



San Joaquin Valley
AIR POLLUTION CONTROL DISTRICT



HEALTHY AIR LIVING™

OCT 28 2010

Ed Robles
Sutter Central Valley dba Memorial Hospital Los Banos
520 West I Street
Los Banos, CA 93635-3419

**RE: Notice of Final Action - Authority to Construct
Project Number: N-1103225**

Dear Mr. Robles:

The Air Pollution Control Officer has issued an Authority to Construct permit to Sutter Central Valley dba Memorial Hospital Los Banos for the installation of an emergency engine powering an electric generator, located at 520 West I Street, Los Banos.

Enclosed are copies of the Authority to Construct permit and the notice of final action to be published approximately three days from the date of this letter.

Notice of the District's preliminary decision to issue this Authority to Construct was published on September 24, 2010. The District's analysis of the proposal was also sent to CARB on September 22, 2010. No comments were received following the District's preliminary decision on this project.

Also enclosed is an invoice for the engineering evaluation fees pursuant to District Rule 3010. Please remit the amount owed, along with a copy of the attached invoice, within 60 days.

Thank you for your cooperation in this matter. If you have any questions, please contact Mr. Rupi Gill at (209) 557-6400.

Sincerely,

David Warner
Director of Permit Services

DW:fjc/dg

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



OCT 28 2010

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

RE: Notice of Final Action - Authority to Construct
Project Number: N-1103225

Dear Mr. Tollstrup:

The Air Pollution Control Officer has issued an Authority to Construct permit to Sutter Central Valley dba Memorial Hospital Los Banos for the installation of an emergency engine powering an electric generator, located at 520 West I Street, Los Banos.

Enclosed are copies of the Authority to Construct permit and the notice of final action to be published approximately three days from the date of this letter.

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Merced Sun-Star

**NOTICE OF FINAL ACTION
FOR THE ISSUANCE OF AUTHORITY
TO CONSTRUCT PERMITS**

NOTICE IS HEREBY GIVEN that the Air Pollution Control Officer has issued Authority to Construct permits to Sutter Central Valley dba Memorial Hospital Los Banos for the installation of an emergency engine powering an electric generator, located at 520 West I Street, Los Banos.

No comments were received following the District's preliminary decision on this project.

The application review for Project #N-1103225 is available for public inspection at http://www.valleyair.org/notices/public_notices_idx.htm and the **SAN JOAQUIN VALLEY UNIFIED AIR POLLUTION CONTROL DISTRICT, 4800 ENTERPRISE WAY, MODESTO, CA 95356.**



AUTHORITY TO CONSTRUCT

PERMIT NO: N-4578-2-0

ISSUANCE DATE: 10/25/2010

LEGAL OWNER OR OPERATOR: SUTTER CV HOSP/MEMORIAL HOSP LOS BANOS

MAILING ADDRESS: 520 WEST I ST
LOS BANOS, CA 93635

LOCATION: 520 WEST I ST
LOS BANOS, CA 93635

EQUIPMENT DESCRIPTION:

72 BHP GENERAC MODEL 0052611 LPG/PROPANE FIRED EMERGENCY ENGINE POWERING AN ELECTRICAL GENERATOR.

CONDITIONS

1. No air contaminant shall be released into the atmosphere which causes a public nuisance. [District Rule 4102]
2. Particulate matter emissions shall not exceed 0.1 grains/dscf in concentration. [District Rule 4201]
3. No air contaminant shall be discharged into the atmosphere for a period or periods aggregating more than three minutes in any one hour which is as dark as, or darker than, Ringelmann 1 or 20% opacity. [District Rule 4101]
4. The exhaust stack shall vent vertically upward. The vertical exhaust flow shall not be impeded by a rain cap (flapper ok), roof overhang, or any other obstruction. [District Rule 4102]
5. This engine shall be equipped with an operational non-resettable elapsed time meter or other APCO approved alternative. [District Rule 4702]
6. Emissions from this IC engine shall not exceed any of the following limits: 7.08 g-NOx/bhp-hr, 0.175 g-PM10/bhp-hr, 40.59 g-CO/bhp-hr, or 0.84 g-VOC/bhp-hr. [District Rule 2201]
7. This IC engine shall be fired on LPG/propane gas only. [District Rule 2201]
8. This engine shall be operated and maintained in proper operating condition as recommended by the engine manufacturer or emissions control system supplier. [District Rule 4702]

