



JUL 20 2010

Mr. Lupe Munoz
E & J Gallo Winery
18000 W. River Road
Livingston, CA 95334

**Re: Proposed ATC / Certificate of Conformity (Significant Mod)
District Facility # N-1237
Project # 1102811**

Dear Mr. Munoz:

Enclosed for your review is the District's analysis of an application for Authority to Construct for the facility identified above. The applicant is requesting that a Certificate of Conformity with the procedural requirements of 40 CFR Part 70 be issued with this project. The proposed ATC authorizes the modification of one 90.0 MMBtu/hr natural gas fired boiler to change the alternate monitoring requirements from weekly readings of the flue gas recirculation (FGR) system valve settings to monthly readings of the exhaust stack NOx and CO emissions with a portable analyzer.

After addressing any EPA comments made during the 45-day comment period, the Authority to Construct will be issued to the facility with a Certificate of Conformity. Prior to operating with modifications authorized by the Authority to Construct, the facility must submit an application to modify the Title V permit as an administrative amendment, in accordance with District Rule 2520, Section 11.5.

If you have any questions, please contact Mr. Jim Swaney, Permit Services Manager, at (559) 230-5900.

Thank you for your cooperation in this matter.

Sincerely,

David Warner
Director of Permit Services

Enclosures

c: Dustin Brown, Permit Services

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



JUL 20 2010

Mike Tollstrup, Chief
Project Assessment Branch
Air Resources Board
P O Box 2815
Sacramento, CA 95812-2815

**Re: Proposed ATC / Certificate of Conformity (Significant Mod)
District Facility # N-1237
Project # 1102811**

Dear Mr. Tollstrup:

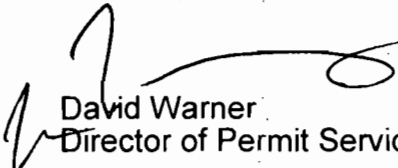
Enclosed for your review is the District's analysis of an application for Authority to Construct for the facility identified above. The applicant is requesting that a Certificate of Conformity with the procedural requirements of 40 CFR Part 70 be issued with this project. The proposed ATC authorizes the modification of one 90.0 MMBtu/hr natural gas fired boiler to change the alternate monitoring requirements from weekly readings of the flue gas recirculation (FGR) system valve settings to monthly readings of the exhaust stack NOx and CO emissions with a portable analyzer.

Enclosed is the engineering evaluation of this application with a copy of the current Title V permit and proposed Authority to Construct # N-1237-3-8 with Certificate of Conformity. After demonstrating compliance with the Authority to Construct, the conditions will be incorporated into the facility's Title V permit through an administrative amendment.

Please submit your written comments on this project within the 30-day comment period that begins on the date you receive this letter. If you have any questions, please contact Mr. Jim Swaney, Permit Services Manager, at (559) 230-5900.

Thank you for your cooperation in this matter.

Sincerely,


David Warner
Director of Permit Services

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JUL 20 2010

Gerardo C. Rios, Chief
Permits Office
Air Division
U.S. EPA - Region IX
75 Hawthorne St.
San Francisco, CA 94105

**Re: Proposed ATC / Certificate of Conformity (Significant Mod)
District Facility # N-1237
Project # 1102811**

Dear Mr. Rios:

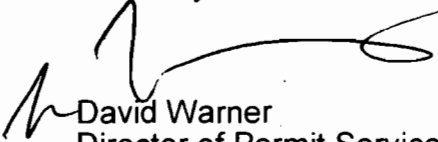
Enclosed for your review is the District's engineering evaluation of an application for Authority to Construct for E & J Gallo Winery located at 18000 W. River Road in Livingston, which has been issued a Title V permit. E & J Gallo Winery is requesting that a Certificate of Conformity, with the procedural requirements of 40 CFR Part 70, be issued with this project. The proposed ATC authorizes the modification of one 90.0 MMBtu/hr natural gas fired boiler to change the alternate monitoring requirements from weekly readings of the flue gas recirculation (FGR) system valve settings to monthly readings of the exhaust stack NOx and CO emissions with a portable analyzer.

Enclosed is the engineering evaluation of this application with a copy of the current Title V permit and proposed Authority to Construct # N-1237-3-8 with Certificate of Conformity. After demonstrating compliance with the Authority to Construct, the conditions will be incorporated into the facility's Title V permit through an administrative amendment.

Please submit your written comments on this project within the 45-day comment period that begins on the date you receive this letter. If you have any questions, please contact Mr. Jim Swaney, Permit Services Manager, at (559) 230-5900.

Thank you for your cooperation in this matter.

Sincerely,



David Warner
Director of Permit Services

Enclosures

c: Dustin Brown, Permit Services

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Executive Director/Air Pollution Control Officer

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**NOTICE OF PRELIMINARY DECISION
FOR THE ISSUANCE OF AUTHORITY TO CONSTRUCT**

NOTICE IS HEREBY GIVEN that the San Joaquin Valley Air Pollution Control District solicits public comment on the proposed modification of E & J Gallo Winery for its winery located at 18000 W. River Road in Livingston, California. The proposed ATC authorizes the modification of one 90.0 MMBtu/hr natural gas fired boiler to change the alternate monitoring requirements from weekly readings of the flue gas recirculation (FGR) system valve settings to monthly readings of the exhaust stack NOx and CO emissions with a portable analyzer.

The District's analysis of the legal and factual basis for this proposed action, project #1102811, is available for public inspection at http://www.valleyair.org/notices/public_notices_idx.htm and the District office at the address below. There are no emission changes associated with this proposed action. This will be the public's only opportunity to comment on the specific conditions of the modification. If requested by the public, the District will hold a public hearing regarding issuance of this modification. For additional information, please contact Mr. Jim Swaney, Permit Services Manager, at (559) 230-5900. Written comments on the proposed initial permit must be submitted within 30 days of the publication date of this notice to DAVID WARNER, DIRECTOR OF PERMIT SERVICES, SAN JOAQUIN VALLEY AIR POLLUTION CONTROL DISTRICT, 1990 E. GETTYSBURG AVE, FRESNO, CA 93726-0244.

**San Joaquin Valley
Air Pollution Control District
Authority to Construct**

Modification of Natural Gas-Fired Boiler Alternate Monitoring Requirements

Facility Name:	E & J Gallo Winery	Date:	July 9, 2010
Mailing Address:	18000 W. River Road Livingston, CA 95334	Engineer:	Dustin Brown
Contact Person:	Lupe Munoz	Lead Engineer:	Joven Refuerzo
Telephone:	(209) 341-6211		
Fax:	(559) 458-5937		
Application #(s):	N-1237-3-8		
Project #:	1102811		
Deemed Complete:	June 30, 2010		

I. PROPOSAL

E & J Gallo Winery requests an Authority to Construct (ATC) permit for the modification of one 90.0 MMBtu/hr natural gas fired boiler at its wine production facility located in Livingston, CA (existing PTO N-1237-3-7 included in Attachment A). The applicant is proposing to modify the alternate monitoring scheme the boiler follows by changing from weekly readings of the flue gas recirculation (FGR) system valve settings to monthly readings of the exhaust stack NO_x and CO emissions using a District approved portable analyzer.

E & J Gallo Winery received their Title V Permit on July 31, 2000. This modification can be classified as a Title V significant modification pursuant to Rule 2520, Sections 3.20 and 3.29, and can be processed with a Certificate of Conformity (COC). Since the facility has specifically requested that this project be processed in that manner, the 45-day EPA comment period will be satisfied prior to the issuance of the Authority to Construct. E & J Gallo Winery must apply to administratively amend their Title V Operating Permit to include the requirements of the ATC issued with this project.

II. APPLICABLE RULES

District Rule 2201	New and Modified Stationary Source Review Rule (12/18/08)
District Rule 2520	Federally Mandated Operating Permits (6/21/01)
District Rule 4001	New Source Performance Standards (4/14/99)
District Rule 4101	Visible Emissions (2/17/05)
District Rule 4102	Nuisance (12/17/92)
District Rule 4201	Particulate Matter Concentration (12/17/92)
District Rule 4301	Fuel Burning Equipment (12/17/92)
District Rule 4304	Equipment Tuning Procedure for Boilers, Steam Generators and Process Heaters (10/19/95)

District Rule 4305 Boilers, Steam Generators and Process Heaters – Phase 2 (8/21/03)
District Rule 4306 Boilers, Steam Generators and Process Heaters – Phase 3 (10/16/08)
District Rule 4320 Advanced Emission Reduction Options for Boilers, Steam Generators,
and Process Heaters Greater than 5.0 MMBtu/hr (10/16/08)
District Rule 4351 Boilers, Steam Generators and Process Heaters – Phase 1 (08/21/03)
District Rule 4801 Sulfur Compounds (12/17/92)
CH&SC 41700 Health Risk Assessment
CH&SC 42301.6 School Notice
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

This facility is located at 18000 W. River Road in Livingston, CA.

Pursuant to California Health and Safety Code Section 42301.6, an application for a permit to construct or to modify a source which emits hazardous air emissions, which source is located within 1,000 feet from the outer boundary of a K-12 school site, the air pollution control officer shall prepare a public notice in which the proposed modification for which the application for a permit is fully described. The proposed project location is not within 1,000 feet of the outer boundary of a K-12 school site. Therefore, the public noticing requirement of California Health and Safety Code 42301.6 does not apply.

