gal). [District Rule 4603, 5.2] Federally Enforceable Through Title V Permit
5. Until 11/14/03, VOC content of solvents used shall not exceed any of the following limits: product cleaning during manufacturing process or surface preparation for coating application: 70 g/l (0.58 lb/gal), repair and maintenance cleaning (except, until June 30, 2005, cleaning of ultraviolet lamps used for the curing of ultraviolet coatings): 50 g/l (0.42 lb/gal), and cleaning of coating application equipment: 950 g/l (7.9 lb/gal) and solvent vapor pressure of 35 mm Hg at standard conditions. [District Rule 4603, 5.5.2] Federally Enforceable Through Title V Permit
6. Effective 11/15/03, VOC content of solvents used shall not exceed any of the following limits: product cleaning during manufacturing process or surface preparation for coating application: 50 g/l (0.42 lb/gal), repair and maintenance cleaning (except, until June 30, 2005, cleaning of ultraviolet lamps used for the curing of ultraviolet coatings): 50 g/l (0.42 lb/gal), and cleaning of coating application equipment: 550 g/l (4.6 lb/gal). [District Rule 4603, 5.5.2] Federally Enforceable Through Title V Permit

PERMIT UNIT REQUIREMENTS CONTINUE ON NEXT PAGE

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

7. Cleaning activities that use solvents with a VOC content greater than 50 g/l (0.42 lb/gallon) shall be performed by one or more of the following methods: wipe cleaning; application of solvent from hand-held spray bottles from which solvents are dispensed without a propellant-induced force; non-atomized solvent flow method in which the cleaning solvent is collected in a container or a collection system which is closed except for solvent collection openings and, if necessary, openings to avoid excessive pressure build-up inside the container; or solvent flushing method in which the cleaning solvent is discharged into a container that is closed except for solvent collection openings and, if necessary, openings to avoid excessive pressure build-up inside the container. The discharged solvent from the equipment must be collected into containers without atomizing into the open air. The solvent may be flushed through the system by air or hydraulic pressure, or by pumping. [District Rule 4603, 5.5.7] Federally Enforceable Through Title V Permit
8. The operator shall not use materials with a VOC content greater than 50 g/l (0.42 lb/gallon) for spray equipment clean-up unless an enclosed system or equipment proven to be equally effective is used for cleaning. [District Rule 4603 5.5.9] Federally Enforceable Through Title V Permit
9. All fresh or spent coatings, adhesives, catalysts, thinners and solvents shall be stored in closed containers. Solvent laden cloth or paper shall be stored and disposed in closed non-absorbent containers. [District Rule 4603, 5.5.10] Federally Enforceable Through Title V Permit
10. The operator shall only use high-volume, low-pressure spray coating application equipment for this permitted operation. [District Rule 4603, 5.6] Federally Enforceable Through Title V Permit
11. The Operator shall demonstrate that HVLP guns manufactured prior to 1/1/96 operate between 0.1 and 10 psig air atomizing pressure, by manufacturer's published technical material or by use of a certified air pressure tip gauge. [District Rule 4603, 5.6] Federally Enforceable Through Title V Permit
12. Each container or accompanying data sheet of any coating shall display the maximum VOC content of the coating, as applied, and after any thinning, and manufacturer's thinning recommendation. [District Rule 4603, 6.1] Federally Enforceable Through Title V Permit
13. The operator shall maintain manufacturers' product data sheet or MSDS of coatings and solvents used and a daily record of the following coating and solvent cleaning activities: the volume of coatings and solvents applied, volume coating/solvent mix ratio, solids content of coating applied, VOC content of coating in g/l or lb/gal, VOC content of solvents in g/l or lb/gal used for surface preparation and clean up, the type of cleaning activity for which each solvent is used and the total quantity of VOC emitted in pounds. Record entries shall be initialed by the person making the entry. [District Rules 2520, 9.3.2; 4603, 6.2] Federally Enforceable Through Title V Permit
14. All records shall be retained for a minimum of 5 years, and shall be made available for District inspection upon request. [District Rule 1070 & 2520, 9.4.2] Federally Enforceable Through Title V Permit
15. VOC content of any coating shall be determined through the use of either product formulation data or analysis by EPA Method 24. [District Rule 4603, 6.1 & 6.3] Federally Enforceable Through Title V Permit
16. VOC emissions from beam painting operation shall not exceed 225.8 pounds in any one day. [District NSR Rule] Federally Enforceable Through Title V Permit
17. The permittee shall inspect spray building exhaust stacks weekly for excess visible emissions. The inspection shall include verifying the HVLP spray gun(s) and spray building filter/exhaust equipment are performing normal, designed functions and are being operated according to standard procedures, and per the manufacturer's recommendations. If the equipment is not performing according to design and procedures or if excessive visible emissions are observed from the building exhaust stack, the permittee shall take corrective within 24 hours. If excessive visible emissions cannot be corrected within 24 hours, EPA Method 9, except for data reduction (section 2.5), shall be conducted to determine compliance with 20% facility-wide opacity limit. [District Rule 2520, 9.3.2] Federally Enforceable Through Title V Permit