CONDITIONS CONTINUE ON NEXT PAGE

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

Seyed Saefedin, Executive Director / APCO

DAVID WARNER, Director of Permit Services

N-4578-2-0 - Oct 25 2010 8:10AM - RLUZP - Joint Inspection NOT Required

9. During periods of operation for maintenance, testing, and required regulatory purposes, the permittee shall monitor the operational characteristics of the engine as recommended by the manufacturer or emission control system supplier (for example: check engine fluid levels, battery, cables and connections; change engine oil and filters; replace engine coolant; and/or other operational characteristics as recommended by the manufacturer or supplier). [District Rule 4702]
10. This engine shall be operated only for testing and maintenance of the engine, required regulatory purposes, and during emergency situations. Operation of the engine for maintenance, testing, and required regulatory purposes shall not exceed 100 hours per calendar year. [District Rule 4702]
11. An emergency situation is an unscheduled electrical power outage caused by sudden and reasonably unforeseen natural disasters or sudden and reasonably unforeseen events beyond the control of the permittee. [District Rule 4702]
12. This engine shall not be used to produce power for the electrical distribution system, as part of a voluntary utility demand reduction program, or for an interruptible power contract. [District Rule 4702]
13. The permittee shall maintain monthly records of emergency and non-emergency operation. Records shall include the number of hours of emergency operation, the date and number of hours of all testing and maintenance operations, the purpose of the operation (for example: load testing, weekly testing, rolling blackout, general area power outage, etc.) and records of operational characteristics monitoring. For units with automated testing systems, the operator may, as an alternative to keeping records of actual operation for testing purposes, maintain a readily accessible written record of the automated testing schedule. [District Rule 4702]
14. All records shall be maintained and retained on-site for a minimum of five (5) years, and shall be made available for District inspection upon request. [District Rule 4702]

III. PROJECT LOCATION:

The facility is located at 520 West I Street, Los Banos, CA. The District has verified that the equipment is not located within 1,000 feet of the outer boundary of a K-12 school. Therefore, the public notification requirement of California Health and Safety Code 42301.6 is not applicable to this project.

IV. PROCESS DESCRIPTION:

The emergency standby engine powers an electrical generator. Other than emergency operation, the engine may be operated up to 100 hours per year for maintenance and testing purposes.

V. EQUIPMENT LISTING:

**N-4578-2-0: 72 BHP GENERAC MODEL 0052611 PROPANE FIRED
EMERGENCY ENGINE POWERING AN ELECTRICAL
GENERATOR.**

VI. EMISSION CONTROL TECHNOLOGY EVALUATION:

The engine is equipped with:

- Positive Crankcase Ventilation (PCV) or 90% efficient control device
- Non-Selective Catalytic Reduction
- Air/Fuel Ratio or an O₂ Controller
- Lean Burn Technology

The PCV system reduces crankcase VOC and PM₁₀ emissions by at least 90% over an uncontrolled crankcase vent.

VII. GENERAL CALCULATIONS:

A. Assumptions

Emergency operating schedule:	24 hours/day
Non-emergency operating schedule:	100 hours/year
EPA F-factor (adjusted to 60 °F):	8,578 dscf/MMBtu (40 CFR 60 Appendix B)
Fuel heating value:	94,000 Btu/gal (AP-42, Appendix A, page 5, 9/1985)
BHP to Btu/hr conversion:	2,542.5 Btu/bhp-hr
Thermal efficiency of engine:	commonly ≈ 35%

B. Emission Factors

The engine manufacturer supplied emissions factors for NO_x and CO emissions. The District will use the CARB Emissions Inventory Database emission factors for the remaining pollutants.

Emission Factors			
Pollutant	Emission Factor (lb/1,000 gal)	Emission Factor (g/bhp-hr)*	Source
NO _x		7.08	Engine manufacturer
SO _x	0.35	0.012	CARB Emissions Inventory Database
PM ₁₀	5	0.175	CARB Emissions Inventory Database
CO		40.59	Engine manufacturer
VOC		0.84	Engine manufacturer

C. Calculations

1. Pre-Project Emissions (PE1)

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

2. Post Project PE (PE2)

The potential to emit for this emergency IC engine is based on the maximum operating capacity of the engine for 24 hours per day. The following calculation for NO_x emissions is representative of emission calculations for all pollutants. Annual emissions are based on 100 hours per year of non-emergency operation.

NO_x: 7.08 g/hp-hr × 72 bhp × lb/453.6 g

NO_x: 1.12 lb/hr, 30.0 lb/day, 112 lb/yr

CO: 6.44 hr, 154.6 lb/day, 644 lb/yr

VOC: 0.13 lb/hr, 3.2 lb/day, 13 lb/yr

PM₁₀: 0.03 lb/hr, 0.7 lb/day, 3 lb/yr

SO_x: 0.002 lb/hr, 0.0 lb/day, 0 lb/yr¹

	NO _x	CO	VOC	PM ₁₀	SO _x
Daily PE	30.0	154.6	3.2	0.7	0.0
Annual PE	112	644	13	3	0

¹ Per District Policy APR 1105, Use of Significant Figures, annual emissions less than 0.5 lbs. are set to zero.

3. Pre-Project Stationary Source Potential to Emit (SSPE1)

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

Since this is an existing facility, SSPE1 is equal to the PE_{Total Pre-Project} from all units for all criteria pollutants. SSPE1 calculations are from project N-1011004 unless other wise noted.

