



# San Joaquin Valley

AIR POLLUTION CONTROL DISTRICT

AUG 25 2011

John Dean  
Spreckels Sugar Company  
P O Box 68  
Mendota, CA 93640

**RE: Notice of Final Action - Emission Reduction Credits**  
**Project Number: C-1090909**

Dear Mr. Dean:

The Air Pollution Control Officer has issued Emission Reduction Credits (ERCs) to Spreckels Sugar Company for emission reductions generated by the shutdown of one beet sugar processing operation, one 40 MMBtu/hr fuel oil fired lime kiln and one 311 MMBtu/hr natural gas fired boiler, located at 39400 Whitesbridge Road in Mendota, CA. The quantity of ERCs to be issued is 2,253 lb-VOC/year, 10,924 lb-NO<sub>x</sub>/year, 32,596 lb-CO/year, 16,958 lb-PM<sub>10</sub>/year, and 80,882 lb-SO<sub>x</sub>/year.

Enclosed are copies of the ERC Certificates and a copy of 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 the ERC Certificates was published on April 1, 2011. The District's analysis of the proposal was also sent to CARB and US EPA Region IX on March 29, 2011. All comments received following the District's preliminary decision on this project were considered.

One comment was received by the District during the public notice period for this project regarding the adjustment of the actual emission reduction (AER) values for NO<sub>x</sub> emissions in accordance with District Rule 4320 (a copy of the comment and the District's response have been attached). The comment did not result in any changes to the District's evaluation of this project and did not affect the basis for issuance of the above referenced ERC's.

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.

**Seyed Sadredin**  
Executive Director/Air Pollution Control Officer

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

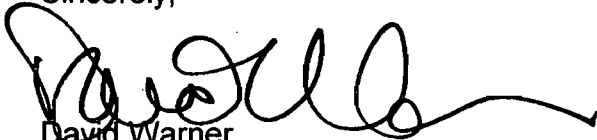
**Central Region (Main Office)**  
1990 E. Gettysburg Avenue  
Fresno, CA 93726-0244  
Tel: (559) 230-6000 FAX: (559) 230-6061  
[www.valleyair.org](http://www.valleyair.org)

**Southern Region**  
2700 M Street, Suite 275  
Bakersfield, CA 93301-2373  
Tel: (661) 326-6900 FAX: (661) 326-6985

Mr. John Dean  
Page 2

Thank you for your cooperation in this matter. If you have any questions, please contact Mr. Jim Swaney at (559) 230-5900.

Sincerely,

A handwritten signature in black ink, appearing to read 'David Warner', with a long horizontal flourish extending to the right.

David Warner  
Director of Permit Services

DW:ddb

Enclosures



# San Joaquin Valley

AIR POLLUTION CONTROL DISTRICT

AUG 25 2011

Gerardo C. Rios (AIR 3)  
Chief, Permits Office  
Air Division  
U.S. E.P.A. - Region IX  
75 Hawthorne Street  
San Francisco, CA 94105

**RE: Notice of Final Action - Emission Reduction Credits**  
**Project Number: C-1090909**

Dear Mr. Rios:

The Air Pollution Control Officer has issued Emission Reduction Credits (ERCs) to Spreckels Sugar Company for emission reductions generated by the shutdown of one beet sugar processing operation, one 40 MMBtu/hr fuel oil fired lime kiln and one 311 MMBtu/hr natural gas fired boiler, located at 39400 Whitesbridge Road in Mendota, CA. The quantity of ERCs to be issued is 2,253 lb-VOC/year, 10,924 lb-NO<sub>x</sub>/year, 32,596 lb-CO/year, 16,958 lb-PM<sub>10</sub>/year, and 80,882 lb-SO<sub>x</sub>/year.

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**Seyed Sadredin**  
Executive Director/Air Pollution Control Officer

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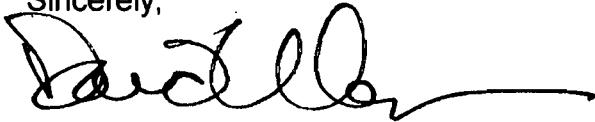
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Mr. Gerardo C. Rios  
Page 2

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Sincerely,

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David Warner  
Director of Permit Services

DW:ddb

Enclosures



# San Joaquin Valley

AIR POLLUTION CONTROL DISTRICT

AUG 25 2011

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 - Emission Reduction Credits**  
**Project Number: C-1090909**

Dear Mr. Tollstrup:

The Air Pollution Control Officer has issued Emission Reduction Credits (ERCs) to Spreckels Sugar Company for emission reductions generated by the shutdown of one beet sugar processing operation, one 40 MMBtu/hr fuel oil fired lime kiln and one 311 MMBtu/hr natural gas fired boiler, located at 39400 Whitesbridge Road in Mendota, CA. The quantity of ERCs to be issued is 2,253 lb-VOC/year, 10,924 lb-NO<sub>x</sub>/year, 32,596 lb-CO/year, 16,958 lb-PM<sub>10</sub>/year, and 80,882 lb-SO<sub>x</sub>/year.