PERMIT UNIT REQUIREMENTS CONTINUE ON NEXT PAGE

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

18. The permittee shall maintain the following records with regards to spray building exhaust and equipment inspections:
1) date and time of inspection, 2) stack or emission point identification 3) operational status/conditions of spray gun/filter equipment, 4) observed results and conclusions, 5) description of corrective actions taken to resolve any observed excess opacity, 6) date and time opacity problem was resolved, 7) date of Method 9 test and results if conducted, and 8) name of person(s) performing the inspection. [District Rule 2520, 9.3.2] Federally Enforceable Through Title V Permit
19. PM10 emissions from beam painting operation shall not exceed 145.2 pounds in any one day. Compliance with this requirement shall be demonstrated by determining and recording and daily PM10 emissions using the following calculation: (gallons coating applied/day) x (solids content, lb/gal) x .96, PM10 fraction x (1-.75), overspray. [District NSR Rule and District Rule 2520, 9.4.2] Federally Enforceable Through Title V Permit
20. Particulate matter emissions from the building exhaust stacks shall not exceed 0.1 grains/dscf in concentration. [District Rule 4201, 3.1] Federally Enforceable Through Title V Permit

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

San Joaquin Valley Air Pollution Control District

PERMIT UNIT: N-2274-2-4

EXPIRATION DATE: 09/30/2007

EQUIPMENT DESCRIPTION:

SURFACE COATING OF METAL PARTS AND PRODUCTS OPERATION WITH A VP1 AIRLESS CONTINUOUS COATER SERVED BY AN AIRGUARD FILTRATION SYSTEM, A 3.0 MMBTU/HR NATURAL GAS-FIRED CURING TUNNEL, AND A PERMIT EXEMPT 2.1 MMBTU/HR NATURAL GAS-FIRED HEAT TRANSFER SYSTEM

PERMIT UNIT REQUIREMENTS

1. No air contaminant shall be released into the atmosphere which causes a public nuisance. [District Rule 4102, 4.1]
2. No coating shall be used with a VOC content in excess of 240 g/l. VOC content shall be determined as grams of VOC per liter of coating applied (less water and exempt compounds). [District NSR Rule; District Rule 4603, 5.1] Federally Enforceable Through Title V Permit
3. VOC content of solvents used shall not exceed any of the following limits: product cleaning during manufacturing process or surface preparation for coating application: 50 g/l (0.42 lb/gal), repair and maintenance cleaning (except, until June 30, 2005, cleaning of ultraviolet lamps used for the curing of ultraviolet coatings): 50 g/l (0.42 lb/gal), and cleaning of coating application equipment: 550 g/l (4.6 lb/gal). [District Rule 4603, 5.5.2] Federally Enforceable Through Title V Permit
4. Cleaning activities that use solvents with a VOC content greater than 50 g/l (0.42 lb/gallon) shall be performed by one or more of the following methods: wipe cleaning; application of solvent from hand-held spray bottles from which solvents are dispensed without a propellant-induced force; non-atomized solvent flow method in which the cleaning solvent is collected in a container or a collection system which is closed except for solvent collection openings and, if necessary, openings to avoid excessive pressure build-up inside the container; or solvent flushing method in which the cleaning solvent is discharged into a container that is closed except for solvent collection openings and, if necessary, openings to avoid excessive pressure build-up inside the container. The discharged solvent from the equipment must be collected into containers without atomizing into the open air. The solvent may be flushed through the system by air or hydraulic pressure, or by pumping. [District Rule 4603, 5.5.7] Federally Enforceable Through Title V Permit
5. The operator shall not use materials with a VOC content greater than 50 g/l (0.42 lb/gallon) for spray equipment clean-up unless an enclosed system or equipment proven to be equally effective is used for cleaning. [District Rule 4603 5.5.9] Federally Enforceable Through Title V Permit
6. All fresh or spent coatings, adhesives, catalysts, thinners and solvents shall be stored in closed containers. Solvent laden cloth or paper shall be stored and disposed in closed non-absorbent containers. [District Rule 4603, 5.5.10] Federally Enforceable Through Title V Permit
7. The operator shall only use continuous coating application equipment for this permitted operation. [District Rule 4603, 5.6] Federally Enforceable Through Title V Permit
8. Each container or accompanying data sheet of any coating shall display the maximum VOC content of the coating, as applied, and after any thinning, and manufacturer's thinning recommendation. [District Rule 4603, 6.1] Federally Enforceable Through Title V Permit

PERMIT UNIT REQUIREMENTS CONTINUE ON NEXT PAGE
These terms and conditions are part of the Facility-wide Permit to Operate.