IV. PROCESS DESCRIPTION

E & J Gallo Winery operates this natural gas-fired boiler to provide heat and steam for their wine production operations at this location. The facility is requesting to modify the alternate monitoring requirements used in demonstrating ongoing compliance with District Rule 4306 from weekly readings of the FGR valve settings to monthly readings of the exhaust stack NO_x and CO emission readings using a District approved portable analyzer. No other changes to the operations at this facility will occur as a part of this project.

V. EQUIPMENT LISTING

Pre-Project Equipment Description:

N-1237-3-7:

90 MMBTU/HR NATURAL GAS-FIRED NEBRASKA MODEL NS-E63 BOILER WITH A TODD COMBUSTION MODEL SV545FGX LOW NOX BURNER AND FLUE GAS RECIRCULATION (FGR) SYSTEM

ATC Equipment Description:

N-1237-3-8:

MODIFICATION OF 90 MMBTU/HR NATURAL GAS-FIRED NEBRASKA MODEL NS-E63 BOILER WITH A TODD COMBUSTION MODEL SV545FGX LOW NOX BURNER AND FLUE GAS RECIRCULATION (FGR) SYSTEM: CHANGE ALTERNATE MONITORING SCHEME FROM FGR SETTINGS ON A WEEKLY BASIS TO NOX AND CO MONITORING AT LEAST ONCE PER MONTH WITH A PORTABLE ANALYZER

Post Project Equipment Descriptions:

N-1237-3-8:

90 MMBTU/HR NATURAL GAS-FIRED NEBRASKA MODEL NS-E63 BOILER WITH A TODD COMBUSTION MODEL SV545FGX LOW NOX BURNER AND FLUE GAS RECIRCULATION (FGR) SYSTEM

VI. EMISSION CONTROL TECHNOLOGY EVALUATION

Low-NO_x burners reduce NO_x formation by producing lower flame temperatures (and longer flames) than conventional burners. Conventional burners thoroughly mix all the fuel and air in a single stage just prior to combustion, whereas low-NO_x burners delay the mixing of fuel and air by introducing the fuel (or sometimes the air) in multiple stages. Generally, in the first combustion stage, the air-fuel mixture is fuel rich. In a fuel rich environment, all the oxygen will be consumed in reactions with the fuel, leaving no excess oxygen available to react with nitrogen to produce thermal NO_x. In the secondary and tertiary stages, the combustion zone is maintained in a fuel-lean environment. The excess air in these stages helps to reduce the flame temperature so that the reaction between the excess oxygen with nitrogen is minimized.

Use of flue gas re-circulation (FGR) can reduce nitrogen oxides (NO_x) emissions by 60% to 70%. In an FGR system, a portion of the flue gas is re-circulated back to the inlet air. As flue gas is composed mainly of nitrogen and the products of combustion, it is much lower in oxygen than the inlet air and contains virtually no combustible hydrocarbons to burn. Thus, flue gas is practically inert. The addition of an inert mass of gas to the combustion reaction serves to absorb heat without producing heat, thereby lowering the flame temperature. Since thermal NO_x is formed by high flame temperatures, the lower flame temperatures produced by FGR serve to reduce thermal NO_x.

VII. GENERAL CALCULATIONS

As discussed in Section VIII of this document, the proposed changes are not subject to the requirements of District Rule 2201. Therefore, formal calculations for Rule 2201 (e.g. BACT, offset, public notification, and SB288 major modification) are not required. However, daily and annual potential to emit (PE) calculations will be performed for reference purposes only and in order to complete the emission profiles in the District's permit database for this particular operation.

A. Assumptions

- This unit shall only be fired on PUC regulated natural gas (current permit)
- The maximum operating schedule for this boiler is 24 hours per day
- Annual pre-project and post-project potential to emit is calculated based on an annual heat input limit of 30 billion Btu's (current permit limit, no proposed change)
- Natural Gas Heating Value: 1,000 Btu/scf (District Practice)
- F-Factor for Natural Gas: 8,578 dscf/MMBtu corrected to 60°F (40 CFR 60, Appendix B)

B. Emission Factors

Pre-Project Emission Factors (EF1):

For these units, the pre-project emission factors are listed in the table below.

Pollutant	Pre-Project Emission Factors (EF1)		Source
NO _x	0.036 lb-NO _x /MMBtu	30 ppmvd NO _x (@ 3%O ₂)	Current Permit
CO	0.148 lb-CO/MMBtu	200 ppmvd NO _x (@ 3%O ₂)	Current Permit
VOC	0.0028 lb-VOC/MMBtu	N/A	Current Permit
PM ₁₀	0.005 lb-PM ₁₀ /MMBtu	N/A	Current Permit
SO _x	0.00285 lb-SO _x /MMBtu	N/A	District Policy APR 1720

Post-Project Emission Factors (EF2):

The applicant is not proposing any changes to the emission factors of this boiler. Therefore, the post project emission factors will be set equal to the pre-project emission factors listed above and no further discussion is required.

C. Calculations

1. Pre-Project Potential to Emit (PE1)

Daily PE (PE1):

The boiler has the potential to burn natural gas for an entire day. Therefore, the NO_x, CO, VOC, PM₁₀ and SO_x daily PE values will be calculated using the emission factors listed above, the heat input rating of the burner and the maximum hours of operation during any given day.

$$\text{Daily PE (lb/day)} = \text{EF (lb/MMBtu)} \times \text{Burner Rating (MMBtu/hr)} \times 24 \text{ (hr/day)}$$

Pollutant	Emission Factor (lb/MMBtu)	Burner Rating (MMBtu/hr)	Operating Hours (hr/day)	Daily PE (lb/day)
NO _x	0.036	90.0	24	77.8
CO	0.148	90.0	24	319.7
VOC	0.0028	90.0	24	6.0
PM ₁₀	0.005	90.0	24	10.8
SO _x	0.00285	90.0	24	6.2

Annual PE1:

The current permit limits the annual heat input for this boiler to 30 billion Btu's. Therefore, the NO_x, CO, VOC, PM₁₀ and SO_x annual PE values will be calculated using the emission factors listed above and the maximum annual heat input limit.

Annual PE (lb/year) = EF (lb/MMBtu) x Annual Heat Input (MMBtu/year)

Pollutant	Emission Factor (lb/MMBtu)	Annual Heat Input (MMBtu/year)	Annual PE (lb/year)
NO _x	0.036	30,000	1,080
CO	0.148	30,000	4,440
VOC	0.0028	30,000	84
PM ₁₀	0.005	30,000	150
SO _x	0.00285	30,000	86

2. Post-Project Potential to Emit (PE2)

E & J Gallo Winery is not proposing to change any of the existing emission factors or hours of operation for this operations along with the proposed alternate monitoring modifications. Therefore, the post project PE values will be set equal to the pre-project PE values calculated above and no further calculations are required.

3. 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. Since the proposed changes are not subject to District Rule 2201 and the applicant has not proposed to modify their existing emission factors or change the operating schedule of this boiler, the QNEC will be set equal to zero for each pollutant and no further calculations are required.

VIII. COMPLIANCE

District Rule 2201 New and Modified Stationary Source Review Rule

Per Section 2.0, this rule shall apply to all new stationary sources and all modifications to existing stationary sources which are subject to the District permit requirements and after construction emit or may emit one or more affected pollutants.

E & J Gallo Winery is an existing stationary source which is subject to District permit requirements. Per Section, 3.25, a modification to an existing stationary source is defined as an action including at least one of the following items:

- Any change in hours of operation, production rate, or method of operation of an existing emissions unit, which would necessitate a change in permit conditions.
- Any structural change or addition to an existing emissions unit which would necessitate a change in permit conditions. Routine replacement shall not be considered to be a structural change.
- An increase in emissions from an emissions unit caused by a modification of the Stationary Source when the emissions unit is not subject to a daily emissions limitation.
- Addition of any new emissions unit which is subject to District permitting requirements.
- A change in a permit term or condition proposed by an applicant to obtain an exemption from an applicable requirement to which the source would otherwise be subject.

E & J Gallo Winery is proposing to modify the alternate monitoring requirements on one 90.0 MMBtu/hr Nebraska natural gas fired boiler from weekly readings of the FGR valve settings to monthly readings of the NO_x and CO emissions using a District approved portable analyzer. The proposed change is not a change in hours of operation, production rate, or method of operation and is not a structural change which would necessitate a change in permit conditions. There are no new emission units associated with this project and the changes do not result in an increase in emissions. The facility has not proposed a change in a permit term or condition to obtain an exemption from an applicable requirement to which the source would otherwise be subject. Therefore, the proposed changes do not meet the definition of a modification as shown above and the requirements of this rule are not applicable for the purposes of this project.

