



SEP 08 2011

Mr. Daniel Lee
Paramount Farms, Inc.
13646 Highway 33
Lost Hills, CA 93249

**Re: Proposed ATC / Certificate of Conformity (Significant Mod)
District Facility # S-377
Project # S-1111177**

Dear Mr. Lee:

Enclosed for your review is the District's analysis of an application for Authorities to Construct for the facility identified above. The applicant is requesting that Certificates of Conformity with the procedural requirements of 40 CFR Part 70 be issued with this project. Paramount proposes to move combustion equipment from permits S-377-20 and '-47 to a new permitted operation, '-50, and add a new roaster to '-50.

After addressing any EPA comments made during the 45-day comment period, the Authorities to Construct will be issued to the facility with Certificates of Conformity. Prior to operating with modifications authorized by the Authorities 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. Leonard Scandura, Permit Services Manager, at (661) 392-5500.

Thank you for your cooperation in this matter.

Sincerely,

David Warner
Director of Permit Services

Enclosures

DW: KR/cm

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



San Joaquin Valley

AIR POLLUTION CONTROL DISTRICT



HEALTHY AIR LIVING™

SEP 08 2011

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 # S-377
Project # S-1111177**

Dear Mr. Rios:

Enclosed for your review is the District's engineering evaluation of an application for Authorities to Construct for Paramount Farms, Inc. at 13646 Highway 33 in Lost Hills, which has been issued a Title V permit. Paramount Farms, Inc. is requesting that Certificates of Conformity, with the procedural requirements of 40 CFR Part 70, be issued with this project. Paramount proposes to move combustion equipment from permits S-377-20 and '-47 to a new permitted operation, '-50, and add a new roaster to '-50.

Enclosed is the engineering evaluation of this application with a copy of the current Title V permit and proposed Authorities to Construct # S-377-47-3 and '-50-0 with Certificates 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. Leonard Scandura, Permit Services Manager, at (661) 392-5500.

Thank you for your cooperation in this matter.

Sincerely,

David Warner
Director of Permit Services

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SEP 08 2011

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 # S-377
Project # S-1111177**

Dear Mr. Tollstrup:

Enclosed for your review is the District's analysis of an application for Authorities to Construct for the facility identified above. The applicant is requesting that Certificates of Conformity with the procedural requirements of 40 CFR Part 70 be issued with this project. Paramount proposes to move combustion equipment from permits S-377-20 and '-47 to a new permitted operation, '-50, and add a new roaster to '-50.

Enclosed is the engineering evaluation of this application with a copy of the current Title V permit and proposed Authorities to Construct # S-377-47-3 and '-50-0 with Certificates of Conformity. After demonstrating compliance with the Authorities 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. Leonard Scandura, Permit Services Manager, at (661) 392-5500.

Thank you for your cooperation in this matter.

Sincerely,

David Warner
Director of Permit Services

Enclosures

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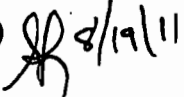
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**NOTICE OF PRELIMINARY DECISION
FOR THE ISSUANCE OF AUTHORITY TO CONSTRUCT AND
THE PROPOSED SIGNIFICANT MODIFICATION OF FEDERALLY
MANDATED OPERATING PERMIT**

NOTICE IS HEREBY GIVEN that the San Joaquin Valley Air Pollution Control District solicits public comment on the proposed modification of Paramount Farms, Inc. for its nut processing and packaging operation at 13646 Highway 33 in Lost Hills, California. Paramount proposes to move combustion equipment from permits S-377-20 and '-47 to a new permitted operation, '-50, and add a new roaster to '-50.

The District's analysis of the legal and factual basis for this proposed action, project #S-1111177, is available for public inspection at http://www.valleyair.org/notices/public_notices_idx.htm and the District office at the address below. 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, 34946 FLYOVER COURT, BAKERSFIELD, CA 93308.

San Joaquin Valley Air Pollution Control District
Authority to Construct Application Review
Modification of Existing Nut drying operation and New Nut Drying Operation

Facility Name:	Paramount Farms, Inc.	Date:	August 9, 2011
Mailing Address:	13646 Highway 33 Lost Hills, CA 93249-9719	Engineer:	Kris Rickards
Contact Person:	Daniel Lee	Lead Engineer:	Steve Leonard
Telephone:	661-797-6500	Doug McCormick (Consultant)	 8/19/11
Fax:	661-797-6542		661-282-2200
E-Mail:	<u>dlee@paramountfarms.com</u>	<u>dwmccorm@insenv.com</u>	
Application #(s):	S-377-47-3, and '-50-0		
Project #:	S-1111177		
Deemed Complete:	May 16, 2011		

I. Proposal

Paramount Farms, Inc. (hereafter referred to as PFI) is making several changes to their nut processing operation due to FDA food safety requirements. PFI has requested an Authority to Construct (ATC) for the following modifications and new equipment:

- Move the 8 MMBtu/hr roaster and two 6 MMBtu/hr rotary roasters from permit S-377-20 to a new operation permitted as S-377-50
- Move the 6 MMBtu/hr rotary roaster and associated cyclone and wet scrubber from permit S-377-47 to a new operation permitted as S-377-50
- Create a new permitted operation, pistachio nut flavoring and drying, that contains roasters from permits S-377-20 and '-47 in addition to a new 6 MMBtu/hr rotary roaster

The separation of this equipment on the permits is done by operation: precleaning/grading/sorting operation, S-377-20; pistachio opening operation, '-47; and pistachio flavoring/drying operation, '-50. Since the operation listed on S-377-20 is permit exempt except for the combustion equipment that is being moved to '-50 permit, '-20 will be cancelled upon implementation of '-50.

Paramount Farms, Inc. received their Title V Permit on August 31, 2001. This modification can be classified as a Title V significant modification pursuant to Rule 2520, Section 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. PFI must apply to administratively amend their Title V permit.

II. Applicable Rules

Rule 2201	New and Modified Stationary Source Review Rule (4/21/11)
Rule 2520	Federally Mandated Operating Permits (6/21/01)
Rule 4001	New Source Performance Standards (4/14/99)
Rule 4002	National Emissions Standards for Hazardous Air Pollutants (5/20/04)
Rule 4101	Visible Emissions (2/17/05)
Rule 4102	Nuisance (12/17/92)
Rule 4201	Particulate Matter Concentration (12/17/92)
Rule 4202	Particulate Matter Emission Rate (12/17/92)
Rule 4301	Fuel Burning Equipment (12/17/92)
Rule 4309	Dryers, Dehydrators, and Ovens (12/15/05)
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

The site is located on Highway 33 approximately four miles north of Blackwell's corner. 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

Clean processed pistachios are received from the storage silos and routed through sizing, grading, and flavoring lines. The food grade product is then placed in packaging for delivery to end users. Aspirators associated with the packaging equipment remove unwanted pieces of nut and skins from the product lines and route it to baghouses for collection to maintain the food grade quality of the product.

Once the pistachios have been cleaned and sorted they are routed to the flavoring and dehydration equipment and then to the packaging lines. Due to food safety/sanitation requirements the processed pistachios must be isolated from the raw pistachios being handled elsewhere in the facility. Therefore, the packaging equipment is isolated from the flavoring equipment which is isolated from the raw product and any sanitation equipment is isolated from the processing equipment.

V. Equipment Listing

Pre-Project Equipment Description:

- S-377-20-20: 23.33 MMBTU/HR GAS-FIRED PISTACHIO NUT FINISHING OPERATION CONSISTING OF BIN DUMPERS, SURGE HOPPERS, BUCKET ELEVATORS, CONVEYORS, PRE-CLEANING EQUIPMENT, SIZE GRADERS, NEEDLE PICKERS, HAND SORTING TABLES, ELECTRONIC COLOR SORTERS AND ASPIRATORS VACUUM SYSTEMS VENTED TO FABRIC COLLECTORS
- S-377-47-1: 13.0 MMBTU/HR GAS FIRED ARTIFICIAL PISTACHIO OPENING OPERATION WITH FOUR 4.0 MMBTU/HR HEATERS DERATED BY ORIFICE DISK TO 0.75 MMBTU/HR EACH, 4.0 MMBTU/HR NUT DRYER AND 6.0 MMBTU/HR ROTARY DRYER SERVED BY HIGH-EFFICIENCY CYCLONE AND WET SCRUBBER, OPERATION MAY BE EQUIPPED WITH THE FOLLOWING PERMIT EXEMPT WET PROCESSING EQUIPMENT: STORAGE TANK(S), SCALPER(S), DESTONER(S), COLOR SORTER(S), SIZE GRADER(S), PRE-MISTER(S), SPLITTER(S), AIR LEG(S) WITH SOCK FILTER(S), MISTING DRUM(S), NEEDLE PICKER(S), DRYING SILO(S) AND HAND SORTING TABLE(S)

Proposed Modification:

- S-377-47-3: MODIFICATION OF 13.0 MMBTU/HR GAS FIRED ARTIFICIAL PISTACHIO OPENING OPERATION WITH FOUR 4.0 MMBTU/HR HEATERS DERATED BY ORIFICE DISK TO 0.75 MMBTU/HR EACH, 4.0 MMBTU/HR NUT DRYER AND 6.0 MMBTU/HR ROTARY DRYER SERVED BY HIGH-EFFICIENCY CYCLONE AND WET SCRUBBER, OPERATION MAY BE EQUIPPED WITH THE FOLLOWING PERMIT EXEMPT WET PROCESSING EQUIPMENT: STORAGE TANK(S), SCALPER(S), DESTONER(S), COLOR SORTER(S), SIZE GRADER(S), PRE-MISTER(S), SPLITTER(S), AIR LEG(S) WITH SOCK FILTER(S), MISTING DRUM(S), NEEDLE PICKER(S), DRYING SILO(S) AND HAND SORTING TABLE(S): MOVE 6.0 MMBTU/HR ROTARY DRYER, THE HIGH-EFFICIENCY CYCLONE AND WET SCRUBBER THAT SERVE IT, AND ASSOCIATED FUEL USE LIMIT TO NEW PERMIT S-377-50

Post Project Equipment Description:

- S-377-47-3: 7.0 MMBTU/HR GAS FIRED ARTIFICIAL PISTACHIO OPENING OPERATION WITH FOUR 4.0 MMBTU/HR HEATERS DERATED BY ORIFICE DISK TO 0.75 MMBTU/HR EACH, AND 4.0 MMBTU/HR NUT DRYER - OPERATION MAY BE EQUIPPED WITH THE FOLLOWING PERMIT EXEMPT WET PROCESSING EQUIPMENT: STORAGE TANK(S), SCALPER(S), DESTONER(S), COLOR SORTER(S), SIZE GRADER(S), PRE-MISTER(S), SPLITTER(S), AIR LEG(S) WITH SOCK FILTER(S), MISTING DRUM(S), NEEDLE PICKER(S), DRYING SILO(S) AND HAND SORTING TABLE(S)

The new operation will consist of the 8 MMBtu/hr roaster and two 6 MMBtu/hr rotary roasters transferred from S-377-20, one 6 MMBtu/hr rotary roaster transferred from S-377-47 and one new 6 MMBtu/hr rotary roaster plus all associated cyclones, wet scrubber, and induced draft fan.