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One comment was received by the District during the public notice period for this project regarding the adjustment of the actual emission reduction (AER) values for NO<sub>x</sub> emissions in accordance with District Rule 4320 (a copy of the comment and the District's response have been attached). The comment did not result in any changes to the District's evaluation of this project and did not affect the basis for issuance of the above referenced ERC's.

**Seyed Sadredin**  
Executive Director/Air Pollution Control Officer

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Mr. Mike Tollstrup  
Page 2

Thank you for your cooperation in this matter. If you have any questions, please contact Mr. Jim Swaney at (559) 230-5900.

Sincerely,

A handwritten signature in black ink, appearing to read "D. Warner", with a long horizontal flourish extending to the right.

David Warner  
Director of Permit Services

DW:ddb

Enclosures

Fresno Bee

**NOTICE OF FINAL ACTION  
FOR THE ISSUANCE OF  
EMISSION REDUCTION CREDITS**

NOTICE IS HEREBY GIVEN that the Air Pollution Control Officer has issued Emission Reduction Credits (ERCs) to Spreckels Sugar Company for emission reduction generated by the shutdown of one beet sugar processing operation, one 40 MMBtu/hr fuel oil fired lime kiln and one 311 MMBtu/hr natural gas fired boiler, at 39400 Whitesbridge Road in Mendota, CA. The quantity of ERCs to be issued is 2,253 lb-VOC/year, 10,924 lb-NO<sub>x</sub>/year, 32,596 lb-CO/year, 16,958 lb-PM<sub>10</sub>/year, and 80,882 lb-SO<sub>x</sub>/year.

All comments received following the District's preliminary decision on this project were considered. Only one comment was received by the District during the public notice period for this project regarding the adjustment of the actual emission reduction (AER) values for NO<sub>x</sub> emissions in accordance with District Rule 4320. The comment did not result in any changes to the District's evaluation of this project and did not affect the basis for issuance of the above referenced ERC's.

The application review for Project #C-1090909 is available for public inspection at [http://www.valleyair.org/notices/public\\_notices\\_idx.htm](http://www.valleyair.org/notices/public_notices_idx.htm) and the SAN JOAQUIN VALLEY UNIFIED AIR POLLUTION CONTROL DISTRICT, 1990 EAST GETTYSBURG AVENUE, FRESNO, CA 93726.

# APPLICANT COMMENT / DISTRICT RESPONSE

*Spreckels Sugar Company (via Ashworth Leininger Group (ALG)) comments regarding the preliminary decision for this Emission Reduction Credit (ERC) banking project are provided below followed by the District's responses. A copy of Spreckels Sugar Company's April 27, 2011 comment letter is available at the District office.*

## 1. APPLICANT COMMENT – District Rule 4320 NO<sub>x</sub> Adjustment

Under Rule 4320, operators are given one of two options to comply with rule requirements: either meet a NO<sub>x</sub> performance limit or pay an emissions fee to the District. The District's analysis assumes that compliance is demonstrated through Section 5.1.1, by adjusting NO<sub>x</sub> emissions to the level specified in Table 1, which as applied to the 311 MMBtu/hr boiler is 7 ppmv NO<sub>x</sub> corrected to 3 percent oxygen. This is not correct, as compliance is demonstrated through the annual fee provision established under Section 5.1.2. As the Spreckels facility fully complies with the emission fees that are due and payable, no adjustment to the NO<sub>x</sub> limit should be made.

When Rule 4320 was adopted, the District staff was very clear that Rule 4320 did not establish a new BACT or by extension, RACT level. This is clear in the District's response to comments on the proposed rule, specifically Item 12 of Appendix A: Comments and Responses (San Joaquin Valley Unified Air Pollution Control District, Final Draft Staff Report for Rules 4306, 4307 and 4320, October 16, 2008). This Comment and Response is reproduced below:

**12 Comment:** *We understand you will look to see whether the staff report can explain how Rule 4320 will not re-establish BACT. As you know, BACT is the more stringent of Achieved in Practice, required by a SIP/local air regulation, or cost effective and technically feasible. (BWC), (PLPG)*

**Response:** *The NO<sub>x</sub> emission limits of Rule 4320 would require the very forefront of controls for boilers, steam generators, and process heaters. The District has not sought to re-establish Best Available Control Technology (BACT) through the implementation of these advanced limits. Rule 4320 includes an option to pay an emission fee in addition to the option to meet the control requirements. A BACT analysis would have to consider the impacts of that option, not merely the proposed emission limits.*

Going forward, companies that may use ERC's generated by this shutdown will be subject to District Rule 4320 requirements. These facilities will either have to meet minimum NO<sub>x</sub> performance or pay the emissions fee. Therefore, ongoing compliance for the fraction of emissions represented by the ERC's is still assured. We therefore believe that the NO<sub>x</sub> emissions should not be adjusted to meet 7 ppmv.