Permit No.	NO _x	CO	VOC	PM ₁₀	SO _x
N-4578-1-0	1,495	1,004	11	14	38
Total:	1,495	1,004	11	14	38

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

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

Permit No.	NO _x	CO	VOC	PM ₁₀	SO _x
N-4578-1-0	1,495	1,004	11	14	38
N-4578-2-0	112	644	13	3	0
Total:	1,607	1,648	24	17	38

5. Major Source Determination

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

This facility does not have any ERCs which have been banked at the source; therefore, SSPE2 does not have to be adjusted.

Major Source Determination					
Pollutant	SSPE1 (lb/yr)	SSPE2 (lb/yr)	Major Source Threshold (lb/yr)	Existing Major Source?	Becoming a Major Source?
NO _x	1,495	1,607	50,000	No	No
SO _x	38	38	140,000	No	No
PM ₁₀	14	17	140,000	No	No
CO	1,004	1,648	200,000	No	No
VOC	11	24	50,000	No	No

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

6. Baseline Emissions (BE)

BE = Pre-project Potential to Emit for:

- Any unit located at a non-Major Source,
- Any Highly-Utilized Emissions Unit, located at a Major Source,
- Any Fully-Offset Emissions Unit, located at a Major Source, or
- Any Clean Emissions Unit, located at a Major Source.

Otherwise,

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

Since the facility is not a Major Source for any pollutant, Baseline Emissions (BE) are equal to the Pre-Project Potential to Emit (PE1).

7. Major Modification

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

As discussed in Section VII.C.5 previously, the facility is not a Major Source for any criteria pollutant; therefore, the project does not constitute a Major Modification.

8. Federal Major Modification

This facility is not a Major Source for any pollutant. Therefore, this project can not constitute a Federal Major Modification and no further discussion is required.

9. Quarterly Net Emissions Change (QNEC)

The QNEC is calculated solely to establish emissions that are used to complete the District’s PAS emissions profile screen. Detailed QNEC calculations are included in Appendix B.

VIII. COMPLIANCE

Rule 2201 New and Modified Stationary Source Review Rule

A. Best Available Control Technology (BACT)

1. BACT Applicability

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

- a) Any new emissions unit with a potential to emit exceeding two pounds per day,
- b) The relocation from one Stationary Source to another of an existing emissions unit with a potential to emit exceeding two pounds per day,
- c) Modifications to an existing emissions unit with a valid Permit to Operate resulting in an AIPE exceeding two pounds per day, and/or
- d) Any new or modified emissions unit, in a stationary source project, which results in a Major Modification.

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

a. New emissions units – PE > 2 lb/day

Since this engine is a new emissions unit, the daily emissions are compared to the BACT thresholds in the following table:

New Emissions Unit BACT Applicability				
Pollutant	Daily Emissions for unit -2-0 (lb/day)	BACT Threshold (lb/day)	SSPE2 (lb/yr)	BACT Triggered?
NO _x	30.0	> 2.0	N/A	Yes
SO _x	0.0	> 2.0	N/A	No
PM ₁₀	0.7	> 2.0	N/A	No
CO	154.6	> 2.0 and SSPE2 ≥ 200,000 lb/yr	1,648	No
VOC	3.2	> 2.0	N/A	Yes

BACT will be triggered for NO_x and VOC emissions from the engine.

b. Relocation of emissions units – PE > 2 lb/day

This engine is not being relocated from one stationary source to another stationary source as a result of this project.

c. Modification of emissions units – Adjusted Increase in Permitted Emissions (AIPE) > 2 lb/day

This engine is not being modified. Therefore, BACT is not triggered for the modification of emissions units with an AIPE > 2 lb/day.

d. Major Modification

This project does not constitute a Major Modification. Therefore, BACT is not triggered for a Major Modification.

2. BACT Guideline

BACT Guideline 3.1.5, 3rd quarter 2010, which appears in Appendix C of this report, covers rich burn gas-fired emergency IC engines rated less than 132 brake horsepower.

3. Top Down BACT Analysis

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

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

NO_x: No control technology
VOC: Positive crankcase ventilation system

Therefore, the following conditions will be listed on the ATC to ensure compliance:

- {edited 3501} Emissions from this IC engine shall not exceed any of the following limits: 7.08 g-NO_x/bhp-hr, 0.175 g-PM₁₀/bhp-hr, 40.59 g-CO/bhp-hr, or 0.84 g-VOC/bhp-hr. [District Rule 2201]

- {3505} This IC engine shall be fired on LPG/propane gas only. [District Rule 2201]
- {1897} This engine shall be equipped with either a positive crankcase ventilation (PCV) system which recirculates crankcase emissions into the air intake system for combustion, or a crankcase emissions control device of at least 90% control efficiency. [District Rule 2201]

B. Offsets

Since emergency standby IC engines are exempt from the offset requirements of Rule 2201, per Section 4.6.2, offsets are not required for this engine, and offset calculations are not required.