S-377-50-0: 32.0 MMBTU/HR GAS-FIRED PISTACHIO NUT FLAVORING AND DRYING OPERATION CONSISTING OF BIN DUMPERS, SURGE HOPPERS, BUCKET ELEVATORS, CONVEYORS, 8 MMBTU/HR ROASTER (CONSISTING OF TWO 4 MMBTU/HR BURNERS) AND HIGH-EFFICIENCY CYCLONES SERVING THE EXHAUST STACKS, AND FOUR 6 MMBTU/HR ROTARY ROASTERS EACH EQUIPPED WITH A HIGH-EFFICIENCY CYCLONE, ANDERSON 2000 WET SCRUBBER, AND INDUCED DRAFT FAN

VI. Emission Control Technology Evaluation

The pollutants of concern are the products of combustion emitted from the natural gas-fired dryers and roasters – NO_x, CO, VOC, PM₁₀ and SO_x.

Combustion equipment are fired on commercial natural gas. The small burners used in these units are thermostatically controlled to maintain drying chamber temperature usually in the 170°F to 230°F range. This relatively cool chamber temperature is achieved with a cool burner temperature, which inherently produces less NO_x than other types of dryers. Paramount Farms has source tested pistachio dryers in the past and has established that pistachio dryers emit NO_x at 0.0832 lb NO_x/MMBtu (See BACT Guideline 1.6.8 in Appendix E). The applicant is not proposing any additional control equipment. Also, due to the design of pistachio dryers, additional control equipment is not considered feasible.

Aspirators, cyclones, and fabric collectors used in conjunction with the processing equipment in this project are designed to remove unwanted pieces of nut, skin, etc. that make it through the hulling and drying process. The filters do not function as an air pollution control device but as a vector control device to eliminate food sources for rats and insects.

Wet scrubbers are used to prevent deposition of salt water vapor on adjacent buildings and equipment to prevent corrosion problems and associated food contamination issues.

VII. General Calculations

A. Assumptions

All permits:

- The facility and all permitted equipment is designed to operate 24 hours/day, 365 days/yr (per Applicant)
- The proposed dryers will be fired exclusively on PUC quality natural gas (per Applicant)
- Natural gas HHV = 1,000 Btu/scf (APR 1720)
- Natural gas F-Factor = 8,578 dscf/MMBtu (corrected to 60 °F)
- Natural gas sulfur content = 1 grain per 100 standard cubic feet (APR 1720)

S-377-20:

- Pre-project fuel use is limited to 1.5 MMscf/day and 125 MMscf/yr (current permit)
- There will be no post project fuel usage (per Applicant)

S-377-47:

- Pre-project fuel use is limited to 0.5 MMscf/day and 80 MMscf/yr (current permit)
- Post project fuel use will be limited to 0.17 MMscf/day and 40 MMscf/yr (per Applicant)

S-377-50:

- Fuel use will be limited to 1.83 MMscf/day and 165 MMscf/yr (difference in fuel use from S-377-20 and '-47 pre and post project)

B. Emission Factors

Emission factors for existing equipment are listed on permits S-377-20 and '-47. Emission factors for the new dryer to be listed on S-377-50 along with existing dryers that will be moved to this permit are identical to existing factors, summarized in the following table:

Dryer Emission Factors		
	lb/MMscf	Source
NO _x	83.2	Current Permit
SO _x	2.85	Current Permit
PM ₁₀	2.8	Current Permit
CO	21.0	Current Permit
VOC	3.8	Current Permit

Equipment listed on S-377-20 have additional PM₁₀ emissions (listed as conditions on the current operating permit) of 0.01 and 0.08 lb/hr that will be moving from this permit to the new permit, S-377-50.

Equipment listed on S-377-47 have additional PM₁₀ emissions (listed as conditions on the current operating permit) of 0.08 lb/hr that will be moving from this permit to the new permit, S-377-50.

C. Calculations

1. Pre-Project Potential to Emit (PE1)

The potential to emit for these operations are calculated as follows, and summarized in the tables below:

Daily Combustion Emissions = MMscf/day x EF lb/MMscf
 Annual Combustion Emissions = MMscf/day x EF lb/MMscf

Daily Cyclone and scrubber emissions = 24 hrs/day x EF
 Annual Cyclone and scrubber emissions = 8,760 hrs/day x EF

S-377-20-20:

Pre-Project Potential to Emit [PE1]					
	NO _x	SO _x	PM ₁₀	CO	VOC
Daily (lb/day)	124.8	4.3	4.2 + 2.2 = 6.4	31.5	5.7
Annual (lb/year)	10,400	356	350 + 788 = 1,138	2,625	475

S-377-47-1:

Pre-Project Potential to Emit [PE1]					
	NO _x	SO _x	PM ₁₀	CO	VOC
Daily (lb/day)	41.6	1.4	1.4 + 1.9 = 3.3	10.5	1.9
Annual (lb/year)	6,656	228	224 + 701 = 925	1,680	304

2. Post Project Potential to Emit (PE2)

The new operation will consist of the 8 MMBtu/hr roaster and two 6 MMBtu/hr rotary roasters transferred from S-377-20, one 6 MMBtu/hr rotary roaster transferred from S-377-47 and one new 6 MMBtu/hr rotary roaster plus all associated cyclones, wet scrubber, and induced draft fan. Emissions calculations are performed identical to PE1 calculations.

S-377-47-3:

Post Project Potential to Emit [PE2]					
	NO _x	SO _x	PM ₁₀	CO	VOC
Daily (lb/day)	14.1	0.5	0.5	3.6	0.6
Annual (lb/year)	3,328	114	112	840	152

S-377-50-0:

Particulate emissions from the cyclones (0.01 lb/hr) and wet scrubbers (0.16 lb/hr) are added in separately in the table below:

Post Project Potential to Emit [PE2]					
	NO _x	SO _x	PM ₁₀	CO	VOC
Daily (lb/day)	152.3	5.2	5.1 + 4.1 = 9.2	3.8	7.0
Annual (lb/year)	13,728	470	462 + 1,489 = 1,951	3,465	627

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 Authorities to Construct (ATC) or Permits to Operate (PTO) at the Stationary Source

and 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.

Applicant has provided a calculation of SSPE1. This total is summarized in the table below with units S-377-20 and -47 added in separately (see Appendix D for SSPE1 tabulation).

Pre-Project Stationary Source Potential to Emit [SSPE1] (lb/year)					
	NO _x	SO _x	PM ₁₀	CO	VOC
Pre-Project SSPE Subtotal	66,466	2,765	9,002	31,383	24,933
S-377-20-20	10,400	356	1,138	2,625	475
S-377-47-1	6,656	228	925	1,680	304
Pre-Project SSPE (SSPE1)	83,522	3,349	11,065	35,688	25,712

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 Authorities to Construct (ATC) or Permits to Operate (PTO) at the Stationary Source and 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.

Post Project Stationary Source Potential to Emit [SSPE2] (lb/year)					
Permit Unit	NO _x	SO _x	PM ₁₀	CO	VOC
Pre-Project SSPE Subtotal	66,466	2,765	9,002	31,383	24,933
S-377-47-3	3,328	114	112	840	152
S-377-50-0	13,728	470	1,951	3,465	627
Post Project SSPE (SSPE2)	83,522	3,349	11,065	35,688	25,712

5. Major Source Determination

Pursuant to Section 3.23 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 3.23.2 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."

Major Source Determination (lb/year)					
	NO_x	SO_x	PM₁₀	CO	VOC
Pre-Project SSPE (SSPE1)	83,522	3,349	11,065	35,688	25,712
Post Project SSPE (SSPE2)	83,522	3,349	11,065	35,688	25,712
Major Source Threshold	20,000	140,000	140,000	200,000	20,000
Major Source?	Yes	No	No	No	Yes

As seen in the table above, the facility is an existing Major Source for NO_x and VOC and is not becoming a Major Source for any other emissions as a result of this project.

6. Baseline Emissions (BE)

The BE calculation (in lbs/year) is performed pollutant-by-pollutant for each unit within the project, to calculate the QNEC and if applicable, to determine the amount of offsets required.

Pursuant to Section 3.7 of District Rule 2201, 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 of District Rule 2201.

As shown in Section VII.C.5 above, the facility is not a Major Source for SO_x, PM₁₀, and CO. Therefore Baseline Emissions (BE) are equal to the Pre-Project Potential to Emit (PE1) for these pollutants.