District Rule 2520 Federally Mandated Operating Permits

This facility is subject to this Rule, and has received their Title V Operating Permit. Per Section 3.2, an administrative amendment of a Title V permit is defined as an amendment that:

- Corrects typographical errors;
- Identifies a change in the name, address, or phone number of any person identified in the permit, or provides a similar minor administrative change at the source;
- Requires more frequent monitoring or reporting by the permittee; or
- Allows for a change in ownership or operational control of a source where the District determines that no other change in the permit is necessary, provided that a written agreement containing a specific date for transfer of permit responsibility, coverage, and liability between the current and new permittee has been submitted to the District; and
- Incorporates other applicable requirements which the EPA has determined as part of an approved part 70 program to be similar to those in Sections 3.2.1 through 3.2.4;
- Incorporates requirements from an Authority to Construct for a new or modified emissions unit pursuant to the provisions of District Rule 2201 (New and Modified Stationary Source Review) provided that a certificate of conformity with procedural requirements of 40 CFR part 70 has been issued in conjunction with the Authority to Construct.

Per Section 3.20, minor modifications of a Title V permit are defined as modifications that:

- Do not violate requirements of any applicable federally enforceable local or federal regulations;
- Do not relax monitoring, reporting, or recordkeeping requirements in the permit and are not significant changes in existing monitoring permit terms or conditions;
- Do not require or change a case-by-case determination of an emission limitation or other standard, or a source-specific determination for temporary sources of ambient impacts, or a visibility or increment analysis;
- Do not seek to establish or change a permit term or condition for which there is no corresponding underlying applicable requirement and that the source has assumed to avoid an applicable requirement to which the source would otherwise be subject.
- Are not Title I modifications as defined in this rule, or modifications as defined in section 111 or 112 of the Federal Clean Air Act, or major modifications under the prevention of significant deterioration (PSD) provisions of Title I of the CAA or under EPA PSD regulations; and
- Do not seek to consolidate overlapping applicable requirements.

Per Section 3.29, significant modifications of a Title V permit are defined as modifications that:

- Permit amendments that do not qualify as minor permit modifications or as administrative amendments.

E & J Gallo Winery is proposing to relax the alternate monitoring requirements on this boiler from weekly FGR valve setting readings to monthly readings of the exhaust stack NO_x and CO emissions with a District approved portable analyzer. Therefore, the proposed modification is a Significant Modification to the Title V Permit pursuant to Sections 3.2, 3.20 and 3.29 of this rule. As discussed above, the facility has applied for a Certificate of Conformity (COC); therefore, the facility must apply to modify their Title V permit with an administrative amendment, prior to operating with the proposed modifications. The following conditions will be included on the ATC to ensure compliance with this requirement:

- This Authority to Construct serves as a written certificate of conformity with the procedural requirements of 40 CFR 70.7 and 70.8 and with the compliance requirements of 40 CFR 70.6(c). [District NSR Rule]
- Prior to operating with modifications authorized by this Authority to Construct, the facility shall submit an application to modify the Title V permit with an administrative amendment in accordance with District Rule 2520 Section 5.3.4. [District Rule 2520, 5.3.4]

District Rule 4001 New Source Performance Standards

40 CFR Part 60, Subpart Dc applies to Small Industrial-Commercial-Industrial Steam Generators between 10 MMBtu/hr and 100 MMBtu/hr (post-6/9/89 construction, modification or, reconstruction).

40 CFR Part 60, Subpart A, section 14, defines the meaning of modification to which the standards are applicable. §60.14, paragraph (e)(5) states that the following will not be considered as a modification: *"the addition or use of any system or device whose primary function is the reduction of air pollutants, except when an emission control system is removed or replaced by a system which the Administrator determines to be less environmentally beneficial"*.

No newly constructed or reconstructed units are proposed in this project. Since the applicant is only proposing to modify alternate monitoring conditions that are used to demonstrate compliance with District Rule 4306, this project does not meet the definition of a modification (as described above). Therefore, the requirements of these sections do not apply to these units.

District Rule 4101 Visible Emissions

District Rule 4101, Section 5.0, indicates 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 dark or darker than Ringelmann 1 or equivalent to 20% opacity. Compliance with the requirements of this rule is ensured by the following condition, currently located on the facility wide permit for this facility:

- No air contaminants shall be discharged into the atmosphere for a period or periods aggregating more than 3 minutes in any one hour which is as dark or darker than Ringelmann #1 or equivalent to 20% opacity and greater, unless specifically exempted by District Rule 4101, by using EPA method 9. If the equipment or operation is subject to a more stringent visible emission standard as prescribed in a permit condition, the more stringent visible emission limit shall supersede this condition. [District Rule 4101]

Therefore, compliance with District Rule 4101 requirements is expected.

District Rule 4102 Nuisance

Section 4.0 prohibits discharge of air contaminants, which could cause injury, detriment, nuisance or annoyance to the public. Public nuisance conditions are not expected as a result of these operations, provided the equipment is well maintained. Therefore, compliance with this rule is expected. Compliance with the requirements of this rule is ensured by the following condition, currently located on the facility wide permit for this facility:

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

California Health & Safety Code 41700 (Health Risk Analysis)

As demonstrated above, there are no increases in emissions associated with this project, therefore there is no increase in health risk. Therefore, a new health risk assessment is not necessary for this facility and project and no further discussion is required.

District Rule 4201 Particulate Matter Concentration

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

F-Factor for NG:	8,578 dscf/MMBtu at 60 °F	
PM ₁₀ Emission Factor:	0.005 lb-PM ₁₀ /MMBtu	
Percentage of PM as PM ₁₀ in Exhaust:	100%	
Exhaust Oxygen (O ₂) Concentration:	3%	
Excess Air Correction to F Factor	20.9	= 1.17
=		$\frac{20.9 - 3}{(20.9 - 3)}$

$$GL = \left(\frac{0.005 \text{ lb-PM}}{\text{MMBtu}} \times \frac{7,000 \text{ grain}}{\text{lb-PM}} \right) / \left(\frac{8,578 \text{ ft}^3}{\text{MMBtu}} \times 1.17 \right)$$

$$GL = 0.0034 \text{ grain/dscf} < 0.1 \text{ grain/dscf}$$

Therefore, compliance with District Rule 4201 requirements is expected and the following condition will be placed on the ATC and PTO to ensure continued compliance with this rule:

- Particulate matter emissions shall not exceed 0.1 grain/dscf at operating conditions, nor 0.1 grain/dscf calculated to 12% CO₂, nor 10 lb/hr. [District Rule 4201 and District Rule 4301, 5.1 and 5.2.3]

District Rule 4301 Fuel Burning Equipment

This rule specifies maximum emission rates in lb/hr for SO₂, NO₂, and combustion contaminants (defined as total PM in Rule 1020). This rule also limits combustion contaminants to ≤ 0.1 gr/scf. According to AP 42 (Table 1.4-2, footnote c), all PM emissions from natural gas combustion are less than 1 μm in diameter.

District Rule 4301 Limits			
Pollutant	NO₂	Total PM	SO₂
ATC #N-1237-3-8 (lb/hr)	3.24	0.45	0.26
Rule Limit (lb/hr)	140	10	200

The above table indicates compliance with the maximum lb/hr emissions in this rule; therefore, continued compliance is expected.

District Rule 4304 - Equipment Tuning Procedure for Boilers, Steam Generators and Process Heaters

Pursuant to Rules 4305 and 4306, Section 6.3.1, the boiler is not required to tune since it follows a District approved Alternate Monitoring scheme where the applicable emission limits are periodically monitored. Therefore, the unit is not subject to this rule and no further discussion is required.

District Rule 4305 Boilers, Steam Generators and Process Heaters – Phase 2

This unit is natural gas-fired with a maximum heat input of 90.0 MMBtu/hr. Pursuant to Section 2.0 of District Rule 4305, these units are subject to District Rule 4305, *Boilers, Steam Generators and Process Heaters – Phase II*.

In addition, this unit is also subject to District Rule 4306, *Boilers, Steam Generators and Process Heaters – Phase III*.

The emissions limits of District Rule 4306, and all other requirements are equivalent or more stringent than the District Rule 4305 requirements. Therefore, compliance with District Rule 4306 requirements will demonstrate ongoing compliance with the requirements of District Rule 4305.

Conclusion

Therefore, compliance with District Rule 4305 requirements is expected and no further discussion is required.

District Rule 4306 Boilers, Steam Generators and Process Heaters – Phase 3

This unit is natural gas-fired with a maximum heat input of 90.0 MMBtu/hr. Pursuant to Section 2.0, this unit is subject to the requirements of this rule.

Section 5.1, NO_x and VOC Emissions Limits

Section 5.1.1 requires that except for units subject to Sections 5.2, NO_x and carbon monoxide (CO) emissions shall not exceed the limits specified in the following table. All ppmv emission limits specified in this section are referenced at dry stack gas conditions and 3.00 percent by volume stack gas oxygen. Emission concentrations shall be corrected to 3.00 percent oxygen in accordance with Section 8.1.

With an annual maximum heat input of 30 billion Btu's, the applicable emission limit category is listed in Section 5.1.1, Table 1, Category H, from District Rule 4306.

Category	Operated on gaseous fuel		Operated on liquid fuel	
	NO _x Limit	CO Limit	NO _x Limit	CO Limit
H. Units limited by a Permit to Operate to an annual heat input of 9 billion Btu/yr to 30 billion Btu/yr	30 ppmv or 0.036 lb/MMBtu	400 ppmv	40 ppmv or 0.052 lb/MMBtu	400 ppmv

The applicant is proposing to operate this boiler with NO_x emissions of 30 ppmv @ 3% O₂ and CO emissions of 200 ppmv @ 3% O₂. Therefore, compliance with Section 5.1 is expected. Refer to Section VIII.D above for the conditions that will be placed on the ATC's and PTO's to ensure continued compliance with these emission limits.