C. Public Notification

1. Applicability

Public noticing is required for:

- a. New Major Sources, which is a new facility that also becomes a Major Source,
- b. Major Modifications,
- c. Any new emissions unit with a Potential to Emit greater than 100 pounds during any one day for any one pollutant,
- d. Any project which results in the offset thresholds being surpassed, and/or
- e. Any project with an SSIPE of greater than 20,000 lb/year for any pollutant.

a. New Major Source

A New Major Source is a new facility, which is also a major source. Since this is not a new facility, public noticing is not required for this project for New Major Source purposes.

b. Major Modification

As demonstrated previously in Section VII.C.7, this project does not constitute a Major Modification; therefore, public noticing for Major Modification purposes is not required.

c. PE > 100 lb/day

The Daily PE for this new emissions unit is compared to the daily PE Public Notice Thresholds in the following table:

PE > 100 lb/day Public Notice Thresholds			
Pollutant	Daily PE for unit -2-0 (lb/day)	Public Notice Threshold (lb/day)	Public Notice Triggered?
NO _x	30.0	100	No
SO _x	0.0	100	No
PM ₁₀	0.7	100	No
CO	154.6	100	Yes
VOC	3.2	100	No

As detailed in the preceding table, CO emissions exceed the 100 lb/day thresholds and public noticing is required for this project.

d. Offset Threshold

The following table compares the SSPE1 and SSPE2 with the offset thresholds to determine if any offset thresholds have been surpassed.

Offset Threshold				
Pollutant	SSPE1 (lb/yr)	SSPE2 (lb/yr)	Offset Threshold (lb/yr)	Public Notice Required?
NO _x	1,495	1,607	20,000	No
SO _x	38	38	54,750	No
PM ₁₀	14	17	29,200	No
CO	1,004	1,648	200,000	No
VOC	11	24	20,000	No

As detailed in the preceding table, there were no offset thresholds surpassed with this project. Therefore, public noticing is not required for this project.

e. SSIPE > 20,000 lb/year

Public notification is required for any permitting action that results in a Stationary Source Increase in Permitted Emissions (SSIPE) of more than 20,000 lb/year of any affected pollutant. According to District policy, the SSIPE is calculated as the Post Project Stationary Source Potential to Emit (SSPE2) minus the Pre-Project Stationary Source Potential to Emit (SSPE1), i.e. $SSIPE = SSPE2 - SSPE1$. The values for SSPE2 and SSPE1 are calculated according to Rule 2201, Sections 4.9 and 4.10, respectively. The SSIPE is compared to the SSIPE Public Notice thresholds in the following table:

SSIPE Public Notice Threshold					
Pollutant	SSPE2 (lb/yr)	SSPE1 (lb/yr)	SSIPE (lb/yr)	SSIPE Threshold (lb/yr)	Public Notice Required?
NO _x	1,607	1,495	112	20,000	No
SO _x	38	38	0	20,000	No
PM ₁₀	17	14	3	20,000	No
CO	1,648	1,004	644	20,000	No
VOC	24	11	13	20,000	No

As detailed in the preceding table, there are no SSIPE thresholds surpassed with this project. Therefore, public noticing is not required for exceeding the SSIPE thresholds.

2. Public Notice Action

As discussed above, this project will result in emissions, for any criteria pollutant, which would subject the project to the noticing requirements listed above. Therefore, public notice will be required for this project.

D. Daily Emissions Limits

Daily Emissions Limitations (DELs) and other enforceable conditions are required by Section 3.15 to restrict a unit's maximum daily emissions, to a level at or below the emissions associated with the maximum design capacity. Per Sections 3.15.1 and 3.15.2, the DEL must be contained in the latest ATC and contained in or enforced by the latest PTO and enforceable, in a practicable manner, on a daily basis. DELs are also required to enforce the applicability of BACT. For this emergency standby IC engine, the DELs are stated in the form of emission factors, the maximum engine horsepower rating, and the maximum operational time of 24 hours per day. Therefore, the following conditions will be listed on the ATC to ensure compliance:

- {edited 3501} Emissions from this IC engine shall not exceed any of the following limits: 7.08 g-NO_x/bhp-hr, 0.175 g-PM₁₀/bhp-hr, 40.59 g-CO/bhp-hr, or 0.84 g-VOC/bhp-hr. [District Rule 2201]
- {3505} This IC engine shall be fired on LPG/propane gas only. [District Rule 2201]

E. Compliance Assurance:

1. Source Testing

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

2. Monitoring

Monitoring is not required to demonstrate compliance with Rule 2201.

3. Recordkeeping

Recordkeeping is required to demonstrate compliance with the offset, public notification, and daily emission limit requirements of Rule 2201. As required by District Rule 4702, *Stationary Internal Combustion Engines - Phase 2*, this IC engine is subject to recordkeeping requirements. Recordkeeping requirements, in accordance with District Rule 4702, will be discussed in Section VIII, *District Rule 4702*, of this evaluation.

4. Reporting

Reporting is not required to ensure compliance with Rule 2201.