San Joaquin Valley Air Pollution Control District

PERMIT UNIT: N-2274-1-3

EXPIRATION DATE: 09/30/2007

EQUIPMENT DESCRIPTION:

SURFACE COATING OF METAL PARTS AND PRODUCTS OPERATION CONDUCTED WITHIN AN ENCLOSED BUILDING

PERMIT UNIT REQUIREMENTS

1. No air contaminant shall be released into the atmosphere which causes a public nuisance. [District Rule 4102, 4.1]
2. VOC content of any coatings as applied, excluding water and exempt compounds, used for any metal parts or product shall not exceed any of the following limits, except as allowed elsewhere in this permit: baked coating 275 g/l (2.3 lb/gal), air-dried coating: 340 g/l (2.8 lb/gal), air-dried dip coating of steel joists with coating viscosity, as applied, of more than 45.6 centistokes at 78 °F or an average dry-film thickness of greater than 2.0 millimeters: 340 g/l (2.8 lb/gal), air-dried dip coating of steel joists with coating viscosity, as applied, of less than or equal to 45.6 centistokes at 78 °F or an average dry-film thickness of less than or equal to 2.0 millimeters: 400 g/l (3.32 lb/gal). [District Rule 4603, 5.1] Federally Enforceable Through Title V Permit
3. VOC content of baked specialty coatings as applied, excluding water and exempt compounds, used for metal parts or product shall not exceed any of the following limits: camouflage 360 g/l (3.0 lb/gal), extreme performance: 420 g/l (3.5 lb/gal), heat resistant: 360 g/l (3.0 lb/gal), high gloss: 360 g/l (3.0 lb/gal), high performance architectural: 420 g/l (3.5 lb/gal), high temperature: 420 g/l (3.5 lb/gal), metallic topcoat: 360 g/l (3.0 lb/gal), pretreatment wash primer: 420 g/l (3.5 lb/gal), silicone release: 420 g/l (3.5 lb/gal), solar absorbant: 360 g/l (3.0 lb/gal), and solid film lubricant: 880 g/l (7.3 lb/gal). [District Rule 4603, 5.2] Federally Enforceable Through Title V Permit
4. VOC content of air-dried specialty coatings as applied, excluding water and exempt compounds, used for metal parts or product shall not exceed any of the following limits: camouflage 420 g/l (3.5 lb/gal), extreme performance: 420 g/l (3.5 lb/gal), heat resistant: 420 g/l (3.5 lb/gal), high gloss: 420 g/l (3.5 lb/gal), high performance architectural: 420 g/l (3.5 lb/gal), high temperature: 420 g/l (3.5 lb/gal), metallic topcoat: 420 g/l (3.5 lb/gal), pretreatment wash primer: 420 g/l (3.5 lb/gal), silicone release: 420 g/l (3.5 lb/gal), solar absorbant: 420 g/l (3.5 lb/gal), and solid film lubricant: 880 g/l (7.3 lb/gal). [District Rule 4603, 5.2] Federally Enforceable Through Title V Permit
5. Until 11/14/03, VOC content of solvents used shall not exceed any of the following limits: product cleaning during manufacturing process or surface preparation for coating application: 70 g/l (0.58 lb/gal), repair and maintenance cleaning (except, until June 30, 2005, cleaning of ultraviolet lamps used for the curing of ultraviolet coatings): 50 g/l (0.42 lb/gal), and cleaning of coating application equipment: 950 g/l (7.9 lb/gal) and solvent vapor pressure of 35 mm Hg at standard conditions. [District Rule 4603, 5.5.2] Federally Enforceable Through Title V Permit
6. Effective 11/15/03, VOC content of solvents used shall not exceed any of the following limits: product cleaning during manufacturing process or surface preparation for coating application: 50 g/l (0.42 lb/gal), repair and maintenance cleaning (except, until June 30, 2005, cleaning of ultraviolet lamps used for the curing of ultraviolet coatings): 50 g/l (0.42 lb/gal), and cleaning of coating application equipment: 550 g/l (4.6 lb/gal). [District Rule 4603, 5.5.2] Federally Enforceable Through Title V Permit

PERMIT UNIT REQUIREMENTS CONTINUE ON NEXT PAGE

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

Appendix II

Emission Factors Determination Calculations

N-2274-1-3:

The VOC emissions factor for each coating is referenced to the material VOC content (as applied) listed on its Material Safety Data Sheet (MSDS) in unit of pound per gallon.

The PM10 emissions factor for each coating is determined base on the solid content listed on its MSDS, the PM10 fraction of 96% (per current permit), and the transfer efficiency of the application equipment of 75% (per STAPPA/ALAPCO Vol. 2, pg. 14-7, 5/30/91).

The physical properties of these coatings are listed in the table below:

Product Name	Product Code	Density (lb/gal)	VOC (less water & exempted compounds) (lb/gal)	VOC (material as applied) (lb/gal)	Solid content (%)
Vanex - Bronze	X407-4275	11.88	2.0	1.8	62.4
Vanex - Red Oxide	X407-6163	11.85	2.0	1.8	61.2
Vanex - Gray	X407-9106	12.10	2.0	1.9	63.2
Vanex - White	X407-1	12.80	2.1	1.9	65.8

The PM10 emissions factors are calculated and listed as follow:

$$EF_{PM_{10}} \text{ (lb/gal)} = \text{Density (lb/gal)} \times \text{Solid Content (\%)} \times \text{PM}_{10} \text{ fraction (\%)} \times (1 - \text{Transfer Efficiency})$$