Section 5.2, Low Use

This unit's annual heat input will exceed the 9 billion Btu heat input per calendar year criteria limit addressed by this section. Since the unit is not subject to Section 5.2, the requirements of this section do not apply to the unit.

Section 5.3, Start-up and Shutdown

The current permit for this boiler does not contain any provisions for startup and shutdowns. In addition, the applicant has not request to add any provisions for startup and shutdown to this permit as a part of this project. Therefore, the requirements of this section will not be addressed for this unit and no further discussion is required.

Section 5.4, Monitoring Provisions

Pursuant to Section 5.4.2, the owner of any unit with NO_x reduction technology shall either install and maintain continuous emissions monitoring equipment for NO_x, CO and oxygen, as identified in Rule 1080 (Stack Monitoring), or install and maintain APCO approved alternate monitoring. For the purpose of compliance with the emission monitoring requirements, the applicant is proposing to monitor the NO_x, CO and O₂ concentrations at least once per month with a District approved portable analyzer. Therefore, the following conditions will be placed on the ATC's and PTO's to ensure continued compliance with the monitoring requirements:

- The permittee shall monitor and record the stack concentration of NO_x, CO, and O₂ at least once every month (in which a source test is not performed) using a portable emission monitor that meets District specifications. Monitoring shall not be required if the unit is not in operation, i.e. the unit need not be started solely to perform monitoring. Monitoring shall be performed within 5 days of restarting the unit unless monitoring has been performed within the last month. [District Rules 4305 and 4306]
- If either the NO_x or CO concentrations corrected to 3% O₂, as measured by the portable analyzer, exceed the allowable emissions concentration, the permittee shall return the emissions to within the acceptable range as soon as possible, but no longer than 1 hour of operation after detection. If the portable analyzer readings continue to exceed the allowable emissions concentration after 1 hour of operation after detection, the permittee shall notify the District within the following 1 hour and conduct a certified source test within 60 days of the first exceedance. In lieu of conducting a source test, the permittee may stipulate a violation has occurred, subject to enforcement action. The permittee must then correct the violation, show compliance has been re-established, and resume monitoring procedures. If the deviations are the result of a qualifying breakdown condition pursuant to Rule 1100, the permittee may fully comply with Rule 1100 in lieu of the performing the notification and testing required by this condition. [District Rules 4305 and 4306]
- The permittee shall maintain records of: (1) the date and time of NO_x, CO, and O₂ measurements, (2) the O₂ concentration in percent and the measured NO_x and CO concentrations corrected to 3% O₂, (3) make and model of exhaust gas analyzer, (4) exhaust gas analyzer calibration records, and (5) a description of any corrective action taken to maintain the emissions within the acceptable range. [District Rules 4305 and 4306]

Since the unit is not subject to the requirements listed in Section 5.2.1 or 5.2.2, it is not subject to Section 5.4.3 requirements.

Pursuant to Section 5.4.4, the operator of any Category H unit listed in Section 5.1.1 shall install and maintain an operational non-resettable, totalizing mass or volumetric flow meter in each fuel line to each unit. Volumetric flow measurements shall be periodically compensated for temperature and pressure. A master meter, which measures fuel to all units in a group of similar units, may satisfy these requirements if approved by the APCO in writing. The cumulative annual fuel usage may be verified from utility service meters, purchase or tank fill records, or other acceptable methods, as approved by the APCO.

To comply with the requirements of Section 5.4.4, the following conditions will appear on each permit:

- A non-resettable, totalizing mass or volumetric fuel flow meter to measure the amount of natural gas combusted in the unit shall be installed, utilized and maintained. [District NSR Rule and District Rules 4305, and 4306]

Section 5.5, Compliance Determination

Section 5.5.1 requires that the operator of any unit shall have the option of complying with either the applicable heat input (lb/MMBtu) emission limits or the concentration (ppmv) emission limits specified in Section 5.1. The emission limits selected to demonstrate compliance shall be specified in the source test proposal pursuant to Rule 1081 (Source Sampling). Therefore, the following condition will be placed on the ATC and PTO to ensure continued compliance with this requirement:

- The source test plan shall identify which fuel the source test is going to be performed on and the basis (ppmv or lb/MMBtu) that will be used to demonstrate compliance. [District Rules 4305 and 4306]

Section 5.5.2 requires that all emissions measurements shall be made with the unit operating either at conditions representative of normal operations or conditions specified in the Permit to Operate. No determination of compliance shall be established within two hours after a continuous period in which fuel flow to the unit is shut off for 30 minutes or longer, or within 30 minutes after a re-ignition as defined in Section 3.0. Therefore, the following condition will be placed on the ATC and PTO to ensure continued compliance with the requirements of this section:

- All emissions measurements shall be made with the unit operating either at conditions representative of normal operations or conditions specified in the Permit to Operate. No determination of compliance shall be established within two hours after a continuous period in which fuel flow to the unit is shut off for 30 minutes or longer, or within 30 minutes after a re-ignition as defined in Section 3.0 of District Rule 4306. [District Rules 4305 and 4306]

Section 5.5.4 requires that for emissions monitoring pursuant to Sections 5.4.2, 5.4.2.1, and 6.3.1 using a portable NO_x analyzer as part of an APCO approved Alternate Emissions Monitoring System, emission readings shall be averaged over a 15 consecutive-minute period by either taking a cumulative 15-consecutive-minute sample reading or by taking at least five (5) readings evenly spaced out over the 15-consecutive-minute period.

Since the applicant is proposing to use a portable analyzer to satisfy the monitoring requirements of District Rule 4306, the following permit condition will be listed on the permit as follows:

- All alternate monitoring parameter emission readings shall be taken with the unit operating either at conditions representative of normal operations or conditions specified in the permit-to-operate. The analyzer shall be calibrated, maintained, and operated in accordance with the manufacturer's specifications and recommendations or a protocol approved by the APCO. Emission readings taken shall be averaged over a 15 consecutive-minute period by either taking a cumulative 15 consecutive-minute sample reading or by taking at least five (5) readings, evenly spaced out over the 15 consecutive-minute period. [District Rules 4305 and 4306]

Section 5.5.5 requires that for emissions source testing performed pursuant to Section 6.3.1 for the purpose of determining compliance with an applicable standard or numerical limitation of this rule, the arithmetic average of three (3) 30-consecutive-minute test runs shall apply. If two (2) of three (3) runs are above an applicable limit the test cannot be used to demonstrate compliance with an applicable limit. Therefore, the following condition will be placed on the ATC and PTO to ensure continued compliance with the requirements of this section:

- For emissions source testing, the arithmetic average of three 30-consecutive-minute test runs shall apply. If two of three runs are above an applicable limit the test cannot be used to demonstrate compliance with an applicable limit. [District Rules 4305 and 4306]

Section 6.1, Recordkeeping

Section 6.1 requires that the records required by Sections 6.1.1 through 6.1.3 shall be maintained for five calendar years and shall be made available to the APCO upon request. Failure to maintain records or information contained in the records that demonstrate noncompliance with the applicable requirements of this rule shall constitute a violation of this rule. The following condition will be placed on the ATC and PTO to ensure continued compliance with this recordkeeping requirement:

- 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 NSR Rule, District Rules 4305, 4306, and 2520, 9.4.2]

Section 6.1.2 requires that the operator of a unit subject to Section 5.2 shall record the amount of fuel use at least on a monthly basis. The following condition will be placed on the ATC and PTO to ensure continued compliance with this recordkeeping requirement:

- Records of monthly and annual heat input of the unit shall be maintained. [District NSR Rule and District Rules 4305 and 4306]

Section 6.1.3 requires that the operator of a unit subject to Section 5.2.1 or 6.3.1 shall maintain records to verify that the required tune-up and the required monitoring of the operational characteristics have been performed. The unit is not subject to the requirements of Sections 5.2.1 or 6.3.1. Therefore, the requirements of this section do not apply to the unit and no further discussion is required.

Section 6.1.4 requires that the operator performing start-up or shutdown of a unit shall keep records of the duration of each start-up or shutdown. As discussed above, this unit is subject to the startup and shutdown requirements of of this rule. Therefore, the requirements of this section do not apply to the unit and no further discussion is required.

Section 6.2, Test Methods

Section 6.2 identifies the following test methods as District-approved source testing methods for the pollutants listed:

Pollutant	Units	Test Method Required
NO _x	ppmv	EPA Method 7E or ARB Method 100
NO _x	lb/MMBtu	EPA Method 19
CO	ppmv	EPA Method 10 or ARB Method 100
Stack Gas O ₂	%	EPA Method 3 or 3A, or ARB Method 100
Stack Gas Velocities	ft/min	EPA Method 2
Stack Gas Moisture Content	%	EPA Method 4

The following permit conditions will be listed on the ATC and PTO as follows:

- Source testing shall be conducted using the methods and procedures approved by the District. The District must be notified at least 30 days prior to any compliance source test, and a source test plan must be submitted for approval at least 15 days prior to testing. [District Rule 1081]
- NO_x emissions for source test purposes shall be determined using EPA Method 7E or ARB Method 100 on a ppmv basis, or EPA Method 19 on a heat input basis. [District Rules 4305 and 4306]

- CO emissions for source test purposes shall be determined using EPA Method 10 or ARB Method 100. [District Rules 4305 and 4306]
- Stack gas oxygen (O₂) shall be determined using EPA Method 3 or 3A or ARB Method 100. [District Rules 4305 and 4306]

Section 6.3, Compliance Testing

Section 6.3.1 requires that this unit be tested to determine compliance with the applicable requirements of section 5.1 and 5.2.3 not less than once every 12 months. Upon demonstrating compliance on two consecutive compliance source tests, the following source test may be deferred for up to thirty-six months.