F. Ambient Air Quality Analysis

Section 4.14.1 of this Rule requires that an ambient air quality analysis (AAQA) be conducted for the purpose of determining whether a new or modified Stationary Source will cause or make worse a violation of a State or National ambient air quality standard. An AAQA is required to be performed for all New Source Review (NSR) public notice projects. As previously discussed in Section VIII.C this project requires that a public notice be performed before issuance of the ATC for this project. Therefore, the District is required to perform an AAQA for this project.

The Technical Services Division of the SJVAPCD conducted the required AAQA for this project. The results of the AAQA are presented in the following two tables. Refer to Appendix D of this document for the AAQA summary sheet and PM₁₀ 24 hour and annual emissions contribution levels for this project.

Criteria Pollutant Modeling Results*

Diesel ICE	1 Hour	3 Hours	8 Hours.	24 Hours	Annual
CO	Pass	X	Pass	X	X
NO _x	Pass ¹	X	X	X	Pass
SO _x	Pass	Pass	X	Pass	Pass
PM ₁₀	X	X	X	Pass ²	Pass ²

*Results were taken from the attached PSD spreadsheet.

¹The project was compared to the 1-hour NO₂ National Ambient Air Quality Standard that became effective on April 12, 2010 using the District's approved procedures.

²The criteria pollutants are below EPA's level of significance as found in 40 CFR Part 51.165 (b)(2).

The proposed location of installation of the LPG/propane-fired IC engine is in an attainment area for NO_x, CO, and SO_x. As shown by the preceding table of AAQA results the proposed installation of the LPG/propane-fired IC engine will not cause a violation of a State or National ambient air quality standard for NO_x, CO, or SO_x.

Rule 2520 Federally Mandated Operating Permits

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

Rule 4001 New Source Performance Standards (NSPS)

This rule incorporates NSPS from Part 60, Chapter 1, Title 40, Code of Federal Regulations (CFR); and applies to all new sources of air pollution and modifications of existing sources of air pollution listed in 40 CFR Part 60. However, no subparts of 40 CFR Part 60 apply to reciprocating LPG/propane-fired IC engines.

Rule 4101 Visible Emissions

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

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

Rule 4102 Nuisance

Rule 4102 states that no air contaminant shall be released into the atmosphere which causes a public nuisance. Public nuisance conditions are not expected as a

result of these operations, provided the equipment is well maintained. Therefore, the following condition will be listed on the ATC to ensure compliance:

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

California Health & Safety Code 41700 (Health Risk Assessment)

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

Technical Services performed a prioritization using the District’s HEARTs database. Since the total facility prioritization score was greater than one, a refined health risk assessment was required. Emissions calculated using Ventura County Emission Factors for Internal Combustion of LPG/propane were input into the HEARTs database. The AERMOD model was used, with the parameters outlined below and meteorological data for 2005-2009 from the Merced area to determine the dispersion factors (i.e., the predicted concentration or X divided by the normalized source strength or Q) for a receptor grid. These dispersion factors were input into the Hot Spots Analysis and Reporting Program (HARP) risk assessment module to calculate the chronic and acute hazard indices and the carcinogenic risk for the project. See RMR summary results in Appendix D.

RMR Summary			
Categories	Type of Unit (Unit 2-0)	Project Totals	Facility Totals
Prioritization Score	0.56	0.56	>1.0
Acute Hazard Index	0.09	0.09	0.09
Chronic Hazard Index	0.00	0.00	0.00
Maximum Individual Cancer Risk (10 ⁻⁶)	0.21	0.21	0.89
T-BACT Required?	No		
Special Permit Conditions?	Yes		

The acute and chronic indices are below 1.0 and the cancer risk factor associated with the engine is less than 1.0 in a million. In accordance with the District’s Risk Management Policy, the project is approved without Toxic Best Available Control Technology (T-BACT).

To ensure that human health risks will not exceed District allowable levels; the following permit conditions listed below will be included on the ATC permit:

Unit # 2-0

1. {1898} The exhaust stack shall vent vertically upward. The vertical exhaust flow shall not be impeded by a rain cap, roof overhang, or any other obstruction. [District Rule 4102]
2. {3806} This engine shall be operated only for testing and maintenance of the engine, required regulatory purposes, and during emergency situations. Operation of the engine for maintenance, testing, and required regulatory purposes shall not exceed 100 hours per calendar year. [District Rule 4702]
3. {edited 3501} Emissions from this IC engine shall not exceed any of the following limits: 7.08 g-NOx/bhp-hr, 0.175 g-PM10/bhp-hr, 40.59 g-CO/bhp-hr, or 2.91 g-VOC/bhp-hr. [District Rule 2201]

As demonstrated previously, T-BACT is not required for this project because the HRA indicates that the risk is not above the District's thresholds for triggering T-BACT requirements; therefore, compliance with the District's Risk Management Policy is expected.

Rule 4201 Particulate Matter Concentration

Particulate matter emissions from the engine will be less than or equal to the rule limit of 0.1 grain per cubic foot of gas at dry standard conditions as shown by the following:

$$0.175 \frac{g - PM_{10}}{bhp - hr} \times \frac{1 bhp - hr}{2,542.5 Btu} \times \frac{10^6 Btu}{8,578 dscf} \times \frac{0.35 Btu_{out}}{1 Btu_{in}} \times \frac{15.43 grain}{g} = 0.0433 \frac{grain - PM}{dscf}$$

Since 0.0433 grain-PM/dscf is \leq to 0.1 grain per dscf, compliance with Rule 4201 is expected.