Since the proposed 6 MMBtu/hr rotary roaster listed on S-377-50-0 is a new emissions unit, BE = PE1 = 0 for all pollutants.

a. BE NO_x and VOC

As shown in Section VII.C.5 above, the facility is a major source for NO_x and VOC emissions.

Clean Emissions Unit, Located at a Major Source

Pursuant to Rule 2201, Section 3.12, a Clean Emissions Unit is defined as an emissions unit that is "equipped with an emissions control technology with a minimum control efficiency of at least 95% or is equipped with emission control technology that meets the requirements for achieved-in-practice BACT as accepted by the APCO during the five years immediately prior to the submission of the complete application.

This emissions unit is equipped with a low NO_x burner (0.083 lb/MMBtu) and is fired solely on natural gas, which meets the requirements for achieved-in-practice and technologically feasible BACT. Therefore, Baseline Emissions (BE) are equal to the Pre-Project Potential to Emit (PE1).

7. SB 288 Major Modification

SB 288 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 above, the facility is not a Major Source for SO_x and PM₁₀ emissions; therefore, the project does not constitute a SB 288 Major Modification for SO_x and PM₁₀ emissions.

The facility is an existing Major Source for NO_x and VOC; however, the project by itself would need to be a significant increase in order to trigger a Major Modification. The emissions unit(s) within this project do not have a total potential to emit which is greater than Major Modification thresholds (see table below). Therefore, the project cannot be a significant increase and the project does not constitute a SB 288 Major Modification.

SB 288 Major Modification Thresholds (Existing Major Source)			
Pollutant	Project PE (lb/year)	Threshold (lb/year)	SB 288 Major Modification Calculation Required?
NO _x	17,056	50,000	No
VOC	779	50,000	No

8. Federal Major Modification

As discussed in Section VII.C.5 above, the facility is not a Major Source for SO_x and PM₁₀ emissions; therefore, the project does not constitute a Federal Major Modification for SO_x and PM₁₀ emissions.

District Rule 2201, Section 3.17 states that Federal Major Modifications are the same as "Major Modification" as defined in 40 CFR 51.165 and part D of Title I of the CAA. SB 288 Major Modifications are not Federal Major Modifications if they meet the criteria of the "Less-Than-Significant Emissions Increase" exclusion.

A Less-Than-Significant Emissions Increase exclusion is for an emissions increase for the project, or a Net Emissions Increase for the project (as defined in 40 CFR 51.165 (a)(2)(ii)(B) through (D), and (F)), that is not significant for a given regulated NSR pollutant, and therefore is not a Federal Major Modification for that pollutant.

- To determine the post-project projected actual emissions from existing units, the provisions of 40 CFR 51.165 (a)(1)(xxviii) shall be used.
- To determine the pre-project baseline actual emissions, the provisions of 40 CFR 51.165 (a)(1)(xxxv)(A) through (D) shall be used.

- If the project is determined not to be a Federal Major Modification pursuant to the provisions of 40 CFR 51.165 (a)(2)(ii)(B), but there is a reasonable possibility that the project may result in a significant emissions increase, the owner or operator shall comply with all of the provisions of 40 CFR 51.165 (a)(6) and (a)(7).
- Emissions increases calculated pursuant to this section are significant if they exceed the significance thresholds specified in the table below.

Pollutant	Threshold (lb/year)
VOC	0
NO _x	0
PM ₁₀	30,000
SO _x	80,000

This project would authorize the installation of a new dryer (Federal Major Modification calculation is on an emissions unit by emissions unit basis) with NO_x and VOC emissions greater than 0.5 lb/day. Decreases in emissions are not counted for emissions unit increases in pollutants for which the District is in extreme nonattainment, such as NO_x and VOC. Therefore, this project will result in a Federal Major Modification.

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. Unless exempted pursuant to Section 4.2, BACT shall be required for the following actions*:

- 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 an SB288 Major Modification or a Federal Major Modification, as defined by the rule.

*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

The applicant is proposing to install a new gas-fired dryer with the following maximum daily emissions (dryer is part of fuel SLC for unit S-377-50 but has the potential to run 24 hours/day and 365 days/year):

PE (lb/day)					
	EF (lb/MMBtu)	Heat Input (MMBtu/hr)	Daily Oper. (hrs/day)	Emissions (lb/day)	BACT Triggered?
NO _x	0.0832	6.0	24	12.0	Yes
SO _x	0.00285	6.0	24	0.4	No
PM ₁₀	0.0028	6.0	24	0.4	No
CO	0.021	6.0	24	3.0	No
VOC	0.0038	6.0	24	0.5	No

BACT is triggered for NO_x only since the PEs are greater than 2 lbs/day; however BACT is not triggered for CO since the SSPE2 for CO is not greater than 200,000 lbs/year, as demonstrated in Section VII.C.5 of this document.

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

As discussed in Section I above, there are no emissions units being relocated from one stationary source to another; therefore BACT is not triggered.

c. Modification of emissions units – AIPE > 2 lb/day

As discussed in Section I above, there are no modified emissions units associated with this project; therefore BACT is not triggered.

d. SB 288/Federal Major Modification

As discussed in Section VII.C.7 above, this project does constitute a Federal Major Modification for NO_x and VOC emissions; therefore BACT is triggered for NO_x and VOC for all emissions units in the project for which there is an emission increase. The new 6 MMBtu/hr dryer is the only unit in this project that has an emissions increase; therefore BACT is triggered for NO_x and VOC for the new 6 MMBtu/hr dryer.

2. BACT Guideline

BACT Guideline 1.6.8, applies to pistachio nut dryers (See Appendix E)

3. Top-Down BACT Analysis

Per Permit Services Policies and Procedures for BACT, 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.

Pursuant to the attached Top-Down BACT Analysis (see Appendix F), BACT has been satisfied with the following:

NO_x: Low NO_x burner @ 0.083 lb/MMBtu and natural gas fuel
VOC: Natural gas with LPG as backup fuel

B. Offsets

1. Offset Applicability

Pursuant to Section 4.5.3, offset requirements shall be triggered on a pollutant by pollutant basis and shall be required if the Post Project Stationary Source Potential to Emit (SSPE2) equals to or exceeds the offset threshold levels in Table 4-1 of Rule 2201.

The following table compares the post-project facility-wide annual emissions in order to determine if offsets will be required for this project.

Offset Determination (lb/year)					
	NO _x	SO _x	PM ₁₀	CO	VOC
Post Project SSPE (SSPE2)	83,522	3,349	11,065	35,688	25,712
Offset Threshold	20,000	54,750	29,200	200,000	20,000
Offsets triggered?	Yes	No	No	No	Yes

2. Quantity of Offsets Required

As seen above, the facility is an existing Major Source for NO_x and the SSPE2 is greater than the offset thresholds; therefore offset calculations will be required for this project.

Per Sections 4.7.1 and 4.7.3, the quantity of offsets in pounds per year for NO_x is calculated as follows for sources with an SSPE1 greater than the offset threshold levels before implementing the project being evaluated.

Offsets Required (lb/year) = $(\Sigma[PE2 - BE] + ICCE) \times DOR$, for all new or modified emissions units in the project,

Where,

PE2 = Post Project Potential to Emit, (lb/year)

BE = Baseline Emissions, (lb/year)

ICCE = Increase in Cargo Carrier Emissions, (lb/year)

DOR = Distance Offset Ratio, determined pursuant to Section 4.8

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)

As calculated in Section VII.C.6 above, the Baseline Emissions (BE) from these units are equal to the Pre-Project Potential to Emit (PE1) since these units are Clean Emissions Units.

Also, there are no increases in cargo carrier emissions (ICCE = 0) and all units and emissions associated with this project are occurring at the same stationary source (DOR = 0); therefore offsets can be determined as follows:

Offsets Required (lb/year) = $\Sigma(\text{PE2} - \text{BE})$

Permit No.	Total Annual PE2 – (lb/year)					Baseline Emissions [BE] (lb/year)				
	NO _x	SO _x	PM ₁₀	CO	VOC	NO _x	SO _x	PM ₁₀	CO	VOC
S-377-20	0	0	0	0	0	10,400	356	1,138	2,625	475
S-377-47	3,328	114	112	840	152	6,656	228	925	1,680	304
S-377-50	13,728	470	1,951	3,465	627	0	0	0	0	0

Permit No.	$\Sigma(\text{PE2} - \text{BE})$				
	NO _x	SO _x	PM ₁₀	CO	VOC
S-377-20	-10,400	-356	-1,138	-2,625	-475
S-377-47	-3,328	-114	-813	-840	-152
S-377-50	13,728	470	1,951	3,465	627
$\Sigma(\text{PE2} - \text{BE})=$	0	0	0	0	0

As demonstrated in the preceding table, the amount of offsets required is zero.

C. Public Notification

1. Applicability

Public noticing is required for:

- a. New Major Sources, Federal Major Modifications, and SB288 Major Modifications,
- b. Any new emissions unit with a Potential to Emit greater than 100 pounds during any one day for any one pollutant,
- c. Any project which results in the offset thresholds being surpassed, and/or
- d. Any project with an SSIPE of greater than 20,000 lb/year for any pollutant.

a. New Major Sources, Federal Major Modifications, and SB288 Major Modifications

As demonstrated in VII.C.7, this project is a Federal Major Modification; therefore, public noticing for Federal Major Modification purposes is required.

b. PE > 100 lb/day

Applications which include a new emissions unit with a Potential to Emit greater than 100 pounds during any one day for any pollutant will trigger public noticing requirements. The PE2 for the new dryer is compared to the daily PE Public Notice thresholds in the following table:

PE > 100 lb/day Public Notice Thresholds			
Pollutant	PE2 (lb/day)	Public Notice Threshold	Public Notice Triggered?
NO _x	12.0	100 lb/day	No
SO _x	0.4	100 lb/day	No
PM ₁₀	0.4	100 lb/day	No
CO	3.0	100 lb/day	No
VOC	0.5	100 lb/day	No

Therefore, public noticing for PE > 100 lb/day purposes is not required.

c. Offset Threshold

The following table compares the SSPE1 with the SSPE2 in order to determine if any offset thresholds have been surpassed with this project.