The following permit conditions will be placed on the ATC's and PTO's to ensure continued compliance with the requirements of this section:

- Source testing to measure natural gas-combustion NO_x and CO emissions from this unit shall be conducted at least once every twelve (12) months. After demonstrating compliance on two (2) consecutive annual source tests, the unit shall be tested not less than once every thirty-six (36) months. If the result of the 36-month source test demonstrates that the unit does not meet the applicable emission limits, the source testing frequency shall revert to at least once every twelve (12) months. [District Rules 4305 and 4306]
- The results of each source test shall be submitted to the District within 60 days thereafter. [District Rule 1081]

In addition, since the applicant has proposed to use pre-approved Alternate Monitoring Scheme "A" (monitoring the NO_x, CO and O₂ concentrations with a portable analyzer at least on a monthly basis), the tune-up requirements listed in Section 6.3.1 are not applicable to this boiler. Section 6.3.1 also requires that, during the 36-month source testing interval, the owner/operator shall monthly monitor the operational characteristics recommended by the unit manufacturer. Since the pre-approved Alternate Monitoring Scheme "A" using a portable analyzer requires monthly monitoring of NO_x, CO, and O₂ exhaust emissions concentrations, the operational characteristics monitoring requirement is satisfied, and no further discussion is required.

Section 7.0, Compliance Schedule

Section 7.0 indicates that an operator with multiple units at a stationary source shall comply with this rule in accordance with the schedule specified in Table 2, Section 7.1 of District Rule 4306.

The unit is already in compliance with all of the requirements of District Rule 4306 and will remain in compliance with all of the requirements after the proposed modifications. Therefore, no further discussion is required.

Conclusion

Conditions will be incorporated into the permit in order to ensure compliance with each section of this rule, see attached draft permit(s). Therefore, compliance with District Rule 4306 requirements is expected.

District Rule 4320 Advanced Emission Reduction Options for Boilers, Steam Generators, and Process Heaters Greater than 5.0 MMBtu/hr

This unit is natural gas-fired with a maximum heat input of 90.0 MMBtu/hr. Pursuant to Section 2.0, this unit is subject to the requirements of this rule.

Section 5.2, NO_x and VOC Emissions Limits

Section 5.1.1 requires that except for units subject to Sections 5.2, NO_x and carbon monoxide (CO) emissions shall not exceed the limits specified in the following table. All ppmv emission limits specified in this section are referenced at dry stack gas conditions and 3.00 percent by volume stack gas oxygen. Emission concentrations shall be corrected to 3.00 percent oxygen in accordance with Section 8.1.

With an annual maximum heat input of 30 billion Btu's, the applicable emission limit category is listed in Section 5.2.3, Table 1, Category E, from District Rule 4320.

Category	NO _x Limit	CO Limit	ATC Deadline	Compliance Deadline
E. Units, from any Category, that were installed prior to January 1, 2009 and limited by permit to operate to an annual heat input of greater than 1.8 billion Btu/yr but less than or equal to 30 billion Btu/yr	9 ppmv or 0.011 lb/MMBtu	400 ppmv	12 months before the next unit replacement but no later than January 1, 2013	At the next unit replacement but no later than January 1, 2014

Section 7.0, Compliance Schedule

Section 7.0 indicates that for any unit with compliance dates listed in Section 5.2, Table 1, the term "Compliance Deadline" identifies the date by which the owner shall demonstrate that each unit is subject with the applicable requirements of this rule.

The unit is not required to be in full compliance with the applicable requirements of this rule until January 1, 2014, or at the time of the unit being replaced, whichever is earlier. Therefore, the requirements of this rule are not applicable to this unit at this time and no further discussion is required.

District Rule 4351 Boilers, Steam Generators and Process Heaters – Phase I

This rule applies to boilers, steam generators, and process heaters at NO_x Major Sources that are not located west of Interstate 5 in Fresno, Kings, or Kern counties. The emission limits, monitoring provisions, and testing requirements of this rule are satisfied when the unit is operated in compliance with Rule 4306. As shown above, this boiler will be operating in compliance with District Rule 4306; therefore, compliance with this rule is expected.

District Rule 4801 Sulfur Compounds

A person shall not discharge into the atmosphere sulfur compounds, which would exist as a liquid or gas at standard conditions, exceeding in concentration at the point of discharge: 0.2 % by volume calculated as SO₂, on a dry basis averaged over 15 consecutive minutes.

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

$$\text{Volume SO}_2 = \frac{n RT}{P}$$

With:

N = moles SO₂

T (Standard Temperature) = 60°F = 520°R

P (Standard Pressure) = 14.7 psi

R (Universal Gas Constant) = $\frac{10.73 \text{ psi} \cdot \text{ft}^3}{\text{lb} \cdot \text{mol} \cdot ^\circ\text{R}}$

$$\frac{0.00285 \text{ lb} - \text{SO}_x}{\text{MMBtu}} \times \frac{\text{MMBtu}}{8,578 \text{ dscf}} \times \frac{1 \text{ lb} \cdot \text{mol}}{64 \text{ lb}} \times \frac{10.73 \text{ psi} \cdot \text{ft}^3}{\text{lb} \cdot \text{mol} \cdot ^\circ\text{R}} \times \frac{520^\circ\text{R}}{14.7 \text{ psi}} \times \frac{1,000,000 \cdot \text{parts}}{\text{million}} = 1.97 \frac{\text{parts}}{\text{million}}$$

$$\text{Sulfur Concentration} = 1.97 \frac{\text{parts}}{\text{million}} < 2,000 \text{ ppmv (or 0.2\%)}$$

Therefore, compliance with District Rule 4801 requirements is expected.

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.

Greenhouse Gas (GHG) Significance Determination

It is determined that no other agency has or will prepare an environmental review document for the project. Thus the District is the Lead Agency for this project

The District's engineering evaluation (this document) demonstrates that the project would not result in an increase in project specific greenhouse gas emissions. The District therefore concludes that the project would have a less than cumulatively significant impact on global climate change.

District CEQA Findings

The District is the Lead Agency for this project because there is no other agency with broader statutory authority over this project. The District performed an Engineering Evaluation (this document) for the proposed project and determined that the activity will occur at an existing facility and the project involves negligible expansion of the existing use. Furthermore, the District determined that the activity will not have a significant effect on the environment. The District finds that the activity is categorically exempt from the provisions of CEQA pursuant to CEQA Guideline § 15031 (Existing Facilities), and finds that the project is exempt per the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment (CEQA Guidelines §15061(b)(3)).

IX. RECOMMENDATION

Compliance with all applicable rules and regulations is expected. Pending a successful COC Noticing period, issue Authority to Construct N-1237-3-8 subject to the permit conditions on the attached draft Authority to Construct in Attachment B.

X. BILLING INFORMATION

Permit Number	Fee Schedule	Fee Description	Annual Fee
N-1237-3-8	3020-02-H	90 MMBtu/hr	\$1,030

Attachments:

- Attachment A, Existing PTO N-1237-3-7
- Attachment B, Draft Authority to Construct
- Attachment C, Title V Modification Application

Attachment A

Current Permit To Operate N-1237-3-7

San Joaquin Valley Air Pollution Control District

PERMIT UNIT: N-1237-3-7

EXPIRATION DATE: 09/30/2005

EQUIPMENT DESCRIPTION:

90 MMBTU/HR NATURAL GAS-FIRED NEBRASKA MODEL NS-E63 BOILER WITH A TODD COMBUSTION MODEL SV545FGX LOW NOX BURNER AND FLUE GAS RECIRCULATION (FGR) SYSTEM