## **DISTRICT RESPONSE**

District Rule 2301, Section 3.6, defines emission reduction credits (ERC's) as the following: reductions of actual emissions from emission units recognized by the District as available for use as tradeoffs or offsets in accordance with the requirements of this rule. To be eligible for certification as ERC's, emissions reductions must be real, surplus, permanent, quantifiable and enforceable. All emission reductions meeting these requirements may be certified as ERC's.

In addition, District Rule 2201, Section 3.2, defines actual emission reductions (AER's) as the decrease in actual emissions, compared to the Baseline Period, from an emissions unit and selected for use as emission offsets or ERC banking. AER's shall meet the following criteria:

- Shall be real, enforceable, quantifiable, surplus and permanent.
- To be considered surplus, AER's shall be in excess, at the time the application for an ERC or an Authority to Construct authorizing such reductions is deemed complete, of any emission reduction which:
  - o Is required or encumbered by any laws, rules, regulations, agreements, orders, or
  - o Is attributed to a control measure noticed for workshop, or proposed or contained in a State Implementation Plan, or
  - o Is proposed in the APCO's adopted air quality plan pursuant to the California Clean Air Act.

This ERC application for this project was deemed complete on December 11, 2009. Rule 4320 was originally adopted on October 16, 2008. Therefore, in order for the AER's from the 311 MMBtu/hr boiler to be considered surplus and eligible for ERC banking, they would have to fully comply with the requirements of Rule 4320.

Rule 4320 was designed to achieve specific NO<sub>x</sub> emission reductions. These reductions are achieved by either retrofitting an existing unit to meet the applicable NO<sub>x</sub> emission limits specified in Section 5.2, or by paying an annual emissions fee, calculated pursuant to Section 5.3. If an applicant chooses to comply with Rule 4320 by paying the annual emission fee, that money is then used through the District's grant program to achieve equivalent or better, ongoing, annual NO<sub>x</sub> reductions from other operations within the San Joaquin Valley. These reductions are accounted for, and relied upon, in our attainment planning efforts, and they become obligations in our State Implementation Plan, regardless of whether they were achieved by meeting the direct emissions requirements or by using the AERO fee option.

Therefore, if the NO<sub>x</sub> emissions are not adjusted, the NO<sub>x</sub> emission reductions called for by Rule 4320 are not achieved, the SIP obligation is not met, and the AER's from the boiler are not surplus emission reductions and are not eligible for ERC banking.

To your last point, the performance of future installations has no relationship to the ERCs that are available to your source – such future installations will be required to meet BACT and, if appropriate, supply offsets, regardless of the fate of the ERCs you seek.



Central Regional Office • 1990 E. Gettysburg Ave. • Fresno, CA 93726

## Emission Reduction Credit Certificate C-1072-1

**ISSUED TO:** SPRECKELS SUGAR COMPANY  
**ISSUED DATE:** August 24, 2011  
**LOCATION OF REDUCTION:** 29400 W WHITESBRIDGE RD  
 MENDOTA, CA 93640

### For VOC Reduction In The Amount Of:

Quarter 1	Quarter 2	Quarter 3	Quarter 4
None	767 lbs	1,032 lbs	454 lbs

Conditions Attached

**Method Of Reduction**

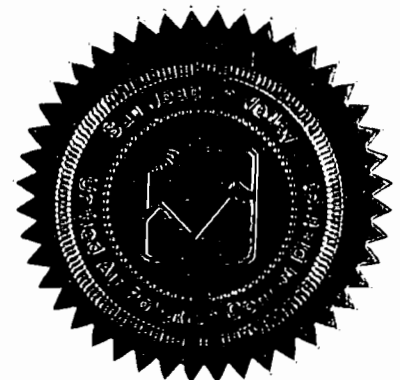
- Shutdown of Entire Stationary Source
- Shutdown of Emissions Units
- Other

Shutdown of sugar beet processing operation, 40 MMBtu/hr oil fired lime kiln and 311 MMBtu/hr natural gas fired boiler

Use of these credits outside the San Joaquin Valley Unified Air Pollution Control District (SJVUAPCD) is not allowed without express written authorization by the SJVUAPCD.