Offset Threshold				
Pollutant	SSPE1 (lb/year)	SSPE2 (lb/year)	Offset Threshold	Public Notice Required?
NO _x	83,522	83,522	20,000 lb/year	No
SO _x	3,349	3,349	54,750 lb/year	No
PM ₁₀	11,065	11,065	29,200 lb/year	No
CO	35,688	35,688	200,000 lb/year	No
VOC	25,712	25,712	20,000 lb/year	No

As detailed above, there were no thresholds surpassed with this project; therefore public noticing is not required for offset purposes.

d. 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:

Stationary Source Increase in Permitted Emissions [SSIPE] – Public Notice					
Pollutant	SSPE2 (lb/year)	SSPE1 (lb/year)	SSIPE (lb/year)	SSIPE Public Notice Threshold	Public Notice Required?
NO _x	83,522	83,522	0	20,000 lb/year	No
SO _x	3,349	3,349	0	20,000 lb/year	No
PM ₁₀	11,065	11,065	0	20,000 lb/year	No
CO	35,688	35,688	0	20,000 lb/year	No
VOC	25,712	25,712	0	20,000 lb/year	No

As demonstrated above, the SSIPEs for all pollutants were less than 20,000 lb/year; therefore public noticing for SSIPE purposes is not required.

2. Public Notice Action

As discussed above, public noticing is required for this project for it being a Federal Major Modification. Therefore, public notice documents will be submitted to the California Air Resources Board (CARB) and a public notice will be published in a local newspaper of general circulation prior to the issuance of the ATC for this equipment.

D. Daily Emission Limits (DELs)

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.

S-377-47:

- This Authority to Construct (ATC) shall be implemented concurrently with ATC S-377-50. [District Rule 2201]
- ~~PM10 emission rate from the outlet of the scrubber serving the 6.0 MMBtu/hr rotary dryer shall not exceed 0.08 lb/hr. [District Rule 2201]~~
- ~~Daily natural gas consumption for permit S-377-47 shall not exceed 0.50.17 MMscf/day. [District Rule 2201]~~
- ~~Annual natural gas consumption for permit S-377-47 shall not exceed 80.040.0 MMscf/yr. [District Rule 2201]~~

S-377-50:

- This Authority to Construct (ATC) shall be implemented concurrently with ATC S-377-47-3. [District Rule 2201]
- Permit to Operate S-377-20 shall be cancelled upon implementing this Authority to Construct. [District Rule 2201]
- Entrained (non-combustion) PM10 emission rate from the 8 MMBtu/hr roaster shall not exceed 0.01 lb/hr. [District Rule 2201]
- PM10 emission rate from the outlets of the scrubbers serving the 6.0 MMBtu/hr rotary roasters shall not exceed 0.16 lb/hr. [District Rule 2201]
- Daily natural gas consumption shall not exceed 1.83 MMscf/day. [District Rule 2201]
- Annual natural gas consumption shall not exceed 165.0 MMscf/yr. [District Rule 2201]
- Emission rate per MMscf gas burned shall not exceed any of the following: PM10: 2.8 lb/MMscf, SOx as (SO2): 2.85 lb/MMscf, NOx (as NO2): 83.2 lb/MMscf, VOC: 3.8 lb/MMscf, or CO: 21.0 lb/MMscf. [District Rule 2201]
- Combustion equipment shall be equipped with operational non-resettable, totalizing fuel meters to demonstrate compliance with fuel consumption limits. [District Rule 2201]

E. Compliance Assurance

1. Source Testing

Pursuant to District Policy APR 1705, source testing is not required to demonstrate compliance with Rule 2201.

2. Monitoring

No monitoring is 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. The following condition(s) will appear on the permit to operate:

S-377-50:

- The permittee shall maintain daily records of the volume of fuel usage for any one day, in MMscf, and the fuel meter identification. [District Rule 2201]
- The permittee shall maintain cumulative annual records of the volume of fuel usage for any one calendar year, in MMscf, and the fuel meter identification. [District Rule 2201]

4. Reporting

No reporting is required to demonstrate 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 an air quality standard. The Technical Services Division of the SJVAPCD conducted the required analysis. Refer to Appendix G of this document for the AAQA summary sheet.

As shown by the AAQA summary sheet and the table below, the proposed equipment will not cause a violation of an air quality standard for NO_x, CO, SO_x, PM_{2.5}, or PM₁₀.

NG Rotary Roaster	1 Hour	3 Hours	8 Hours.	24 Hours	Annual
CO	Pass	X	Pass	X	X
NO _x	Pass	X	X	X	Pass
SO _x	Pass	Pass	X	Pass	Pass
PM _{2.5}	X	X	X	Pass ³	Pass ³
PM ₁₀	X	X	X	Pass ²	Pass ²

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).

³For this case as per District procedure, minor PM_{2.5} sources are modeled only for primary PM_{2.5} concentrations, and these concentrations are compared to the 24-hour SIL of 1.2 ug/m³ and the annual SIL of 0.3 ug/m³.

As shown, the calculated contribution of these pollutants will not exceed EPA's significance levels. This project is not expected to cause or make worse a violation of an air quality standard.

G. Compliance Certification

Section 4.15.2 of this Rule requires the owner of a new Major Source or a source undergoing a Title I Modification to demonstrate to the satisfaction of the District that all other Major Sources owned by such person and operating in California are in compliance or are on a schedule for compliance with all applicable emission limitations and standards. As discussed in Sections VIII-Rule 2201-C.1.a and VIII-Rule 2201-C.1.b, this facility is an existing major source and this project does constitute a Title I modification, therefore this requirement is applicable. Included in Appendix H is PFI's compliance certification.

H. Alternate Siting Analysis

The current project occurs at an existing facility. The applicant proposes to install a new dryer.

Since the project will provide heat to be used at the same location, the existing site will result in the least possible impact from the project. Alternative sites would involve the relocation and/or construction of various support structures on a much greater scale, and would therefore result in a much greater impact.

Rule 2520 Federally Mandated Operating Permits

This facility is subject to this Rule, and has received their Title V Operating Permit. Section 3.29 defines a significant permit modification as a "permit amendment that does not qualify as a minor permit modification or administrative amendment."

Section 3.20.5 states that a minor permit modification is a permit modification that does not meet the definition of modification as given in Section 111 or Section 112 of the Federal Clean Air Act. Since this project will result in a Federal Major Modification the proposed project is considered to be a modification under the Federal Clean Air Act. As a result, the proposed project constitutes a Significant Modification to the Title V Permit pursuant to Section 3.29.

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. Continued compliance with this rule is expected. The facility shall not implement the changes requested until the final permit is issued.

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 gas-fired dryers.

Rule 4002 National Emission Standards for Hazardous Air Pollutants (NESHAPs)

This rule incorporates NESHAPs from Part 61, Chapter I, Subchapter C, Title 40, CFR and the NESHAPs from Part 63, Chapter I, Subchapter C, Title 40, CFR; and applies to all sources of hazardous air pollution listed in 40 CFR Part 61 or 40 CFR Part 63. However, no subparts of 40 CFR Part 61 or 40 CFR Part 63 apply to nut drying, nut opening, or nut flavoring operations.

Rule 4101 Visible Emissions

Per Section 5.0, no person shall discharge into the atmosphere emissions of any air contaminant aggregating more than 3 minutes in any hour which is as dark as or darker than Ringelmann 1 (or 20% opacity). All particulate removal equipment handles particles greater than 10 microns and all combustion equipment burns PUC quality natural gas; therefore visible emissions are not expected to exceed Ringelmann 1 or 20% opacity. Also, based on past inspections of the facility continued compliance is expected.

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.

California Health & Safety Code 41700 (Health Risk Assessment)

District Policy APR 1905 – Risk Management Policy for Permitting New and Modified Sources 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.

An HRA is not required for a project with a total facility prioritization score of less than one. According to the Technical Services Memo for this project (Appendix G), the total facility prioritization score including this project was greater than one. Therefore, a health risk assessment was required to determine the short-term acute and long-term chronic exposure from this project.

The cancer risk for this project is shown below:

HRA Summary		
Unit	Cancer Risk	T-BACT Required
S-377-50-0	0.0072 per million	No

Discussion of T-BACT

BACT for toxic emission control (T-BACT) is required if the cancer risk exceeds one in one million. As demonstrated above, 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.

District policy APR 1905 also specifies that the increase in emissions associated with a proposed new source or modification not have acute or chronic indices, or a cancer risk greater than the District's significance levels (i.e. acute and/or chronic indices greater than 1 and a cancer risk greater than 10 in a million). As outlined by the HRA Summary in Appendix G of this report, the emissions increases for this project was determined to be less than significant.

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. As this equipment is all fired on PUC quality natural gas compliance with this rule is expected. The following condition will appear on the ATCs:

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

Rule 4202 Particulate Matter Emissions Rate

The purpose of this rule is to limit particulate matter emissions by establishing allowable emission rates. The equipment is currently in compliance with this rule and the proposed modification is

not expected to jeopardize compliance with this rule. The following condition will be listed on the ATCs to ensure ongoing compliance:

- Particulate matter emissions shall not exceed the hourly rate as calculated in District Rule 4202 using the equation $E=3.59 \times P^{0.62}$ if P is less than or equal to 30 tons per hour, or $E=17.31 \times P^{0.16}$ if P is greater than 30 tons per hour. [District Rule 4202]

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.

This rule is applicable to fuel burning equipment that is defined in §3.1 of the rule as:

Fuel Burning Equipment: any furnace, boiler, apparatus, stack, and all appurtenances thereto, used in the process of burning fuel for the primary purpose of producing heat or power by indirect heat transfer.