PERMIT UNIT REQUIREMENTS

1. All equipment shall be maintained in good operating condition and shall be operated in a manner to minimize emissions of air contaminants into the atmosphere. [District NSR Rule] Federally Enforceable Through Title V Permit
2. Particulate matter emissions shall not exceed 0.1 grain/dscf at operating conditions, nor 0.1 grain/dscf calculated to 12% CO₂, nor 10 lb/hr. [District Rule 4201 and District Rule 4301, 5.1 and 5.2.3] Federally Enforceable Through Title V Permit
3. The unit shall only be fired on PUC-regulated natural gas. [District NSR Rule] Federally Enforceable Through Title V Permit
4. A non-resettable, totalizing mass or volumetric fuel flow meter to measure the amount of natural gas combusted in the unit shall be installed, utilized and maintained. [District NSR Rule, District Rules 4305 and 4306] Federally Enforceable Through Title V Permit
5. Maximum annual heat input of the unit shall not exceed 30 billion Btu per calendar year. [District NSR Rule, District Rules 4305 and 4306] Federally Enforceable Through Title V Permit
6. Emissions rates from the natural gas-fired unit shall not exceed any of the following limits: 30 ppmv NO_x @ 3% O₂ or 0.036 lb-NO_x/MMBtu, 0.00285 lb-SO_x/MMBtu, 0.005 lb-PM₁₀/MMBtu, 200 ppmv CO @ 3% O₂ or 0.148 lb-CO/MMBtu, or 0.0028 lb-VOC/MMBtu. [District NSR Rule, District Rules 4305 and 4306] Federally Enforceable Through Title V Permit
7. The flue gas recirculation valve(s) setting shall be monitored at least on a weekly basis. Monitoring shall not be required if the unit is not in operation, i.e. the unit need not be started solely to perform monitoring. Monitoring shall be performed within 5 days of restarting the unit unless monitoring has been performed within the last week. Records must be maintained of the dates of non-operation to validate extended monitoring frequencies. [District Rules 4305, 4306, and 2520] Federally Enforceable Through Title V Permit
8. The flue gas recirculation valve(s) setting shall not be less than 11.5% at firing rates less than 30%. The flue gas recirculation valve(s) setting shall not be less than 81.8% at firing rates greater than 30% and less than 60%. The flue gas recirculation valve(s) setting shall not be less than 100% at firing rates greater than 60%. [District Rules 4305, 4306 and 2520] Federally Enforceable Through Title V Permit
9. Normal range or level for the flue gas recirculation valve(s) settings shall be re-established during each source test required by this permit. [District Rules 4305, 4306, and 2520] 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.

10. If the flue gas recirculation valve(s) setting is less than the normal range/level, the permittee shall return the flue gas recirculation valve(s) setting to the normal range/level as soon as possible, but no longer than 1 hour of operation after detection. If the flue gas recirculation valve(s) setting is not returned to the normal range/level within 1 hour of operation after detection, the permittee shall notify the District within the following 1 hour, and conduct a source test within 60 days of the first exceedance, to demonstrate compliance with the applicable emission limits at the new flue gas recirculation valve(s) setting. A District-approved portable analyzer may be used in lieu of a source test to demonstrate compliance. In lieu of conducting a source test, the permittee may stipulate a violation has occurred, subject to enforcement action. The permittee must then correct the violation, show compliance has been re-established, and resume monitoring procedures. If the deviations are the result of a qualifying breakdown condition pursuant to Rule 1100, the permittee may fully comply with Rule 1100 in lieu of the performing the notification and testing required by this condition. [District Rules 4305, 4306, and 2520] Federally Enforceable Through Title V Permit
11. The permittee shall maintain records of the date and time of flue gas recirculation valve(s) settings, the observed setting, and the firing rate at the time of the flue gas recirculation valve(s) setting measurements. The records must also include a description of any corrective action taken to maintain the flue gas recirculation valve(s) setting within the acceptable range. [District Rules 4305, 4306, and 2520] Federally Enforceable Through Title V Permit
12. During the 36-month source testing interval, the owner/operator shall have unit tuned at least twice each calendar year, from four to eight months apart, in which it operates, by a technician that is qualified, to the satisfaction of the APCO, in accordance with the procedure described in Rule 4304 (Equipment Tuning Procedure for Boilers, Steam Generators, and Process Heaters). [District Rule 4306] Federally Enforceable Through Title V Permit
13. If the unit does not operate throughout a continuous six-month period within a calendar year, only one tune-up is required for that calendar year. No tune-up is required for any unit that is not operated during that calendar year; this unit may be test fired to verify availability of the unit for its intended use, but once the test firing is completed the unit shall be shutdown. [District Rule 4306] Federally Enforceable Through Title V Permit
14. All emissions measurements shall be made with the unit operating either at conditions representative of normal operations or conditions specified in the Permit to Operate. No determination of compliance shall be established within two hours after a continuous period in which fuel flow to the unit is shut off for 30 minutes or longer, or within 30 minutes after a re-ignition as defined in Section 3.0 of District Rule 4306. [District Rules 4305 and 4306] Federally Enforceable Through Title V Permit
15. Source testing to measure natural gas-combustion NO_x and CO emissions from this unit shall be conducted at least once every twelve (12) months. After demonstrating compliance on two (2) consecutive annual source tests, the unit shall be tested not less than once every thirty-six (36) months. If the result of the 36-month source test demonstrates that the unit does not meet the applicable emission limits, the source testing frequency shall revert to at least once every twelve (12) months. [District Rules 4305 and 4306] Federally Enforceable Through Title V Permit
16. The source plan shall identify which basis (ppmv or lb/MMBtu) will be used to demonstrate compliance. [District Rules 4305 and 4306] Federally Enforceable Through Title V Permit
17. Source testing shall be conducted using the methods and procedures approved by the District. The District must be notified at least 30 days prior to any compliance source test, and a source test plan must be submitted for approval at least 15 days prior to testing. [District Rule 1081] Federally Enforceable Through Title V Permit
18. NO_x emissions for source test purposes shall be determined using EPA Method 7E or ARB Method 100 on a ppmv basis, or EPA Method 19 on a heat input basis. [District Rules 4305 and 4306] Federally Enforceable Through Title V Permit
19. CO emissions for source test purposes shall be determined using EPA Method 10 or EPA Method 100. [District Rules 4305 and 4306] Federally Enforceable Through Title V Permit
20. Stack gas oxygen (O₂) shall be determined using EPA Method 3 or 3A or ARB Method 100. [District Rules 4305 and 4306] Federally Enforceable Through Title V Permit
21. For emissions source testing, the arithmetic average of three 30-consecutive-minute test runs shall apply. If two of three runs are above an applicable limit the test cannot be used to demonstrate compliance with an applicable limit. [District Rules 4305 and 4306] 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.

22. The results of each source test shall be submitted to the District within 60 days thereafter. [District Rule 1081] Federally Enforceable Through Title V Permit
23. Records of monthly and annual heat input of the unit shall be maintained. [District NSR Rule, District Rules 4305 and 4306] Federally Enforceable Through Title V Permit
24. Operator shall ensure that all required source testing conforms to the compliance testing procedures described in District Rule 1081. [District Rule 1081, and County Rules 108 (Kings), 108.1 (Fresno, Merced, San Joaquin, Tulare, Kern, and Stanislaus), and 110 (Madera)] Federally Enforceable Through Title V Permit
25. Operator shall provide that fuel hhv be certified by third party fuel supplier or determined annually by: ASTM D 1826-88 or D 1945-81 in conjunction with ASTM D 3588-89 for gaseous fuels. [District Rule 2520, 9.4.2; 4305, 6.2.1; 4306, 6.2.1; and 4351, 6.2.1] Federally Enforceable Through Title V Permit
26. Nitrogen oxide (NO_x) emission concentrations in ppmv referenced at dry stack emissions shall be corrected to 3% O₂ and lb/MMBtu rates shall be calculated as lb NO₂/MMBtu of heat input (hhv). [District Rule 4305, 8.1; 4306, 8.1; and/or 4351, 8.1] Federally Enforceable Through Title V Permit
27. Operator shall monitor and record for each unit the hhv and cumulative annual use of each fuel. [District Rule 4351, 6.1.1] Federally Enforceable Through Title V Permit
28. Operator shall maintain copies of fuel invoices and supplier certifications. [District Rule 2520, 9.4.2] Federally Enforceable Through Title V Permit
29. 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 NSR Rule, District Rules 4305, 4306, and 2520, 9.4.2] Federally Enforceable Through Title V Permit
30. Compliance with permit conditions in the Title V permit shall be deemed compliance with the following subsumed requirements: Rule 405 (Madera), Rule 408 (Fresno), Rule 408.2 (Merced) and 407.2 (Kern, Tulare, Kings, Stanislaus, and San Joaquin); Rule 402 (Madera) and 404 (all seven remaining counties in the San Joaquin Valley); SJVUAPCD Rule 4301. A permit shield is granted from these requirements. [District Rule 2520, 13.2] Federally Enforceable Through Title V Permit
31. Compliance with permit conditions in the Title V permit shall be deemed compliance with the following subsumed requirements: Rule 405 (Madera), 408 and 409 (Kern), and 408 (all six remaining counties in the San Joaquin Valley); Rule 404 (Madera) 406 (Fresno), and 407 (all six remaining counties in the San Joaquin Valley); SJVUAPCD Rule 4801. A permit shield is granted from these requirements. [District Rule 2520, 13.2] Federally Enforceable Through Title V Permit
32. Compliance with permit conditions in the Title V permit shall be deemed compliance with the following requirements: SJVUAPCD Rule 4201, 4301, 4305, and 4351. A permit shield is granted from these requirements. [District Rule 2520, 13.2] Federally Enforceable Through Title V Permit
33. Compliance with permit conditions in the Title V permit shall be deemed compliance with the following requirements: SJVUAPCD Rule 1081, and County Rules 108 (Kings), 108.1 (Fresno, Merced, San Joaquin, Tulare, Kern, and Stanislaus), and 110 (Madera). [District Rule 2520, 13.2] Federally Enforceable Through Title V Permit
34. The requirements of 40 CFR 72.6(b) and 40 CFR 60.40c do not apply to this source. A permit shield is granted from this requirement. [District Rule 2520, 13.2] Federally Enforceable Through Title V Permit