Product Name	Density (lb/gal)	Solid content (%)	PM ₁₀ fraction (%)	Transfer Efficiency (%)	EF PM ₁₀ (lb/gal)
Vanex - Bronze	11.88	62.4	96	75	1.78
Vanex - Red Oxide	11.85	61.2	96	75	1.74
Vanex - Gray	12.10	63.2	96	75	1.84
Vanex - White	12.80	65.8	96	75	2.02

The VOC and PM10 emissions factors are summarized in the table below:

Product Name	Product Code	EF VOC (lb/gal)	EF PM ₁₀ (lb/gal)
Vanex - Bronze	X407-4275	1.8	1.78
Vanex - Red Oxide	X407-6163	1.8	1.74
Vanex - Gray	X407-9106	1.9	1.84
Vanex - White	X407-1	1.9	2.02

N-2274-2-4:

The VOC emissions factor for each coating is referenced to the material VOC content (as applied) listed on its Material Safety Data Sheet (MSDS) in unit of pound per gallon.

The PM10 emissions factor for each coating is determined based on the solid content listed on its MSDS, the PM10 fraction of 68% (per engineering evaluation N-1041711), the transfer efficiency of the application equipment of 90% (per manufacturer), and the capture efficiency of the filter system of 99% (per manufacturer).

The physical properties of these coatings are listed in the table below:

Product Name	Product Code	Density (lb/gal)	VOC (less water & exempted compounds) (lb/gal)	VOC (material as applied) (lb/gal)	Solid content (%)
Vanex – Bronze	X410-4275	11.25	1.1	0.96	55.3
Vanex – Red Oxide	X410-6163	11.30	1.0	0.94	54.2
Vanex – Gray	X410-9106	11.10	1.1	0.96	53.7
Vanex – White	X410-1	12.45	1.0	0.89	62.9

The PM10 emissions factors are calculated as follow:

$$EF_{PM_{10}} \text{ (lb/gal)} = \text{Density (lb/gal)} \times \text{Solid Content (\%)} \times \text{PM}_{10} \text{ fraction (\%)} \times (1 - \text{Transfer Efficiency}) \times (1 - \text{Control Efficiency})$$

Product Name	Density (lb/gal)	Solid content (%)	PM ₁₀ fraction (%)	Transfer Efficiency (%)	Control Efficiency (%)	EF PM ₁₀ (lb/gal)
Vanex – Bronze	11.25	55.3	68	90	99	0.004
Vanex – Red Oxide	11.30	54.2	68	90	99	0.004
Vanex – Gray	11.10	53.7	68	90	99	0.004
Vanex – White	12.45	62.9	68	90	99	0.005

The VOC and PM10 emissions factors are summarized in the table below:

Product Name	Product Code	EF VOC (lb/gal)	EF PM ₁₀ (lb/gal)
Vanex – Bronze	X410-4275	0.96	0.004
Vanex – Red Oxide	X410-6163	0.94	0.004
Vanex – Gray	X410-9106	0.96	0.004
Vanex – White	X410-1	0.89	0.005

Appendix III

Baseline Period Determination

N-2274-1-3

Surface coating of metal parts and products operation conducted within an enclosed building

Calendar Year	2004	2005	2006	2007	2008	2009
Month/Usage (gal)						
Jan	568	698	1433	1227	1500	316
Feb	1434	424	1384	1043	1387	305
Mar	855	699	1683	1192	1119	76
Apr	1517	593	1532	1511	1572	0
May	733	745	1647	1531	1889	0
June	653	617	1594	1965	1742	0
July	1979	640	1614	1843	1639	0
Aug	2118	984	2203	1938	1341	0
Sept	1555	992	1716	1372	1174	0
Oct	1231	821	2088	2113	946	0
Nov	980	741	1836	1906	202	0
Dec	840	382	1663	1304	1550	0
Total	14463	8336	20393	18945	16061	697

Quarter/Usage (gal)	Quarterly Usage (gal)	8 Quarters Difference
2005 Q1 (Jan - Mar)	1821	
2005 Q2 (Apr - June)	1955	
2005 Q3 (July - Sept)	2616	
2005 Q4 (Oct - Dec)	1944	
2006 Q1 (Jan - Mar)	4500	
2006 Q2 (Apr - June)	4773	
2006 Q3 (July - Sept)	5533	
2006 Q4 (Oct - Dec)	5587	370
2007 Q1 (Jan - Mar)	3462	575
2007 Q2 (Apr - June)	5007	956
2007 Q3 (July - Sept)	5153	1273
2007 Q4 (Oct - Dec)	5323	1696
2008 Q1 (Jan - Mar)	4006	1634
2008 Q2 (Apr - June)	5203	1688
2008 Q3 (July - Sept)	4154	1515
2008 Q4 (Oct - Dec)	2698	1154
2009 Q1 (Jan - Mar)	697	809
2009 Q2 (Apr - June)	0	183
2009 Q3 (July - Sept)	0	461
2009 Q4 (Oct - Dec)	0	1127
Average	3222	

Since this value is the smallest "difference", the 8 consecutive calendar quarter period associated with it (2007-Q3 through 2009-Q2) is assumed to most closely represent "normal" source operation. Therefore, the baseline period is from 2007-Q3 through 2009-Q2.