The dryers listed on these permits heat the nuts up by direct heat transfer (the products of combustion come into contact with the process material). Therefore, this rule is not applicable to this equipment.

Rule 4309 Dryers, Dehydrators, and Ovens

The purpose of this rule is to limit emissions of oxides of nitrogen (NO_x) and carbon monoxide (CO) from dryers, dehydrators, and ovens.

The heaters and dryer listed on permit S-377-47 are all less than 5.0 MMBtu/hr. This rule is only applicable to equipment rated greater than 5.0 MMBtu/hr; therefore this rule is not applicable to the heaters and roasters listed on S-377-47.

Section 4.1.3 of this rule exempts smokehouses and roasters from all provisions of this rule. The remaining equipment listed on S-377-47 and '-50 that is not <5.0 MMBtu/hr that this rule may apply to are roasters. Therefore, none of the equipment in this project is subject to the provisions of Rule 4309.

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.

The combustion equipment listed on these permits emit sulfur compounds and are limited to fire exclusively on PUC regulated natural gas that will ensure compliance with this rule. Therefore the following condition will be listed on the ATC to ensure compliance:

- Combustion equipment shall be fired on PUC regulated natural gas only. [District Rules 4309 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.

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; and
- 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.

This project is not expected to result in an increase in throughput, fuel usage, nor an actual increase in emissions as a result of moving equipment between permits or the addition of a roaster. The additional roaster will be operated at a different stage of the nut preparation process since, per FDA requirements, processed pistachios must be isolated from raw pistachios (i.e. an additional roaster is needed so pistachios at different stages are not handled by the same equipment).

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 successful NSR Public Noticing and EPA noticing periods, issue Authorities to Construct S-377-20-22, '-47-3, and '-50-0 subject to the permit conditions on the attached draft Authorities to Construct in Appendix B.

X. Billing Information

Annual Permit Fees			
Permit Number	Fee Schedule	Fee Description	Annual Fee
S-377-47-3	3020-02-G	7.0 MMBtu/hr	\$815.00
S-377-50-0	3020-02-H	32.0 MMBtu/hr	\$1,030.00

Appendices

- A: Current PTOs
- B: Draft ATCs
- C: Process Diagram
- D: SSPE Tabulation
- E: BACT Guideline
- F: BACT Analysis
- G: HRA/AAQA Summary
- H: Compliance Certification

Appendix A

Current PTOs

San Joaquin Valley Air Pollution Control District

PERMIT UNIT: S-377-20-20

EXPIRATION DATE: 10/31/2010

SECTION: 23 **TOWNSHIP:** 25S **RANGE:** 19E

EQUIPMENT DESCRIPTION:

23.33 MMBTU/HR GAS-FIRED PISTACHIO NUT FINISHING OPERATION CONSISTING OF BIN DUMPERS, SURGE HOPPERS, BUCKET ELEVATORS, CONVEYORS, PRE-CLEANING EQUIPMENT, SIZE GRADERS, NEEDLE PICKERS, HAND SORTING TABLES, ELECTRONIC COLOR SORTERS AND ASPIRATORS VACUUM SYSTEMS VENTED TO FABRIC COLLECTORS

PERMIT UNIT REQUIREMENTS

1. Operation shall include 8 MMBtu/hr roaster consisting of two 4 MMBtu/hr burners and high-efficiency cyclones serving the exhaust stacks. [District NSR Rule] Federally Enforceable Through Title V Permit
2. Operation shall include two 6.0 MMBtu/hr rotary roasters each equipped with a high efficiency cyclone, an Anderson 2000 wet scrubber, and induced draft fan. [District NSR Rule] Federally Enforceable Through Title V Permit
3. Operation shall include packaging lines with aspirators served by fabric filters. [District NSR Rule] Federally Enforceable Through Title V Permit
4. Operation shall include scalping decks, size graders, and color sorters served by aspirators ventilated to fabric collector. [District Rule 2201] Federally Enforceable Through Title V Permit
5. There shall be no visible emissions in excess of 5% opacity associated with this permit unit. [District NSR Rule] Federally Enforceable Through Title V Permit
6. Fabric collector shall be equipped with an operating differential pressure indicator. [District NSR Rule] Federally Enforceable Through Title V Permit
7. Differential pressure indicator shall read within ranges specified by the manufacturer of the precleaner fabric collectors. [District NSR Rule] Federally Enforceable Through Title V Permit
8. Materials removed from dust collectors shall be disposed of in a manner preventing re-entrainment into atmosphere, with an opacity not to exceed 20%. [District NSR Rule] Federally Enforceable Through Title V Permit
9. Entrained (non-combustion) PM10 emission rate from the 8 MMBtu/hr roaster shall not exceed 0.01 lb/hr. [District NSR Rule] Federally Enforceable Through Title V Permit
10. PM10 emission rate from the outlets of the scrubbers serving the two 6.0 MMBtu/hr rotary roasters shall not exceed 0.08 lb/hr. [District NSR Rule] Federally Enforceable Through Title V Permit
11. Daily natural gas consumption for permit S-377-20 shall not exceed 1.5 MMscf/day. [District NSR Rule] Federally Enforceable Through Title V Permit
12. Annual natural gas consumption for permit S-377-20 shall not exceed 125.0 MMscf/yr. [District NSR Rule] Federally Enforceable Through Title V Permit
13. Emission rate per MMscf gas burned shall not exceed any of the following: PM10: 2.8 lb/MMscf, SOx as (SO2): 2.85 lb/MMscf, NOx (as NO2): 83.2 lb/MMscf, VOC: 3.8 lb/MMscf, or CO: 21.0 lb/MMscf. [District NSR Rule] 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.

14. Combustion equipment shall be equipped with operational non-resettable, totalizing fuel meters to demonstrate compliance with fuel consumption limits. [District NSR Rule] Federally Enforceable Through Title V Permit
15. The permittee shall maintain daily records of the volume of fuel usage for any one day, in MMscf, and the fuel meter identification. [District Rule 1080] Federally Enforceable Through Title V Permit
16. The permittee shall maintain cumulative annual records of the volume of fuel usage for any one calendar year, in MMscf, and the fuel meter identification. [District Rule 1080] Federally Enforceable Through Title V Permit
17. Visible emissions at cyclones shall be inspected quarterly during operation. If visible emissions are observed to be in excess of 5% opacity, corrective action shall be taken to reduce opacity. If visible emissions cannot be corrected within 24 hours, a visible emissions test using EPA Method 9 shall be conducted. [District Rule 2520, 9.4.2] Federally Enforceable Through Title V Permit
18. Units may only be fired on PUC regulated natural gas. [District Rule 2520, 9.4.2] Federally Enforceable Through Title V Permit
19. Particulate matter emissions shall not exceed 0.1 gr/dscf in concentration. [District Rule 4201] Federally Enforceable Through Title V Permit
20. Dust collection system shall be completely inspected annually while in operation for evidence of particulate matter leaks and repaired as needed. [District Rule 2520, 9.4.2] Federally Enforceable Through Title V Permit
21. Dust collector filters shall be thoroughly inspected annually for tears, scuffs, abrasions, holes, or any evidence of particulate matter leaks and shall be replaced as needed. [District Rule 2520, 9.4.2] Federally Enforceable Through Title V Permit
22. Visible emissions at baghouse shall be inspected annually during operation. If visible emissions are observed to be in excess of 5% opacity, corrective action shall be taken to reduce opacity. If visible emissions cannot be corrected within 24 hours, a visible emissions test using EPA Method 9 shall be conducted. [District Rule 2520, 9.4.2] Federally Enforceable Through Title V Permit
23. Visible emissions at bin dumpers, surge hoppers, bucket elevators, conveyors, precleaning equipment, size graders, needle pickers, hand sorting tables, electronic color sorters and aspirators shall be inspected annually under material and environmental conditions, such as dry and windy, where high emissions are expected. [District Rule 2520, 9.4.2] Federally Enforceable Through Title V Permit
24. Particulate matter emissions shall not exceed the hourly rate as calculated in District Rule 4202 using the equation $E=3.59 \times P^{0.62}$ if P is less than or equal to 30 tons per hour, or $E=17.31 \times P^{0.16}$ if P is greater than 30 tons per hour. [District Rule 4202] Federally Enforceable Through Title V Permit
25. Sulfur compound emissions shall not exceed 0.2% by volume, 2000 ppmv, on a dry basis averaged over 15 consecutive minutes. Compliance with this requirement is assured by only using PUC regulated natural gas. [Kern County Rule 407] 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 period of at least 5 years and shall be made available for District inspection upon request. [District Rule 1070] Federally Enforceable Through Title V Permit

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

San Joaquin Valley Air Pollution Control District

PERMIT UNIT: S-377-47-1

EXPIRATION DATE: 10/31/2010

EQUIPMENT DESCRIPTION:

13.4 MMBTU/HR GAS FIRED ARTIFICIAL PISTACHIO OPENING OPERATION WITH 4-4.0 MMBTU/HR HEATERS DERATED BY ORIFICE DISK TO 0.75 MMBTU/HR, 4.0 MMBTU/HR NUT DRYER AND 6.0 MMBTU/HR ROTARY DRYER SERVED BY HIGH EFFICIENCY CYCLONE AND WET SCRUBBER, OPERATION MAY BE EQUIPPED WITH THE FOLLOWING PERMIT EXEMPT WET PROCESSING EQUIPMENT: STORAGE TANK(S), SCALPER(S), DESTONER(S), COLOR SORTER(S), SIZE GRADER(S), PRE-MISTER(S), SPLITTER(S), AIR LEG(S) WITH SOCK FILTER(S), MISTING DRUM(S), NEEDLE PICKER(S), DRYING SILO(S) AND HAND SORTING TABLE(S)