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

Attachment B

Draft Authority to Construct

San Joaquin Valley
Air Pollution Control District

AUTHORITY TO CONSTRUCT

ISSUANCE DATE: DRAFT
DRAFT

PERMIT NO: N-1237-3-8

LEGAL OWNER OR OPERATOR: E & J GALLO WINERY
MAILING ADDRESS: 18000 W RIVER RD
LIVINGSTON, CA 95334

LOCATION: 18000 W RIVER RD
LIVINGSTON, CA 95334

EQUIPMENT DESCRIPTION:

MODIFICATION OF 90 MMBTU/HR NATURAL GAS-FIRED NEBRASKA MODEL NS-E63 BOILER WITH A TODD COMBUSTION MODEL SV545FGX LOW NOX BURNER AND FLUE GAS RECIRCULATION (FGR) SYSTEM: CHANGE ALTERNATE MONITORING SCHEME FROM FGR SETTINGS ON A WEEKLY BASIS TO NOX AND CO MONITORING AT LEAST ONCE PER MONTH WITH A PORTABLE ANALYZER

CONDITIONS

1. {1830} This Authority to Construct serves as a written certificate of conformity with the procedural requirements of 40 CFR 70.7 and 70.8 and with the compliance requirements of 40 CFR 70.6(c). [District NSR Rule] Federally Enforceable Through Title V Permit
2. {1831} Prior to operating with modifications authorized by this Authority to Construct, the facility shall submit an application to modify the Title V permit with an administrative amendment in accordance with District Rule 2520 Section 5.3.4. [District Rule 2520, 5.3.4] Federally Enforceable Through Title V Permit
3. All equipment shall be maintained in good operating condition and shall be operated in a manner to minimize emissions of air contaminants into the atmosphere. [District NSR Rule] Federally Enforceable Through Title V Permit
4. Particulate matter emissions shall not exceed 0.1 grain/dscf at operating conditions, nor 0.1 grain/dscf calculated to 12% CO₂, nor 10 lb/hr. [District Rule 4201 and District Rule 4301, 5.1 and 5.2.3] Federally Enforceable Through Title V Permit
5. The unit shall only be fired on PUC-regulated natural gas. [District NSR Rule] Federally Enforceable Through Title V Permit

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 Sadredin, Executive Director, APCO

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DAVID WARNER, Director of Permit Services

N-1237-3-8: Jul 5 2010 1:12PM - BROWND : Joint Inspection NOT Required

6. A non-resettable, totalizing mass or volumetric fuel flow meter to measure the amount of natural gas combusted in the unit shall be installed, utilized and maintained. [District NSR Rule, District Rules 4305 and 4306] Federally Enforceable Through Title V Permit
7. Maximum annual heat input of the unit shall not exceed 30 billion Btu per calendar year. [District NSR Rule, District Rules 4305 and 4306] Federally Enforceable Through Title V Permit
8. Emissions rates from the natural gas-fired unit shall not exceed any of the following limits: 30 ppmv NO_x @ 3% O₂ or 0.036 lb-NO_x/MMBtu, 0.00285 lb-SO_x/MMBtu, 0.005 lb-PM₁₀/MMBtu, 200 ppmv CO @ 3% O₂ or 0.148 lb-CO/MMBtu, or 0.0028 lb-VOC/MMBtu. [District NSR Rule, District Rules 4305 and 4306] Federally Enforceable Through Title V Permit
9. All emissions measurements shall be made with the unit operating either at conditions representative of normal operations or conditions specified in the Permit to Operate. No determination of compliance shall be established within two hours after a continuous period in which fuel flow to the unit is shut off for 30 minutes or longer, or within 30 minutes after a re-ignition as defined in Section 3.0 of District Rule 4306. [District Rules 4305 and 4306] Federally Enforceable Through Title V Permit
10. Source testing to measure natural gas-combustion NO_x and CO emissions from this unit shall be conducted at least once every twelve (12) months. After demonstrating compliance on two (2) consecutive annual source tests, the unit shall be tested not less than once every thirty-six (36) months. If the result of the 36-month source test demonstrates that the unit does not meet the applicable emission limits, the source testing frequency shall revert to at least once every twelve (12) months. [District Rules 4305 and 4306] Federally Enforceable Through Title V Permit
11. The source test plan shall identify which basis (ppmv or lb/MMBtu) will be used to demonstrate compliance. [District Rules 4305 and 4306] Federally Enforceable Through Title V Permit
12. Source testing shall be conducted using the methods and procedures approved by the District. The District must be notified at least 30 days prior to any compliance source test, and a source test plan must be submitted for approval at least 15 days prior to testing. [District Rule 1081] Federally Enforceable Through Title V Permit
13. NO_x emissions for source test purposes shall be determined using EPA Method 7E or ARB Method 100 on a ppmv basis, or EPA Method 19 on a heat input basis. [District Rules 4305 and 4306] Federally Enforceable Through Title V Permit
14. CO emissions for source test purposes shall be determined using EPA Method 10 or EPA Method 100. [District Rules 4305 and 4306] Federally Enforceable Through Title V Permit
15. Stack gas oxygen (O₂) shall be determined using EPA Method 3 or 3A or ARB Method 100. [District Rules 4305 and 4306] Federally Enforceable Through Title V Permit
16. For emissions source testing, the arithmetic average of three 30-consecutive-minute test runs shall apply. If two of three runs are above an applicable limit the test cannot be used to demonstrate compliance with an applicable limit. [District Rules 4305 and 4306] Federally Enforceable Through Title V Permit
17. The results of each source test shall be submitted to the District within 60 days thereafter. [District Rule 1081] Federally Enforceable Through Title V Permit
18. The permittee shall monitor and record the stack concentration of NO_x, CO, and O₂ at least once every month (in which a source test is not performed) using a portable emission monitor that meets District specifications. Monitoring shall not be required if the unit is not in operation, i.e. the unit need not be started solely to perform monitoring. Monitoring shall be performed within 5 days of restarting the unit unless monitoring has been performed within the last month. [District Rules 4305 and 4306] Federally Enforceable Through Title V Permit

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CONDITIONS CONTINUE ON NEXT PAGE

19. If either the NO_x or CO concentrations corrected to 3% O₂, as measured by the portable analyzer, exceed the allowable emissions concentration, the permittee shall return the emissions to within the acceptable range as soon as possible, but no longer than 1 hour of operation after detection. If the portable analyzer readings continue to exceed the allowable emissions concentration after 1 hour of operation after detection, the permittee shall notify the District within the following 1 hour and conduct a certified source test within 60 days of the first exceedance. In lieu of conducting a source test, the permittee may stipulate a violation has occurred, subject to enforcement action. The permittee must then correct the violation, show compliance has been re-established, and resume monitoring procedures. If the deviations are the result of a qualifying breakdown condition pursuant to Rule 1100, the permittee may fully comply with Rule 1100 in lieu of performing the notification and testing required by this condition. [District Rules 4305 and 4306] Federally Enforceable Through Title V Permit
20. All alternate monitoring parameter emission readings shall be taken with the unit operating either at conditions representative of normal operations or conditions specified in the Permit to Operate. The analyzer shall be calibrated, maintained, and operated in accordance with the manufacturer's specifications and recommendations or a protocol approved by the APCO. Emission readings taken shall be averaged over a 15 consecutive-minute period by either taking a cumulative 15 consecutive-minute sample reading or by taking at least five (5) readings, evenly spaced out over the 15 consecutive-minute period. [District Rules 4305 and 4306] Federally Enforceable Through Title V Permit
21. The permittee shall maintain records of: (1) the date and time of NO_x, CO, and O₂ measurements, (2) the O₂ concentration in percent and the measured NO_x and CO concentrations corrected to 3% O₂, (3) make and model of exhaust gas analyzer, (4) exhaust gas analyzer calibration records, and (5) a description of any corrective action taken to maintain the emissions within the acceptable range. [District Rules 4305 and 4306] Federally Enforceable Through Title V Permit
22. Records of monthly and annual heat input of the unit shall be maintained. [District NSR Rule, District Rules 4305 and 4306] Federally Enforceable Through Title V Permit
23. Operator shall provide that fuel hhv be certified by third party fuel supplier or determined annually by: ASTM D 1826-88 or D 1945-81 in conjunction with ASTM D 3588-89 for gaseous fuels. [District Rules 2520, 9.4.2; 4305, 6.2.1; 4306, 6.2.1; and 4351, 6.2.1] Federally Enforceable Through Title V Permit
24. Nitrogen oxide (NO_x) emission concentrations in ppmv referenced at dry stack emissions shall be corrected to 3% O₂ and lb/MMBtu rates shall be calculated as lb NO₂/MMBtu of heat input (hhv). [District Rules 4305, 8.1 & 8.2; 4306, 8.1 & 8.2; and 4351, 8.1 & 8.2] Federally Enforceable Through Title V Permit
25. Operator shall monitor and record for each unit the hhv and cumulative annual use of each fuel. [District Rule 4351, 6.1.1] Federally Enforceable Through Title V Permit
26. Operator shall maintain copies of fuel invoices and supplier certifications. [District Rule 2520, 9.4.2] Federally Enforceable Through Title V Permit
27. 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 NSR Rule and District Rules 2520, 9.4.2; 4305; and 4306] Federally Enforceable Through Title V Permit
28. Compliance with permit conditions in the Title V permit shall be deemed compliance with the following subsumed requirements: Rule 405 (Madera), Rule 408 (Fresno), Rule 408.2 (Merced) and 407.2 (Kern, Tulare, Kings, Stanislaus, and San Joaquin); Rule 402 (Madera) and 404 (all seven remaining counties in the San Joaquin Valley); SJVUAPCD Rule 4301. A permit shield is granted from these requirements. [District Rule 2520, 13.2] Federally Enforceable Through Title V Permit
29. Compliance with permit conditions in the Title V permit shall be deemed compliance with the following subsumed requirements: Rule 405 (Madera), 408 and 409 (Kern), and 408 (all six remaining counties in the San Joaquin Valley); Rule 404 (Madera) 406 (Fresno), and 407 (all six remaining counties in the San Joaquin Valley); SJVUAPCD Rule 4801. A permit shield is granted from these requirements. [District Rule 2520, 13.2] Federally Enforceable Through Title V Permit
30. Compliance with permit conditions in the Title V permit shall be deemed compliance with the following requirements: SJVUAPCD Rule 4201, 4301, 4305, and 4351. A permit shield is granted from these requirements. [District Rule 2520, 13.2] Federally Enforceable Through Title V Permit