Therefore, the following condition will be listed on the ATC to ensure compliance:

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

Rule 4701 Internal Combustion Engines – Phase 1

Pursuant to Section 7.6.3.3 of District Rule 4702, as of June 1, 2006 District Rule 4701 is no longer applicable to LPG/propane-fired emergency standby or emergency IC engines. Therefore, this LPG/propane-fired emergency IC engine will comply with the requirements of District Rule 4702 and no further discussion is required.

Rule 4702 Internal Combustion Engines – Phase 2

The purpose of this rule is to limit the emissions of nitrogen oxides (NO_x), carbon monoxide (CO), and volatile organic compounds (VOC) from internal combustion engines.

This rule applies to any internal combustion engine with a rated brake horsepower greater than 50 horsepower.

Pursuant to Section 4.2, except for the requirements of Sections 5.7 and 6.2.3, the requirements of this rule shall not apply to an internal combustion engine that meets the following condition:

- 1) An emergency standby engine as defined in Section 3.0 of this rule, and provided that it is operated with a nonresettable elapsed operating time meter. In lieu of a nonresettable time meter, the owner of an emergency engine may use an alternative device, method, or technique, in determining operating time provided that the alternative is approved by the APCO. The owner of the engine shall properly maintain and operate the time meter or alternative device in accordance with the manufacturer's instructions.

Section 3.15 defines an "Emergency Standby Engine" as an internal combustion engine which operates as a temporary replacement for primary mechanical or electrical power during an unscheduled outage caused by sudden and reasonably unforeseen natural disasters or sudden and reasonably unforeseen events beyond the control of the operator. An engine shall be considered to be an emergency standby engine if it is used only for the following purposes: (1) periodic maintenance, periodic readiness testing, or readiness testing during and after repair work; (2) unscheduled outages, or to supply power while maintenance is performed or repairs are made to the primary power supply; and (3) if it is limited to operate 100 hours or less per calendar year for non-emergency purposes. An engine shall not be considered to be an emergency standby engine if it is used: (1) to reduce the demand for electrical power when normal electrical power line service has not failed, or (2) to produce power for the utility electrical distribution system, or (3) in conjunction with a voluntary utility demand reduction program or interruptible power contract.

Therefore, the emergency standby IC engine involved with this project will only have to meet the requirements of Sections 5.7 and 6.2.3 of this Rule.

Section 5.7 of this Rule requires that the owner of an emergency standby engine shall comply with the requirements specified in Section 5.7.2 through Section 5.7.5 below:

- 1) Properly operate and maintain each engine as recommended by the engine manufacturer or emission control system supplier.

- 2) Monitor the operational characteristics of each engine as recommended by the engine manufacturer or emission control system supplier.
- 3) Install and operate a nonresettable elapsed operating time meter. In lieu of installing a nonresettable time meter, the owner of an engine may use an alternative device, method, or technique, in determining operating time provided that the alternative is approved by the APCO and is allowed by Permit-to-Operate or Stationary Equipment Registration condition. The owner of the engine shall properly maintain and operate the time meter or alternative device in accordance with the manufacturer's instructions.

Therefore, the following conditions will be listed on the ATC to ensure compliance:

- {3405} This engine shall be operated and maintained in proper operating condition as recommended by the engine manufacturer or emissions control system supplier. [District Rule 4702]
- {3478} During periods of operation for maintenance, testing, and required regulatory purposes, the permittee shall monitor the operational characteristics of the engine as recommended by the manufacturer or emission control system supplier (for example: check engine fluid levels, battery, cables and connections; change engine oil and filters; replace engine coolant; and/or other operational characteristics as recommended by the manufacturer or supplier). [District Rule 4702]
- {3404} This engine shall be equipped with an operational non-resettable elapsed time meter or other APCO approved alternative. [District Rule 4702]
- {3807} An emergency situation is an unscheduled electrical power outage caused by sudden and reasonably unforeseen natural disasters or sudden and reasonably unforeseen events beyond the control of the permittee. [District Rule 4702]
- {3808} This engine shall not be used to produce power for the electrical distribution system, as part of a voluntary utility demand reduction program, or for an interruptible power contract. [District Rule 4702]
- {3806} This engine shall be operated only for testing and maintenance of the engine, required regulatory purposes, and during emergency situations. Operation of the engine for maintenance, testing, and required regulatory purposes shall not exceed 100 hours per calendar year. [District Rule 4702]

Section 6.2.3 requires that an owner claiming an exemption under Section 4.2 or Section 4.3 shall maintain annual operating records. This information shall be retained for at least five years, shall be readily available, and submitted to the APCO

upon request and at the end of each calendar year in a manner and form approved by the APCO. Therefore, the following condition (previously proposed in this engineering evaluation) will be listed on the ATC to ensure compliance:

- {3496} The permittee shall maintain monthly records of emergency and non-emergency operation. Records shall include the number of hours of emergency operation, the date and number of hours of all testing and maintenance operations, the purpose of the operation (for example: load testing, weekly testing, rolling blackout, general area power outage, etc.), and records of operational characteristics monitoring. For units with automated testing systems, the operator may, as an alternative to keeping records of actual operation for testing purposes, maintain a readily accessible written record of the automated testing schedule. [District Rule 4702]
- {3497} All records shall be maintained and retained on-site for a minimum of five (5) years, and shall be made available for District inspection upon request. [District Rule 4702]

Rule 4801 Sulfur Compounds

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

$$\text{Volume SO}_2 = (n \times R \times T) \div P$$

n = moles SO₂

T (standard temperature) = 60 °F or 520 °R

$$R (\text{universal gas constant}) = \frac{10.73 \text{ psi} \cdot \text{ft}^3}{\text{lb} \cdot \text{mol} \cdot \text{°R}}$$

$$0.35 \frac{\text{lb} - S}{1,000 \text{ gal}} \times \frac{1 \text{ gal}}{0.094 \text{ MMBtu}} \times \frac{1 \text{ MMBtu}}{8,578 \text{ scf}} \times \frac{\text{lb} - \text{mol}}{64 \text{ lb} - S} \times \frac{10.73 \text{ psi} \cdot \text{ft}^3}{\text{lb} - \text{mol} \cdot \text{°R}} \times \frac{520 \text{ °R}}{14.7 \text{ psi}} \times 1,000,000 = 2.57 \text{ ppmv}$$

Since 2.57 ppmv is ≤ 2,000 ppmv, this engine is expected to comply with Rule 4801. Therefore, the following condition (previously proposed in this engineering evaluation) will be listed on the ATC to ensure compliance:

- {3505} This IC engine shall be fired on LPG/propane gas only. [District Rules 2201 and 4801]

California Health & Safety Code 42301.6 (School Notice)

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

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

This regulation applies to any new or in-use stationary diesel-fueled compression ignition (CI) emergency standby engine. The engine involved with this project is fired on LPG/propane and is not compression ignited. Therefore, this regulation is not applicable to the engine involved with this project.

California Environmental Quality Act (CEQA)

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

The basic purposes of CEQA are to:

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

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

The State Legislature granted a number of exemptions from CEQA, including projects that require only ministerial approval. Based upon analysis of its own laws and consideration of CEQA provisions, the District has identified a limited number of District permitting activities considered to be ministerial approvals. As set forth in §4.2.1 of the ERG, projects permitted consistent with the District's

Guidelines for Expedited Application Review (GEAR) are standard application reviews in which little or no discretion is used in issuing Authority to Construct (ATC) documents.

For the proposed project, the District performed an Engineering Evaluation (this document) and determined that the project will occur at an existing facility; involves negligible expansion of the existing use; and would not have a significant effect on the environment. The District further determined that the project qualifies for processing under the procedures set forth in the District's Permit Services Procedures Manual in the *Guidelines for Expedited Application Review (GEAR)*. Thus, as discussed above, issuance of such ATC(s) is ministerial approval for the District and is not subject to CEQA provisions.

On December 17, 2009, the District's Governing Board adopted the first comprehensive regional policy and guidance on addressing and mitigating GHG emission impacts caused by industrial, commercial, and residential development in the San Joaquin Valley. The adopted District policy – *Addressing GHG Emission Impacts for Stationary Source Projects Under CEQA When Serving as the Lead Agency* applies to projects for which the District has discretionary approval authority over the project and serves as the lead agency for CEQA purposes. The policy relies on the use of performance based standards, otherwise known as Best Performance Standards (BPS) to assess significance of project specific greenhouse gas emissions on global climate change during the environmental review process, as required by CEQA.

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

IX. RECOMMENDATIONS:

Compliance with all applicable rules and regulations is expected. Pending a successful Public Noticing period, issue Authority to Construct N-4578-2-0 subject to the permit conditions on the attached Authority to Construct in Appendix A.

X. BILLING INFORMATION:

Billing Schedule			
Permit Number	Fee Schedule	Fee Description	Fee Amount
N-4578-2-0	3020-10-A	72 bhp IC engine	\$80

Appendices

- A. Authority to Construct permit N-4578-2-0
- B. QNEC Calculations
- C. BACT Guideline and BACT Analysis
- D. RMR Summary

Appendix C

Top Down BACT Analysis for the Emergency IC Engine(s)

Oxides of nitrogen (NO_x) are generated from the high temperature combustion of the LPG/propane gas fuel. A majority of the NO_x emissions are formed from the high temperature reaction of nitrogen and oxygen in the inlet air. The rest of the NO_x emissions are formed from the reaction of fuel-bound nitrogen with oxygen in the inlet air.