The values in this column represent the absolute value of the difference between the facility's quarterly usage averaged over the last 5 years since the date the application was submitted (3,222 gal - considered to be "normal" source operation) and the quarterly usage averaged over the previous 8 consecutive calendar quarters starting with 2007-Q3 (application was received October 22, 2009). The smallest "difference" is assumed to be the 8 consecutive calendar quarter period whose averaged production most closely represents "normal" source operation.

For example:
 $809 = \text{ABS}(3,222 - (\text{SUM}(2007\text{-Q2 through } 2009\text{-Q1})/8))$

$183 = \text{ABS}(3,222 - (\text{SUM}(2007\text{-Q3 through } 2009\text{-Q2})/8))$

$461 = \text{ABS}(3,222 - (\text{SUM}(2007\text{-Q4 through } 2009\text{-Q3})/8))$

N-2274-2-4

Surface coating of metal parts and products operation with a VP1 airless continuous coater served by an Airguard filtration system, a 3.0 MMBtu/hr natural gas-fired curing tunnel, and a permit exempt 2.1 MMBtu/hr natural gas-fired heat transfer system

Calendar Year	2004	2005	2006	2007	2008	2009
Month/Usage (gallon)						
Jan	171	490	1077	1095	781	236
Feb	166	682	722	1172	824	139
Mar	1272	972	1801	1056	987	31
Apr	677	961	960	1078	1656	0
May	350	913	953	1003	1641	0
June	794	1084	1387	1279	1736	0
July	131	688	1473	1436	1324	0
Aug	0	621	698	1470	1148	0
Sept	0	380	847	1116	944	0
Oct	0	632	884	1211	861	0
Nov	0	793	1351	758	118	0
Dec	0	790	669	888	750	0
Total	3561	9006	12822	13562	12770	406

Quarter/Usage (gal)	Quarterly Emission (lb)	8 Quarters Difference
2005 Q1 (Jan - Mar)	2144	
2005 Q2 (Apr - June)	2958	
2005 Q3 (July - Sept)	1689	
2005 Q4 (Oct - Dec)	2215	
2006 Q1 (Jan - Mar)	3600	
2006 Q2 (Apr - June)	3300	
2006 Q3 (July - Sept)	3018	
2006 Q4 (Oct - Dec)	2904	300
2007 Q1 (Jan - Mar)	3323	448
2007 Q2 (Apr - June)	3360	498
2007 Q3 (July - Sept)	4022	789
2007 Q4 (Oct - Dec)	2857	870
2008 Q1 (Jan - Mar)	2592	744
2008 Q2 (Apr - June)	5033	960
2008 Q3 (July - Sept)	3416	1010
2008 Q4 (Oct - Dec)	1729	863
2009 Q1 (Jan - Mar)	406	499
2009 Q2 (Apr - June)	0	79
2009 Q3 (July - Sept)	0	424
2009 Q4 (Oct - Dec)	0	781
Average	2428	

Since this value is the smallest "difference", the 8 consecutive calendar quarter period associated with it (2007-Q3 through 2009-Q2) is assumed to most closely represent "normal" source operation. Therefore, the baseline period is from 2007-Q3 through 2009-Q2.

The values in this column represent the absolute value of the difference between the facility's quarterly usage averaged over the last 5 years since the date the application was submitted (2,428 gal - considered to be "normal" source operation) and the quarterly usage averaged over the previous 8 consecutive calendar quarters starting with 2007-Q3 (application was received October 22, 2009). The smallest "difference" is assumed to be the 8 consecutive calendar quarter period whose averaged production most closely represents "normal" source operation.

For example:

$$499 = \text{ABS}(2,428 - (\text{SUM}(2007\text{-Q2 through } 2009\text{-Q1})/8)).$$

$$79 = \text{ABS}(2,428 - (\text{SUM}(2007\text{-Q3 through } 2009\text{-Q2})/8)).$$

$$424 = \text{ABS}(2,428 - (\text{SUM}(2007\text{-Q4 through } 2009\text{-Q3})/8)).$$

Appendix IV

Historical Actual Emissions Calculation

Historical Actual Emissions Calculation

N-2274-1-3

Surface coating of metal parts and products operation conducted within an enclosed building

Quarter 3 - 2007

Material	Product Code	Liquid Usage	Density	Solids Content	PM10 Fraction	Transfer Efficiency	VOC less water & exempts	VOC as applied	Rule Limit	VOC Emissions	PM10 Emissions
		(gal)	(lb/gal)	(% by wt)	(%)	(%)	(lb/gal)	(lb/gal)	(lb/gal)	(lb)	(lb)
Vanex - Bronze	X407-4275	1288	11.88	62.4	96	75	2.0	1.8	2.8	2318	2292
Vanex - Red Oxide	X407-6163	1288	11.85	61.2	96	75	2.0	1.8	2.8	2318	2242
Vanex - Gray	X407-9106	1288	12.10	63.2	96	75	2.0	1.9	2.8	2447	2364
Vanex - White	X407-1	1289	12.80	65.8	96	75	2.1	1.9	2.8	2449	2606
Total										9,533	9,503