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CONDITIONS CONTINUE ON NEXT PAGE

31. Compliance with permit conditions in the Title V permit shall be deemed compliance with the following requirements: SJVUAPCD Rule 1081, and County Rules 108 (Kings), 108.1 (Fresno, Merced, San Joaquin, Tulare, Kern, and Stanislaus), and 110 (Madera). [District Rule 2520, 13.2] Federally Enforceable Through Title V Permit
32. The requirements of 40 CFR 72.6(b) and 40 CFR 60.40c do not apply to this source. A permit shield is granted from this requirement. [District Rule 2520, 13.2] Federally Enforceable Through Title V Permit

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Attachment C

Title V Modification Application

San Joaquin Valley Air Pollution Control District

www.valleyair.org

Received

JUN 25 2010

Permit Application For:

- AUTHORITY TO CONSTRUCT (ATC) - New Emission Unit
- AUTHORITY TO CONSTRUCT (ATC) - Modification Of Emission Unit With Valid PTO/Valid ATC
- AUTHORITY TO CONSTRUCT (ATC) - Renewal of Valid Authority to Construct
- PERMIT TO OPERATE (PTO) - Existing Emission Unit Now Requiring a Permit to Operate

Permits Svc
SVA-00

1. PERMIT TO BE ISSUED TO: E&J Gallo Winery-Livingston	
2. MAILING ADDRESS: STREET/P.O. BOX: 18000 W. River Road CITY: Livingston STATE: CA 9-DIGIT ZIP CODE: 95334	
3. LOCATION WHERE THE EQUIPMENT WILL BE OPERATED: STREET: same as above CITY: /4 SECTION TOWNSHIP RANGE	WITHIN 1,000 FT OF A SCHOOL? <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO S.I.C. CODE(S) OF FACILITY (If known):
4. GENERAL NATURE OF BUSINESS: Production of wine, brandy and concentrates	INSTALL DATE: Equipment already installed; request changes to compliance monitoring including removal of tune-up requirements (see attached comments relating to Nebraska draft permit as part of the Title V draft permit)
5. TITLE V PERMIT HOLDERS ONLY: Do you request a COC (EPA Review) prior to receiving your ATC (If yes, please complete and attach a Compliance Certification form (TVFORM-009)? <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO	
6. DESCRIPTION OF EQUIPMENT OR MODIFICATION FOR WHICH APPLICATION IS MADE (include Permit #'s if known, and use additional sheets if necessary) Request changes to compliance monitoring as per attached comments relating District's draft Title V permit (Attachments 1 and 2). Request changes prior to Title V permit being sent out for public commenting. Request processing on a reimbursable overtime (RO) basis. Request assignment of project to Mr. Dustin Brown, if possible.	
7. PERMIT REVIEW PERIOD: Do you request a three- or ten-day period to review the draft Authority to Construct permit? Please note that checking "YES" will delay issuance of your final permit by a corresponding number of working days. See instructions for more information on this review process. <input type="checkbox"/> 3-day review <input checked="" type="checkbox"/> 10-day review <input type="checkbox"/> No review requested	
8. HAVE YOU EVER APPLIED FOR AN ATC OR PTO IN THE PAST? <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO If yes, ATC/PTO #: N-1237	Optional Section 11. DO YOU WANT TO PARTICIPATE IN EITHER OF THE FOLLOWING VOLUNTARY PROGRAMS: "HEALTHY AIR LIVING (HAL)" <input type="checkbox"/> Yes, please send info "INSPECT" <input type="checkbox"/> Yes, please send info  
9. IS THIS APPLICATION FOR THE CONSTRUCTION OF A NEW FACILITY? <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO (If "Yes" is checked, please complete the CEQA Information form)	
10. IS THIS APPLICATION SUBMITTED AS THE RESULT OF EITHER A NOTICE OF VIOLATION OR A NOTICE TO COMPLY? <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO If yes, NOV/NTC #:	
12. TYPE OR PRINT NAME OF APPLICANT: Mr. Lupe Munoz	TITLE OF APPLICANT: Plant Manager-Livingston Winery
13. SIGNATURE OF APPLICANT: 	DATE: 06/23/10 PHONE #: (209) 341-6211 FAX #: (559) 458-5937 E-MAIL: lupe.munoz@ejgallo.com

**San Joaquin Valley
Unified Air Pollution Control District**

TITLE V MODIFICATION - COMPLIANCE CERTIFICATION FORM

I. TYPE OF PERMIT ACTION (Check appropriate box)

SIGNIFICANT PERMIT MODIFICATION
 MINOR PERMIT MODIFICATION

ADMINISTRATIVE
AMENDMENT

COMPANY NAME: E&J Gallo Winery - Livingston	FACILITY ID #1237
1. Type of Organization: <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Sole Ownership <input type="checkbox"/> Government <input type="checkbox"/> Partnership <input type="checkbox"/> Utility	
2. Owner's Name: E&J Gallo Winery-Livingston	
3. Agent to the Owner: Mr. Lupe Munoz	

II. COMPLIANCE CERTIFICATION (Read each statement carefully and initial all circles for confirmation):

Based on information and belief formed after reasonable inquiry, the equipment identified in this application will continue to comply with the applicable federal requirement(s).

Based on information and belief formed after reasonable inquiry, the equipment identified in this application will comply with applicable federal requirement(s) that will become effective during the permit term, on a timely basis.

Corrected information will be provided to the District when I become aware that incorrect or incomplete information has been submitted.

Based on information and belief formed after reasonable inquiry, information and statements in the submitted application package, including all accompanying reports, and required certifications are true accurate and complete.

I declare, under penalty of perjury under the laws of the state of California, that the forgoing is correct and true:



Signature of Responsible Official

07/12/10

Date

Mr. Lupe Munoz

Name of Responsible Official (please print)

Plant Manager – Livingston Winery

Title of Responsible Official (please print)

**Mailing Address: Central Regional Office * 1990 E. Gettysburg Avenue * Fresno, California
93726-0244 * (559) 230-5900 * FAX (559) 230-6061**

TVFORM-009
Rev: July 2005

Received

JUN 25 2010

Permits Svc
SJVAPCD

San Joaquin Valley Unified Air Pollution Control District
1500 California Street, Suite 200, Fresno, CA 93726-0244

E&J Gallo Winery

June 23, 2010

Mr. Dustin Brown
San Joaquin Valley Unified Air Pollution Control District
Permitting Services Department
1990 E. Gettysburg Avenue
Fresno, CA 93726-0244

RE: E&J Gallo Winery-Livingston
Authority to Construct (ATC) Permit Application
N-1237-3 Nebraska Boiler

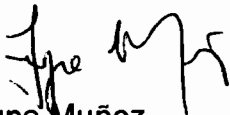
Dear Mr. Brown:

This application is submitted to your office as a result of a meeting between Mr. Jim Swaney and Ms. Kim Burns of our Corporate Environmental Affairs office. As you are aware, E&J Gallo (Gallo) recently submitted comments to your office regarding our draft Title V Permit. Several of our comments request changes to the compliance monitoring requirements for the Nebraska boiler. It is our understanding that the District is requiring a permit application to be submitted to you to change the monitoring protocol prior to the Title V permit being sent out for public comment.

Attached please find completed an authority to construct (ATC) permit application for Nebraska boiler (N-1237-3). Because of the time sensitive nature of incorporating these changes, we are requesting that this project be handled on a reimbursable overtime (RO) basis. Furthermore, because you are familiar with the facility's Title V permit, we respectfully request that you be assigned this project, if possible. Gallo is willing to pay the reimbursable overtime fee charge rate for this expedited service.

Thank you for your time in regard to this matter. If you have questions or require additional information, please contact Mr. Jose Garibay at 209-394-6257.

Regards,



Lupe Muñoz
Plant Manager-Livingston Winery