PERMIT UNIT REQUIREMENTS

1. PM10 emission rate from the outlet of the scrubber serving the 6.0 MMBtu/hr rotary dryer shall not exceed 0.08 lb/hr. [District NSR Rule] Federally Enforceable Through Title V Permit
2. Emission rate per MMscf gas burned shall not exceed any of the following: PM10: 2.8 lb/MMscf, SOx as (SO2): 2.85 lb/MMscf, NOx (as NO2): 83.2 lb/MMscf, VOC: 3.8 lb/MMscf, or CO: 21.0 lb/MMscf. [District NSR Rule] Federally Enforceable Through Title V Permit
3. Daily natural gas consumption for permit S-377-47 shall not exceed 0.5 MMscf/day. [District NSR Rule] Federally Enforceable Through Title V Permit
4. Annual natural gas consumption for permit S-377-47 shall not exceed 80.0 MMscf/yr. [District NSR Rule] Federally Enforceable Through Title V Permit
5. Combustion equipment shall be equipped with operational non-resettable, totalizing fuel meters to demonstrate compliance with fuel consumption limits. [District NSR Rule] Federally Enforceable Through Title V Permit
6. Permittee shall maintain daily records of volume of fuel usage and fuel meter identification. [District Rule 1080] Federally Enforceable Through Title V Permit
7. Operator shall maintain copies of fuel invoices and supplier certifications. [District Rule 2520, 9.4.2] Federally Enforceable Through Title V Permit
8. All records shall be maintained and retained on-site for a period of at least 5 years and shall be made available for District inspection upon request. [District Rule 1070]

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

Facility Name: PARAMOUNT FARMS
Location: 3.5 MILES NORTH OF HWY 46 ON HWY 33, LOST HILLS, CA
S-377-47-1: Aug 9 2011 4:46PM - RICKARDX

Appendix B

Draft ATCs

San Joaquin Valley
Air Pollution Control District

AUTHORITY TO CONSTRUCT

ISSUANCE DATE: DRAFT

PERMIT NO: S-377-47-3

LEGAL OWNER OR OPERATOR: PARAMOUNT FARMS
MAILING ADDRESS: ATTN: DANIEL LEE
13646 HIGHWAY 33
LOST HILLS, CA 93249-9719

LOCATION: 3.5 MILES NORTH OF HWY 46 ON HWY 33
LOST HILLS, CA

EQUIPMENT DESCRIPTION:

MODIFICATION OF 13.0 MMBTU/HR GAS FIRED ARTIFICIAL PISTACHIO OPENING OPERATION WITH FOUR 4.0 MMBTU/HR HEATERS DERATED BY ORIFICE DISK TO 0.75 MMBTU/HR EACH, 4.0 MMBTU/HR NUT DRYER AND 6.0 MMBTU/HR ROTARY DRYER SERVED BY HIGH-EFFICIENCY CYCLONE AND WET SCRUBBER, OPERATION MAY BE EQUIPPED WITH THE FOLLOWING PERMIT EXEMPT WET PROCESSING EQUIPMENT: STORAGE TANK(S), SCALPER(S), DESTONER(S), COLOR SORTER(S), SIZE GRADER(S), PRE-MISTER(S), SPLITTER(S), AIR LEG(S) WITH SOCK FILTER(S), MISTING DRUM(S), NEEDLE PICKER(S), DRYING SILO(S) AND HAND SORTING TABLE(S): MOVE 6.0 MMBTU/HR ROTARY DRYER, THE HIGH-EFFICIENCY CYCLONE AND WET SCRUBBER THAT SERVE IT, AND ASSOCIATED FUEL USE LIMIT TO NEW PERMIT S-377-50

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. This Authority to Construct (ATC) shall be implemented concurrently with ATC S-377-50. [District Rule 2201] Federally Enforceable Through Title V Permit
4. Combustion equipment shall be fired on PUC regulated natural gas only. [District Rule 4801] Federally Enforceable Through Title V Permit

CONDITIONS CONTINUE ON NEXT PAGE

YOU MUST NOTIFY THE DISTRICT COMPLIANCE DIVISION AT (661) 392-5500 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

DAVID WARNER, Director of Permit Services

S-377-47-3: Aug 9 2011 4:48PM - RICKARDK : Joint Inspection NOT Required

5. Daily natural gas consumption shall not exceed 0.17 MMscf/day. [District Rule 2201] Federally Enforceable Through Title V Permit
6. Annual natural gas consumption shall not exceed 40.0 MMscf/yr. [District Rule 2201] Federally Enforceable Through Title V Permit
7. Emission rate per MMscf gas burned shall not exceed any of the following: PM10: 2.8 lb/MMscf, SOx as (SO2): 2.85 lb/MMscf, NOx (as NO2): 83.2 lb/MMscf, VOC: 3.8 lb/MMscf, or CO: 21.0 lb/MMscf. [District Rule 2201] Federally Enforceable Through Title V Permit
8. Combustion equipment shall be equipped with operational non-resettable, totalizing fuel meters to demonstrate compliance with fuel consumption limits. [District Rule 2201] Federally Enforceable Through Title V Permit
9. Permittee shall maintain daily records of volume of fuel usage and fuel meter identification. [District Rule 2201] Federally Enforceable Through Title V Permit
10. {462} Operator shall maintain copies of fuel invoices and supplier certifications. [District Rule 2520, 9.4.2] Federally Enforceable Through Title V Permit
11. {3246} All records shall be maintained and retained on-site for a period of at least 5 years and shall be made available for District inspection upon request. [District Rule 1070]

DRAFT

San Joaquin Valley
Air Pollution Control District

AUTHORITY TO CONSTRUCT

ISSUANCE DATE: DRAFT
DRAFT

PERMIT NO: S-377-50-0

LEGAL OWNER OR OPERATOR: PARAMOUNT FARMS
MAILING ADDRESS: ATTN: DANIEL LEE
13646 HIGHWAY 33
LOST HILLS, CA 93249-9719

LOCATION: 3.5 MILES NORTH OF HWY 46 ON HWY 33
LOST HILLS, CA

EQUIPMENT DESCRIPTION:

32.0 MMBTU/HR GAS-FIRED PISTACHIO NUT FLAVORING AND DRYING OPERATION CONSISTING OF BIN DUMPERS, SURGE HOPPERS, BUCKET ELEVATORS, CONVEYORS, 8 MMBTU/HR ROASTER (CONSISTING OF TWO 4 MMBTU/HR BURNERS) AND HIGH-EFFICIENCY CYCLONES SERVING THE EXHAUST STACKS, AND FOUR 6 MMBTU/HR ROTARY ROASTERS EACH EQUIPPED WITH A HIGH-EFFICIENCY CYCLONE, ANDERSON 2000 WET SCRUBBER, AND INDUCED DRAFT FAN

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. This Authority to Construct (ATC) shall be implemented concurrently with ATC S-377-47-3. [District Rule 2201] Federally Enforceable Through Title V Permit
4. Permit to Operate S-377-20 shall be cancelled upon implementing this Authority to Construct. [District Rule 2201] Federally Enforceable Through Title V Permit
5. Entrained (non-combustion) PM10 emission rate from the 8 MMBtu/hr roaster shall not exceed 0.01 lb/hr. [District Rule 2201] Federally Enforceable Through Title V Permit

CONDITIONS CONTINUE ON NEXT PAGE

YOU **MUST** NOTIFY THE DISTRICT COMPLIANCE DIVISION AT (661) 392-5500 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