Quarter 4 - 2007

Material	Product Code	Liquid Usage	Density	Solids Content	PM10 Fraction	Transfer Efficiency	VOC less water & exempts	VOC as applied	Rule Limit	VOC Emissions	PM10 Emissions
		(gal)	(lb/gal)	(% by wt)	(%)	(%)	(lb/gal)	(lb/gal)	(lb/gal)	(lb)	(lb)
Vanex - Bronze	X407-4275	1330	11.88	62.4	96	75	2.0	1.8	2.8	2394	2366
Vanex - Red Oxide	X407-6163	1331	11.85	61.2	96	75	2.0	1.8	2.8	2396	2317
Vanex - Gray	X407-9106	1331	12.10	63.2	96	75	2.0	1.9	2.8	2529	2443
Vanex - White	X407-1	1331	12.80	65.8	96	75	2.1	1.9	2.8	2529	2690
Total										9,848	9,816

Quarter 1 - 2008

Material	Product Code	Liquid Usage	Density	Solids Content	PM10 Fraction	Transfer Efficiency	VOC less water & exempts	VOC as applied	Rule Limit	VOC Emissions	PM10 Emissions
		(gal)	(lb/gal)	(% by wt)	(%)	(%)	(lb/gal)	(lb/gal)	(lb/gal)	(lb)	(lb)
Vanex - Bronze	X407-4275	2841	11.88	62.4	96	75	2.0	1.8	2.8	5114	5055
Vanex - Red Oxide	X407-6163	14	11.85	61.2	96	75	2.0	1.8	2.8	25	24
Vanex - Gray	X407-9106	980	12.10	63.2	96	75	2.0	1.9	2.8	1862	1799
Vanex - White	X407-1	171	12.80	65.8	96	75	2.1	1.9	2.8	325	346
Total										7,326	7,223

Quarter 2 - 2008

Material	Product Code	Liquid Usage	Density	Solids Content	PM10 Fraction	Transfer Efficiency	VOC less water & exempts	VOC as applied	Rule Limit	VOC Emissions	PM10 Emissions
		(gal)	(lb/gal)	(% by wt)	(%)	(%)	(lb/gal)	(lb/gal)	(lb/gal)	(lb)	(lb)
Vanex - Bronze	X407-4275	3083	11.88	62.4	96	75	2.0	1.8	2.8	5549	5485
Vanex - Red Oxide	X407-6163	108	11.85	61.2	96	75	2.0	1.8	2.8	194	188
Vanex - Gray	X407-9106	1633	12.10	63.2	96	75	2.0	1.9	2.8	3103	2997
Vanex - White	X407-1	379	12.80	65.8	96	75	2.1	1.9	2.8	720	766
Total										9,567	9,436

Quarter 3 - 2008

Material	Product Code	Liquid Usage	Density	Solids Content	PM10 Fraction	Transfer Efficiency	VOC less water & exempts	VOC as applied	Rule Limit	VOC Emissions	PM10 Emissions
		(gal)	(lb/gal)	(% by wt)	(%)	(%)	(lb/gal)	(lb/gal)	(lb/gal)	(lb)	(lb)
Vanex - Bronze	X407-4275	1802	11.88	62.4	96	75	2.0	1.8	2.8	3244	3206
Vanex - Red Oxide	X407-6163	175	11.85	61.2	96	75	2.0	1.8	2.8	315	305
Vanex - Gray	X407-9106	1810	12.10	63.2	96	75	2.0	1.9	2.8	3439	3322
Vanex - White	X407-1	367	12.80	65.8	96	75	2.1	1.9	2.8	697	742
Total										7,695	7,574

Quarter 4 - 2008

Material	Product Code	Liquid Usage	Density	Solids Content	PM10 Fraction	Transfer Efficiency	VOC less water & exempts	VOC as applied	Rule Limit	VOC Emissions	PM10 Emissions
		(gal)	(lb/gal)	(% by wt)	(%)	(%)	(lb/gal)	(lb/gal)	(lb/gal)	(lb)	(lb)
Vanex - Bronze	X407-4275	1166	11.88	62.4	96	75	2.0	1.8	2.8	2099	2074
Vanex - Red Oxide	X407-6163	150	11.85	61.2	96	75	2.0	1.8	2.8	270	261
Vanex - Gray	X407-9106	830	12.10	63.2	96	75	2.0	1.9	2.8	1577	1523
Vanex - White	X407-1	552	12.80	65.8	96	75	2.1	1.9	2.8	1049	1116
Total										4,995	4,975

Quarter 1 - 2009

Material	Product Code	Liquid Usage	Density	Solids Content	PM10 Fraction	Transfer Efficiency	VOC less water & exempts	VOC as applied	Rule Limit	VOC Emissions	PM10 Emissions
		(gal)	(lb/gal)	(% by wt)	(%)	(%)	(lb/gal)	(lb/gal)	(lb/gal)	(lb)	(lb)
Vanex - Bronze	X407-4275	496	11.88	62.4	96	75	2.0	1.8	2.8	893	882
Vanex - Red Oxide	X407-6163	5	11.85	61.2	96	75	2.0	1.8	2.8	9	9
Vanex - Gray	X407-9106	139	12.10	63.2	96	75	2.0	1.9	2.8	264	255
Vanex - White	X407-1	57	12.80	65.8	96	75	2.1	1.9	2.8	108	115
Total										1,274	1,261