1. BACT Analysis for NO_x Emissions:

a. Step 1 - Identify all control technologies

The SJVAPCD BACT Clearinghouse guideline 3.1.5, 3rd quarter 2010, identifies achieved in practice BACT for NO_x emissions from rich-burn emergency LPG/propane gas IC engines < 132 bhp as follows:

- 1) NO_x catalyst (three-way catalyst) Technologically feasible

There are no control alternatives identified as alternate basic equipment for this class and category of source are listed.

b. Step 2 - Eliminate technologically infeasible options

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

c. Step 3 - Rank remaining options by control effectiveness

- 1) NO_x catalyst (three-way catalyst)

d. Step 4 - Cost Effectiveness Analysis

This facility is classified as a small emitter, per the District's BACT Policy (dated 11/9/99) Section III.D, as facility-wide emissions are less than two tons per year of each affected pollutant. Therefore, per the District's BACT Policy (dated 11/9/1999), a technologically feasible BACT and cost effective analysis is not required.

e. Step 5 - Select BACT

All control technologies were eliminated in Step 4. Therefore, no NO_x control technologies are required and the applicant's proposal meets the District's BACT requirements.

2. BACT Analysis for VOC Emissions:

Volatile organic compounds (VOC) emissions are generated from the incomplete combustion of the fuel. Some VOCs are emitted from the crankcase of the engine as a result of piston ring blow-by.

a. Step 1 - Identify all control technologies

The SJVAPCD BACT Clearinghouse guideline 3.1.5, 3rd quarter 2010, identifies achieved in practice BACT for VOC emissions from rich-burn emergency LPG/propane gas IC engines < 132 bhp as follows:

- 1) Positive crankcase ventilation

In addition, the SJVAPCD BACT Clearinghouse guideline 3.1.5, 3rd quarter 2010, identifies technologically feasible BACT for VOC emissions from rich-burn emergency LPG/propane gas IC engines < 132 bhp as follows:

- 1) VOC catalyst (three-way catalyst) and positive crankcase ventilation

b. Step 2 - Eliminate technologically infeasible options

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

c. Step 3 - Rank remaining options by control effectiveness

- 1) VOC catalyst (three-way catalyst) and positive crankcase ventilation
- 2) Positive crankcase ventilation

d. Step 4 - Cost effectiveness analysis

A cost effective analysis must be performed for all control options in the list from Step 3 in the order of their ranking to determine the cost effective option with the lowest emissions.

This facility is classified as a small emitter, per the District's BACT Policy (dated 11/9/99) Section III.D, as facility-wide emissions are less than two tons per year of each affected pollutant. Therefore, per the District's BACT Policy (dated 11/9/1999), technologically feasible BACT and a cost effective analysis is not required.

e. Step 5 - Select BACT

BACT for VOC emissions from this rich-burn emergency standby LPG/propane gas IC engines < 132 bhp is positive crankcase ventilation. The applicant has proposed to install a 72 bhp rich-burn emergency standby LPG/propane gas IC engine with positive crankcase ventilation. Therefore, BACT for VOC emissions is satisfied.

Appendix D

RMR Summary

Appendix B

QNEC Calculations

Quarterly Net Emissions Change (QNEC)

The Quarterly Net Emissions Change is used to complete the emission profile screen for the District's PAS database. The QNEC shall be calculated as follows:

QNEC = PE2 - PE1, where:

- QNEC = Quarterly Net Emissions Change for each emissions unit, lb/qtr
- PE2 = Post-Project Potential to Emit for each emissions unit, lb/qtr
- PE1 = Pre-Project Potential to Emit for each emissions unit, lb/qtr

Using the emission calculations in this evaluation, PE2_{quarterly} and BE_{quarterly} can be calculated as follows:

This calculation is required for application emission profile purposes. It is assumed that each unit's annual emissions are evenly distributed throughout the year as follows: $\Delta PE \text{ (lb/qtr)} = PE \text{ (lb/yr)} \div 4 \text{ qtr/yr}$

N-4578-2-0:

- $\Delta PE_{NOx} = 112 \text{ lb-NOx/year} - 0 \text{ lb-NOx/year} = 112 \text{ lb/year}$
- $\Delta PE_{CO} = 644 \text{ lb-CO/year} - 0 \text{ lb-CO/year} = 644 \text{ lb/year}$
- $\Delta PE_{VOC} = 13 \text{ lb-VOC/year} - 0 \text{ lb-VOC/year} = 13 \text{ lb/year}$
- $\Delta PE_{PM10} = 3 \text{ lb-PM10/year} - 0 \text{ lb-PM10/year} = 3 \text{ lb/year}$
- $\Delta PE_{SOx} = 0 \text{ lb-SOx/year} - 0 \text{ lb-SOx/year} = 0 \text{ lb/year}$

	Quarter 1	Quarter 2	Quarter 3	Quarter 4
NOx	28	28	28	28
CO	161	161	161	161
VOC	3	3	3	4
PM₁₀	0	1	1	1
SOx	0	0	0	0

Appendix A

Authority to Construct permit N-4578-2-0