DAVID WARNER, Director of Permit Services

8-377-50-0: Aug 19 2011 1:50PM - RICKARDX : Joint Inspection NOT Required

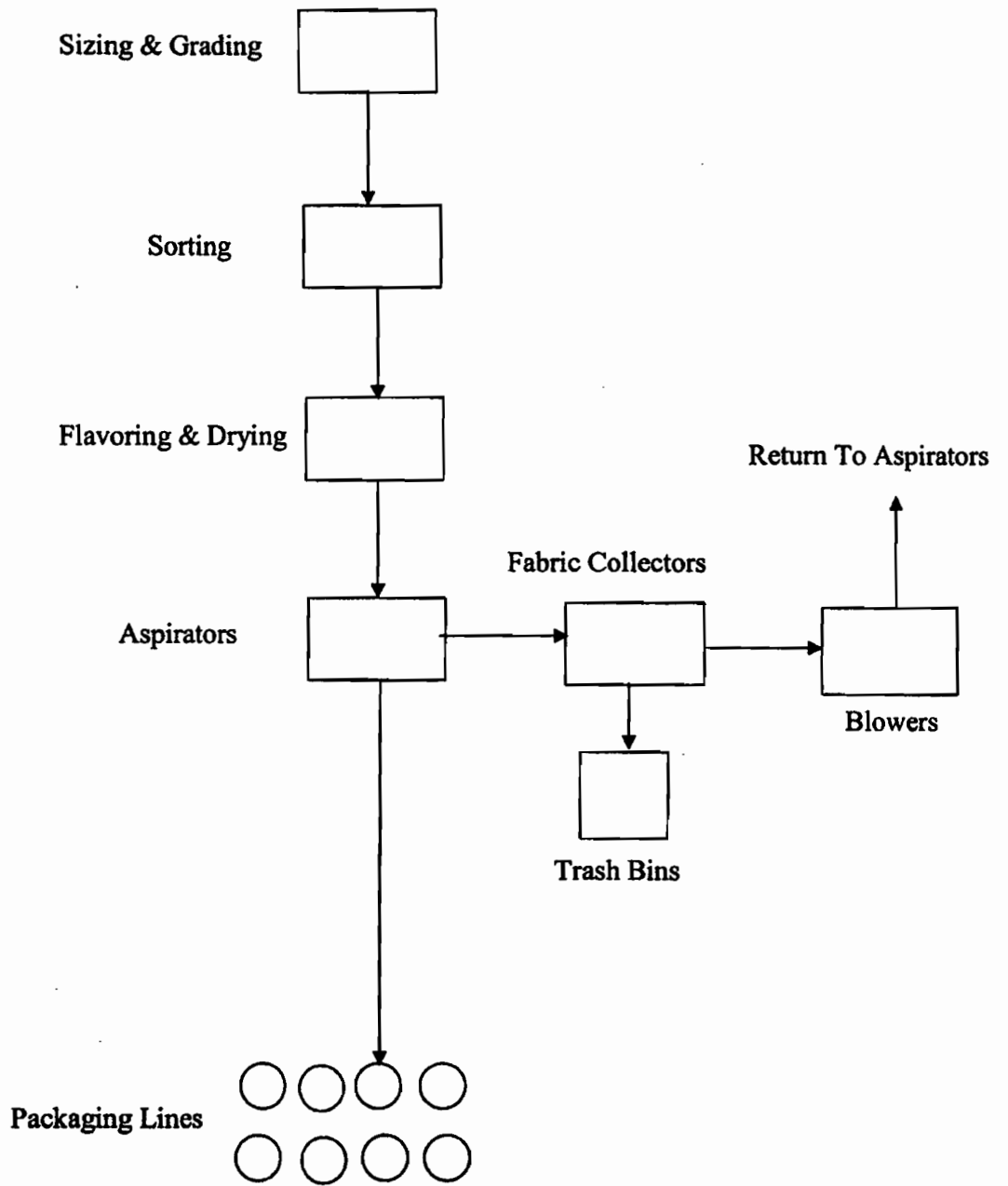
6. PM10 emission rate from the outlets of the scrubbers serving the 6.0 MMBtu/hr rotary roasters shall not exceed 0.16 lb/hr. [District Rule 2201] Federally Enforceable Through Title V Permit
7. Combustion equipment shall be fired on PUC regulated natural gas only. [District Rules 4309 and 4801] Federally Enforceable Through Title V Permit
8. Daily natural gas consumption shall not exceed 1.83 MMscf/day. [District Rule 2201] Federally Enforceable Through Title V Permit
9. Annual natural gas consumption shall not exceed 165.0 MMscf/yr. [District Rule 2201] Federally Enforceable Through Title V Permit
10. Emission rate per MMscf gas burned shall not exceed any of the following: PM10: 2.8 lb/MMscf, SO_x as (SO₂): 2.85 lb/MMscf, NO_x (as NO₂): 83.2 lb/MMscf, VOC: 3.8 lb/MMscf, or CO: 21.0 lb/MMscf. [District Rule 2201] Federally Enforceable Through Title V Permit
11. Combustion equipment shall be equipped with operational non-resettable, totalizing fuel meters to demonstrate compliance with fuel consumption limits. [District Rule 2201] Federally Enforceable Through Title V Permit
12. The permittee shall maintain daily records of the volume of fuel usage for any one day, in MMscf, and the fuel meter identification. [District Rule 2201] Federally Enforceable Through Title V Permit
13. The permittee shall maintain cumulative annual records of the volume of fuel usage for any one calendar year, in MMscf, and the fuel meter identification. [District Rule 2201] Federally Enforceable Through Title V Permit
14. Visible emissions at cyclones shall be inspected quarterly during operation. If visible emissions are observed to be in excess of 5% opacity, corrective action shall be taken to reduce opacity. If visible emissions cannot be corrected within 24 hours, a visible emissions test using EPA Method 9 shall be conducted. [District Rule 2520, 9.4.2] Federally Enforceable Through Title V Permit
15. Particulate matter emissions shall not exceed 0.1 gr/dscf in concentration. [District Rule 4201] Federally Enforceable Through Title V Permit
16. Materials removed from dust collectors shall be disposed of in a manner preventing re-entrainment into atmosphere, with an opacity not to exceed 20%. [District Rule 2201] Federally Enforceable Through Title V Permit
17. Particulate matter emissions shall not exceed the hourly rate as calculated in District Rule 4202 using the equation $E=3.59 \times P^{0.62}$ if P is less than or equal to 30 tons per hour, or $E=17.31 \times P^{0.16}$ if P is greater than 30 tons per hour. [District Rule 4202] Federally Enforceable Through Title V Permit
18. The dehydrator shall be operated and maintained in proper operating condition as recommended by the dehydrator's manufacturer or APCO-approved alternative procedures. [District Rule 4309] Federally Enforceable Through Title V Permit
19. Permittee shall maintain daily operation and maintenance records that demonstrate the dehydrator is operated within the limits of the manufacturer's specification, and maintenance is performed according to the manufacturer's recommendation or APCO-approved alternative procedures. [District Rule 4309] Federally Enforceable Through Title V Permit
20. A copy of the manufacturer's operation specifications and maintenance instruction manual or APCO-approved alternative procedures shall be maintained on-site during normal business hours. [District Rule 4309] Federally Enforceable Through Title V Permit
21. All records shall be maintained and retained on-site for a period of at least 5 years and shall be made available for District inspection upon request. [District Rules 1070 and 4309] Federally Enforceable Through Title V Permit

DRAFT

Appendix C

Process Diagram

Product Flow Diagram



Appendix D

SSPE Tabulation

S-377: SSPE1						
Permit	Equipment Description	PM ₁₀	SOx	NOx	VOC	CO
Number		lb/year	lb/year	lb/year	lb/year	lb/year
S-377-1-2	300 Gallon Above Ground Storage Tanks	PTO Surrendered				
S-377-3-23	Pistachio Hulling & Drying Operation #1	1,569	869	25,376	1,159	6,405
S-377-4-4	Standby Drying Operation	PTO Surrendered				
S-377-5-7	Nut Shelling Line #1	PTO Surrendered				
S-377-6-2	Nut Shelling Line #2	Cancelled- combined w/ S-377-5-4				
S-377-7-2	Nut Storage Facility	0	0	0	0	0
S-377-8-1	Nut Hull & Shell Separation Operation	PTO Surrendered				
S-377-9-5	Propylene Oxide Fumigation System	0	0	0	402	0
S-377-10-8	Nut Processing Operation	0	0	0	0	0
S-377-11-0	1000 Gallon Gasoline Storage Tank	PTO Surrendered				
S-377-12-0	20000 Gallon Gasoline Storage Tank	Replaced by S-377-30-0				
S-377-19-26	Pistachio Hulling & Drying Operation #2	5,650	1,112	32,448	1,482	15,501
S-377-20-20	Nut Finishing Operation	1,138	356	10,400	469	2,625
S-377-21-14	Pistachio Storage Bins	63	71	2,080	95	525
S-377-22-3	Almond Precleaning Line #3	PTO Surrendered with Project S-1032841				
S-377-23-4	Almond Classifying	PTO Surrendered with Project S-1032841				
S-377-24-2	Almond Hulling Line #1	PTO Surrendered with Project S-1032841				
S-377-25-4	Almond Hulling Line #2	PTO Surrendered with Project S-1032841				
S-377-26-2	Almond Hulling & Shelling Line #3	PTO Surrendered with Project S-1032841				
S-377-27-2	Almond Precleaning Line #4	PTO Surrendered with Project S-1032841				
S-377-28-2	Almond Hulling & Shelling Line #4	PTO Surrendered with Project S-1032841				
S-377-29-6	10.5 MM BTU/hr Boiler	PTO Surrendered				
S-377-30-2	20,000 Gallon Gasoline Storage Tank	Permit transferred to Paramount Farming				
S-377-31-0	87.3 MM BTU/hr Hulling & Drying Op. #4	PTO Surrendered				
S-377-32-0	Pistachio Finishing Operation	PTO Surrendered				
S-377-33-0	500 gallon Capacity Gasoline Storage	PTO Surrendered				
S-377-34-4	21.0 MM Btu/hr Boiler	920	524	1,558	515	6,775
S-377-35-3	Emergency Electrical Generator	0	0	114	2	98
S-377-37-2	Emergency fire water pump	24	18	1,800	54	604
S-377-38-2	Emergency fire water pump	22	14	608	30	308
S-377-39-4	Sample Drying Operation	30	17	499	35	126
S-377-40-8	Almond Finishing and Packaging Operation	332	134	1,775	262	866
S-377-41-3	Aluminium phosphide fumigation operation	0	0	0	0	0
S-377-42-1	Methy bromide fumigation chamber	0	0	0	14,235	0
S-377-43-1	Methy bromide fumigation chamber	0	0	0	1,278	0
S-377-44-1	Methy bromide fumigation chamber	0	0	0	1,278	0
S-377-45-1	Methy bromide fumigation chamber	0	0	0	1,278	0
S-377-46-1	Methy bromide fumigation chamber	0	0	0	1,278	0
S-377-47-1	AO Operation	574	228	6,656	304	1,680
S-377-48-0	Pistachio meats processing	0	0	0	0	0
S-377-49-0	Paint Booth	392	6	208	1,550	175
SSPE1=		10,714	3,349	83,522	25,706	35,688

Major Stationary Source Threshold Levels (lb/year) = 140,000 140,000 20,000 20,000 200,000

Appendix E

BACT Guideline

San Joaquin Valley
Unified Air Pollution Control District

Best Available Control Technology (BACT) Guideline 1.6.8*

Last Update 4/14/1995

Pistachio Nut Dryer

Pollutant	Achieved in Practice or contained in the SIP	Technologically Feasible	Alternate Basic Equipment
CO		Natural gas with LPG as backup fuel	
NOx	Low NOx burner @ 0.083 lb/MMBtu and natural gas fuel		
PM10		Natural gas with LPG as backup fuel	
SOx		PUC quality natural gas with LPG as backup fuel	
VOC		Natural gas with LPG as backup fuel	

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

***This is a Summary Page for this Class of Source**

Appendix F

BACT Analysis

BACT Analysis for NO_x

BACT Guideline 1.6.8, 2nd quarter 1995, lists the controls that apply to a pistachio nut dryer.