Quarter 2 - 2009

Material	Product Code	Liquid Usage	Density	Solids Content	PM10 Fraction	Transfer Efficiency	VOC less water & exempts	VOC as applied	Rule Limit	VOC Emissions	PM10 Emissions
		(gal)	(lb/gal)	(% by wt)	(%)	(%)	(lb/gal)	(lb/gal)	(lb/gal)	(lb)	(lb)
Vanex - Bronze	X407-4275	0	11.88	62.4	96	75	2.0	1.8	2.8	0	0
Vanex - Red Oxide	X407-6163	0	11.85	61.2	96	75	2.0	1.8	2.8	0	0
Vanex - Gray	X407-9106	0	12.10	63.2	96	75	2.0	1.9	2.8	0	0
Vanex - White	X407-1	0	12.80	65.8	96	75	2.1	1.9	2.8	0	0
Total										0	0

Historical Actual Emissions Calculation

N-2274-2-4

Surface coating of metal parts and products operation with a VP1 airless continuous coater served by an Airguard filtration system, a 3.0 MMBtu/hr natural gas-fired curing tunnel, and a permit exempt 2.1 MMBtu/hr natural gas-fired heat transfer system

Quarter 3 - 2007

Material	Product Code	Liquid		Solids Content	PM10 Fraction	Transfer Efficiency	Control Efficiency	VOC		Rule Limit	VOC Emissions	PM10 Emissions
		Usage	Density					less water	as applied & exempts			
		(gal)	(lb/gal)	(% by wt)	(%)	(%)	(%)	(lb/gal)	(lb/gal)	(lb/gal)	(lb)	(lb)
Vanex - Bronze	X410-4275	1005	11.25	55.3	68	90	99	1.1	0.96	2.3	965	4
Vanex - Red Oxide	X410-6163	1005	11.30	54.2	68	90	99	1.0	0.94	2.3	945	4
Vanex - Gray	X410-9106	1006	11.10	53.7	68	90	99	1.1	0.96	2.3	966	4
Vanex - White	X410-1	1006	12.45	62.9	68	90	99	1.0	0.89	2.3	895	5
Total											3,771	18

Quarter 4 - 2007

Material	Product Code	Liquid		Solids Content	PM10 Fraction	Transfer Efficiency	Control Efficiency	VOC		Rule Limit	VOC Emissions	PM10 Emissions
		Usage	Density					less water	as applied & exempts			
		(gal)	(lb/gal)	(% by wt)	(%)	(%)	(%)	(lb/gal)	(lb/gal)	(lb/gal)	(lb)	(lb)
Vanex - Bronze	X410-4275	714	11.25	55.3	68	90	99	1.1	0.96	2.3	685	3
Vanex - Red Oxide	X410-6163	714	11.30	54.2	68	90	99	1.0	0.94	2.3	671	3
Vanex - Gray	X410-9106	714	11.10	53.7	68	90	99	1.1	0.96	2.3	685	3
Vanex - White	X410-1	715	12.45	62.9	68	90	99	1.0	0.89	2.3	636	4
Total											2,678	13

Quarter 1 - 2008

Material	Product Code	Liquid Usage	Density	Solids Content	PM10 Fraction	Transfer Efficiency	Control Efficiency	VOC less water & exempts	VOC as applied	Rule Limit	VOC Emissions	PM10 Emissions
		(gal)	(lb/gal)	(% by wt)	(%)	(%)	(%)	(lb/gal)	(lb/gal)	(lb/gal)	(lb)	(lb)
Vanex - Bronze	X410-4275	2095	11.25	55.3	68	90	99	1.1	0.96	2.3	2011	9
Vanex - Red Oxide	X410-6163	0	11.30	54.2	68	90	99	1.0	0.94	2.3	0	0
Vanex - Gray	X410-9106	497	11.10	53.7	68	90	99	1.1	0.96	2.3	477	2
Vanex - White	X410-1	0	12.45	62.9	68	90	99	1.0	0.89	2.3	0	0
Total											2,488	11

Quarter 2 - 2008

Material	Product Code	Liquid Usage	Density	Solids Content	PM10 Fraction	Transfer Efficiency	Control Efficiency	VOC less water & exempts	VOC as applied	Rule Limit	VOC Emissions	PM10 Emissions
		(gal)	(lb/gal)	(% by wt)	(%)	(%)	(%)	(lb/gal)	(lb/gal)	(lb/gal)	(lb)	(lb)
Vanex - Bronze	X410-4275	3093	11.25	55.3	68	90	99	1.1	0.96	2.3	2969	13
Vanex - Red Oxide	X410-6163	36	11.30	54.2	68	90	99	1.0	0.94	2.3	34	0
Vanex - Gray	X410-9106	1671	11.10	53.7	68	90	99	1.1	0.96	2.3	1604	7
Vanex - White	X410-1	233	12.45	62.9	68	90	99	1.0	0.89	2.3	207	1
Total											4,815	21