Step 1 - Identify All Possible Control Technologies

- 1) Low NO_x burner @ 0.083 lb/MMBtu and natural gas fuel – achieved in practice

Step 2 - Eliminate Technologically Infeasible Options

There are no technologically infeasible options to eliminate.

Step 3 - Rank Remaining Control Technologies by Control Effectiveness

There is only one option listed; therefore ranking is not necessary.

Step 4 - Cost Effective 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.

The applicant has proposed the only control from step 3; therefore, a cost effective analysis is not necessary.

Step 5 - Select BACT

BACT for NO_x emissions from this pistachio nut dryer is a low NO_x burner fired on natural gas with an emissions limit of 0.083 lb/MMBtu. The applicant has proposed to install a pistachio nut dryer equipped with a low NO_x burner fired on natural gas with an emissions limit of 0.083 lb/MMBtu; therefore BACT for NO_x emissions is satisfied.

BACT Analysis for VOC

BACT Guideline 1.6.8, 2nd quarter 1995, lists the controls that apply to a pistachio nut dryer.

Step 1 - Identify All Possible Control Technologies

- 1) Natural gas with LPG as backup fuel – technologically feasible

Step 2 - Eliminate Technologically Infeasible Options

There are no technologically infeasible options to eliminate.

Step 3 - Rank Remaining Control Technologies by Control Effectiveness

There is only one option listed; therefore ranking is not necessary.

Step 4 - Cost Effective 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.

The applicant has proposed the only control from step 3; therefore, a cost effective analysis is not necessary.

Step 5 - Select BACT

BACT for VOC emissions from this pistachio nut dryer is a burner fired on natural gas with LPG as backup fuel. The applicant has proposed to install a pistachio nut dryer equipped with a burner fired on natural gas with LPG as backup fuel; therefore BACT for VOC emissions is satisfied.

Appendix G

HRA/AAQA Summary

**San Joaquin Valley Air Pollution Control District
Risk Management Review**

**RECEIVED
JUN - 9 2011**

SJVAPCD
Southern Region

To: Homero Ramirez – Permit Services
 From: Matthew Cegielski – Technical Services
 Date: June 6, 2011
 Facility Name: Paramount Farms Inc.
 Location: 13646 Highway 33, Lost Hills
 Application #(s): S-377-20-22, 47-3 & 50-0
 Project #: S-1111177

A. RMR SUMMARY

RMR Summary			
Categories	NG Rotary Roaster Pistachio Drying Operation (Unit 50-0)	Project Totals	Facility Totals
Prioritization Score	0.00	0.00	>1
Acute Hazard Index	0.00	0.00	0.12
Chronic Hazard Index	0.00	0.00	0.56
Maximum Individual Cancer Risk	7.2E-09	7.2E-09	7.2E-09
T-BACT Required?	No		
Special Permit Conditions?	No		

I. Project Description

Technical Services received a request on June 6, 2011 to perform a Risk Management Review for the installation of a new Natural Gas Fired 6 MMBtu/hr Rotary Roaster (50-0) to serve a new pistachio nut flavoring drying operation and relocate existing combustion equipment from an existing pistachio finishing operation (Units 20 and 47) to S-377-50 on the same facility. There will not be an increase in combustion rate for units 20 and 47 and therefore an HRA is not required for them.

II. Analysis

Toxic emissions from the Natural Gas fired Rotary Roaster were calculated using 2001 Ventura County's Air Pollution Control District's emission factors for Natural Gas Fired external combustion. In accordance with the District's *Risk Management Policy for Permitting New and Modified Sources* (APR 1905-1, March 2, 2001), risks from the proposed project were prioritized using the procedures in the 1990 CAPCOA Facility Prioritization Guidelines and incorporated in the District's HEART's database. The prioritization score was less than 1.0 (see RMR Summary Table); however, the facilitywide total prioritization score was already over 1.0 so a refined health risk assessment was

required and performed. AERMOD was used, with point source parameters outlined below, and concatenated 5-year meteorological data from Bakersfield to determine maximum dispersion factors at the nearest residential and business receptors. The dispersion factors were input into the HARP model to calculate the chronic and acute hazard indices and the carcinogenic risk for the unit.

The following parameters were used for the review:

Analysis Parameters			
NG fired Rotary Roaster (1-0)			
Source Type	Point	Location Type	Rural
Stack Height (m)	6.096	Closest Receptor (m)	1859
Stack Diameter. (m)	0.6096	Type of Receptor	Residence
Stack Exit Velocity (m/s)	32.3	Throughput (MMscf/hr)	0.006
Stack Exit Temp. (°K)	322	Max Hours per Year	8760

III. Conclusion

The acute and chronic indices are below 1.0; and the total maximum individual cancer risk associated with the unit is **7.2-09**, which is less than the 1 in a million threshold. **In accordance with the District's Risk Management Policy, the project is approved without Toxic Best Available Control Technology (T-BACT).**

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

Attachments:

- A. HARP & AERMOD Output
- B. Toxic emissions summary
- C. Prioritization score
- D. Facility Summary

San Joaquin Valley Air Pollution Control District Risk Management Review

To: Kristopher Rickards
 From: Matthew Cegielski-Technical Services
 Date: August 4, 2011
 Facility Name: Paramount Farms
 Location: 13646 Highway 33, Lost Hills
 Application #(s): S-377-50-0
 Project #: S-1111177

A. AAQA REPORT

I. Project Description

Technical Services received a request on August 4, 2011 to perform a Ambient Air Quality Analysis (AAQA) for the installation of a new Natural Gas Fired 6 MMBtu/hr Rotary Roaster to serve a new pistachio nut flavoring operation.

II. Analysis

Criteria pollutant rates were provide by the Engineer. The AERMOD model was used for modeling the criteria pollutants with the parameters outlined below and meteorological data for 2005-2009 from Bakersfield 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 District's Ambient Air Quality Analysis Database to assess if the unit exceeded Ambient Air Quality Standards.

The following parameters were used for the review:

Analysis Parameters NG fired Rotary Roaster (50-0)			
Source Type	Point	Stack Exit Temp. (°K)	322
Stack Height (m)	6.1	Rating (MMBtu/hr)	6
Stack Diameter. (m)	0.61	Max Hours per Year	8760
Stack Exit Velocity (m/s)	32.3		

NG Rotary Roaster	Lb/hr	g/sec	Lb/yr	g/sec
CO	0.50	1.64E-02	4,373	*
NO _x	0.02	6.03E-02	150	6.29E-02
SO _x	0.02	2.52E-03	147	2.16E-03
PM _{2.5}	0.13	2.52E-03	1,104	2.11E-03
PM ₁₀	0.02	2.52E-03	200	2.11E-03

Items in bold are the g/sec values used for the AAQA assessment
 *An AAQS is not set for Annual CO

The results from the Criteria Pollutant Modeling are as follows:

Criteria Pollutant Modeling Results*

NG Rotary Roaster	1 Hour	3 Hours	8 Hours.	24 Hours	Annual
CO	Pass	X	Pass	X	X
NO _x	Pass	X	X	X	Pass
SO _x	Pass	Pass	X	Pass	Pass
PM _{2.5}	X	X	X	Pass ³	Pass ³
PM ₁₀	X	X	X	Pass ³	Pass ³

*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).

³For this case as per District procedure, minor PM_{2.5} sources are modeled only for primary PM_{2.5} concentrations, and these concentrations are compared to the 24-hour SIL of 1.2 ug/m³ and the annual SIL of 0.3 ug/m³.

III. Conclusion

The criteria modeling runs indicate the emissions from the proposed equipment will not cause or significantly contribute to a violation of a State or National AAQS.

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

Attachments:

- A. AAQA Summary Report
- B. AERMOD PM_{2.5} Dispersion Report

Appendix H

Compliance Certification

**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 ADMINISTRATIVE
 MINOR PERMIT MODIFICATION AMENDMENT

COMPANY NAME: Paramount Farms, Inc.	FACILITY ID: S - 377
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:	
3. Agent to the Owner:	

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

- Based on information and belief formed after reasonable inquiry, the source identified in this application will continue to comply with the applicable federal requirement(s).
- Based on information and belief formed after reasonable inquiry, the source 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 foregoing is correct and true:



Signature of Responsible Official

4/18/11

Date

Dave Szeflin
Name of Responsible Official (please print)

Vice President of Operations
Title of Responsible Official (please print)

Establish dehydrator permit, remove rotary dehydrators from permits '-20 and '-47, add a fourth rotary unit.

CERTIFICATION

Paramount Farms, LLC hereby certifies as follows:

1. Paramount Farms owns or operates certain major stationary sources in the State of California. Such sources are comprised of a vast number of emission points. As used in this certification, the term "major stationary source" shall, with respect to Paramount Farms stationary sources in the SJVUAPCD, have the meaning ascribed thereto in SJVUAPCD Rule 2201, Section 3.23, and shall, with respect to all of Paramount's other stationary sources in the State of California, have the meaning ascribed thereto in section 302(J) of the Clean Air Act (42 U.S.C. Section 7602 (J)).

2. Subject to paragraphs 3 and 4 below, all major stationary sources owned or operated by Paramount Farms in the State of California are either in compliance, or on an approved schedule of compliance, with all applicable emission limitations and standards under the Clean Air Act and all of the State Implementation Plan approved by the Environmental Protection Agency.

3. This certification is made on information and belief and is based upon a review of Paramount Farms major stationary sources in the State of California by those employees of Paramount Farms who have operational responsibility for compliance. In conducting such reviews, Paramount Farms and its employees have acted in good faith and have exercised best efforts to identify any exceedance of the emission limitations and standards referred to in paragraph 2 thereof.

4. This certification shall speak as of the time and date of its execution.

CERTIFICATION

By:



Dave Szefflin

Title: Vice President of Operations

Date:

8/15/2011