Quarter 3 - 2008

Material	Product Code	Liquid Usage	Density	Solids Content	PM10 Fraction	Transfer Efficiency	Control Efficiency	VOC less water & exempts	VOC as applied	Rule Limit	VOC Emissions	PM10 Emissions
		(gal)	(lb/gal)	(% by wt)	(%)	(%)	(%)	(lb/gal)	(lb/gal)	(lb/gal)	(lb)	(lb)
Vanex - Bronze	X410-4275	1896	11.25	55.3	68	90	99	1.1	0.96	2.3	1820	8
Vanex - Red Oxide	X410-6163	0	11.30	54.2	68	90	99	1.0	0.94	2.3	0	0
Vanex - Gray	X410-9106	1365	11.10	53.7	68	90	99	1.1	0.96	2.3	1310	6
Vanex - White	X410-1	155	12.45	62.9	68	90	99	1.0	0.89	2.3	138	1
Total											3,269	14

Quarter 4 - 2008

Material	Product Code	Liquid Usage		Solids Content	PM10 Fraction	Transfer Efficiency	Control Efficiency	VOC		Rule Limit	VOC Emissions	PM10 Emissions
		(gal)	(lb/gal)					(% by wt)	(%)			
Vanex - Bronze	X410-4275	1087	11.25	55.3	68	90	99	1.1	0.96	2.3	1044	5
Vanex - Red Oxide	X410-6163	50	11.30	54.2	68	90	99	1.0	0.94	2.3	47	0
Vanex - Gray	X410-9106	592	11.10	53.7	68	90	99	1.1	0.96	2.3	568	2
Vanex - White	X410-1	0	12.45	62.9	68	90	99	1.0	0.89	2.3	0	0
Total											1,659	7

Quarter 1 - 2009

Material	Product Code	Liquid Usage		Solids Content	PM10 Fraction	Transfer Efficiency	Control Efficiency	VOC		Rule Limit	VOC Emissions	PM10 Emissions
		(gal)	(lb/gal)					(% by wt)	(%)			
Vanex - Bronze	X410-4275	323	11.25	55.3	68	90	99	1.1	0.96	2.3	310	1
Vanex - Red Oxide	X410-6163	0	11.30	54.2	68	90	99	1.0	0.94	2.3	0	0
Vanex - Gray	X410-9106	632	11.10	53.7	68	90	99	1.1	0.96	2.3	607	3
Vanex - White	X410-1	0	12.45	62.9	68	90	99	1.0	0.89	2.3	0	0
Total											917	4

Quarter 2 - 2009

Material	Product Code	Liquid Usage		Solids Content	PM10 Fraction	Transfer Efficiency	Control Efficiency	VOC		Rule Limit	VOC Emissions	PM10 Emissions
		(gal)	(lb/gal)					(% by wt)	(%)			
Vanex - Bronze	X410-4275	0	11.25	55.3	68	90	99	1.1	0.96	2.3	0	0
Vanex - Red Oxide	X410-6163	0	11.30	54.2	68	90	99	1.0	0.94	2.3	0	0
Vanex - Gray	X410-9106	0	11.10	53.7	68	90	99	1.1	0.96	2.3	0	0
Vanex - White	X410-1	0	12.45	62.9	68	90	99	1.0	0.89	2.3	0	0
Total											0	0

Appendix V

Draft Emissions Reductions Credit Certificates

San Joaquin Valley
Air Pollution Control District

Northern Regional Office • 4800 Enterprise Way • Modesto, CA 95356-8718

Emission Reduction Credit Certificate
N1094249-71-1

ISSUED TO: VARCO PRUDEN BUILDINGS, INC.
ISSUED DATE: <DRAFT>
LOCATION OF REDUCTION: 530 S. TEGNER ROAD
TURLOCK, CA 95380

For VOC Reduction In The Amount Of:

Quarter 1	Quarter 2	Quarter 3	Quarter 4
5,404 lbs	6,473 lbs	10,921 lbs	8,632 lbs

Conditions Attached

Method Of Reduction

- Shutdown of Entire Stationary Source
 Shutdown of Emissions Units
 Other

Shutdown the entire facility.

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

Northern Regional Office • 4800 Enterprise Way • Modesto, CA 95356-8718

Emission Reduction Credit Certificate
N1094249-71-4

ISSUED TO: VARCO PRUDEN BUILDINGS, INC.
ISSUED DATE: <DRAFT>
LOCATION OF REDUCTION: 530 S. TEGNER ROAD
TURLOCK, CA 95380

For PM10 Reduction In The Amount Of:

Quarter 1	Quarter 2	Quarter 3	Quarter 4
3,827 lbs	4,258 lbs	7,700 lbs	6,665 lbs

Conditions Attached

Method Of Reduction

- Shutdown of Entire Stationary Source
 Shutdown of Emissions Units
 Other

Shutdown the entire facility.

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