Seyed Sadredin, Executive Director / APCO

David Warner, Director of Permit Services





Central Regional Office • 1990 E. Gettysburg Ave. • Fresno, CA 93726

## Emission Reduction Credit Certificate C-1072-2

**ISSUED TO:** SPRECKELS SUGAR COMPANY  
**ISSUED DATE:** August 24, 2011  
**LOCATION OF REDUCTION:** 29400 W WHITESBRIDGE RD  
 MENDOTA, CA 93640

### For NOx Reduction In The Amount Of:

Quarter 1	Quarter 2	Quarter 3	Quarter 4
None	3,701 lbs	5,023 lbs	2,200 lbs

Conditions Attached

**Method Of Reduction**

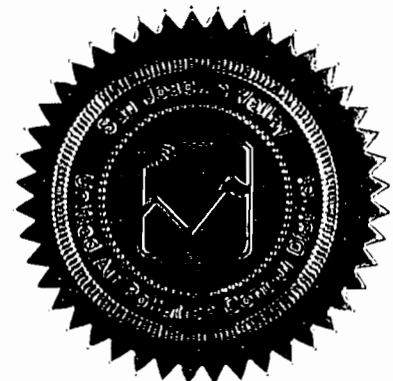
- Shutdown of Entire Stationary Source
- Shutdown of Emissions Units
- Other

**Shutdown of sugar beet processing operation, 40 MMBtu/hr oil fired lime kiln and 311 MMBtu/hr natural gas fired boiler**

Use of these credits outside the San Joaquin Valley Unified Air Pollution Control District (SJVUAPCD) is not allowed without express written authorization by the SJVUAPCD.

Seyed Sadredin, Executive Director / APCO

David Warner, Director of Permit Services





Central Regional Office • 1990 E. Gettysburg Ave. • Fresno, CA 93726

## Emission Reduction Credit Certificate C-1072-3

**ISSUED TO:** SPRECKELS SUGAR COMPANY  
**ISSUED DATE:** August 24, 2011  
**LOCATION OF REDUCTION:** 29400 W WHITESBRIDGE RD  
 MENDOTA, CA 93640

### For CO Reduction In The Amount Of:

Quarter 1	Quarter 2	Quarter 3	Quarter 4
None	11,056 lbs	14,993 lbs	6,547 lbs

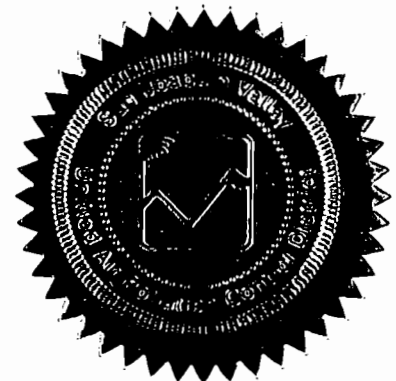
Conditions Attached

**Method Of Reduction**

- Shutdown of Entire Stationary Source
- Shutdown of Emissions Units
- Other

Shutdown of sugar beet processing operation, 40 MMBtu/hr oil fired lime kiln and 311 MMBtu/hr natural gas fired boiler

Use of these credits outside the San Joaquin Valley Unified Air Pollution Control District (SJVUAPCD) is not allowed without express written authorization by the SJVUAPCD.



Seyed Sadredin, Executive Director / APCO

David Warner, Director of Permit Services



**San Joaquin Valley**  
AIR POLLUTION CONTROL DISTRICT



**HEALTHY AIR LIVING™**

Central Regional Office • 1990 E. Gettysburg Ave. • Fresno, CA 93726

## Emission Reduction Credit Certificate C-1072-4

**ISSUED TO:** SPRECKELS SUGAR COMPANY  
**ISSUED DATE:** August 24, 2011  
**LOCATION OF REDUCTION:** 29400 W WHITESBRIDGE RD  
MENDOTA, CA 93640

**For PM10 Reduction In The Amount Of:**

Quarter 1	Quarter 2	Quarter 3	Quarter 4
None	6,074 lbs	7,699 lbs	3,185 lbs

Conditions Attached

**Method Of Reduction**

- Shutdown of Entire Stationary Source
- Shutdown of Emissions Units
- Other

Shutdown of sugar beet processing operation, 40 MMBtu/hr oil fired lime kiln and 311 MMBtu/hr natural gas fired boiler

Use of these credits outside the San Joaquin Valley Unified Air Pollution Control District (SJVUAPCD) is not allowed without express written authorization by the SJVUAPCD.



Sayed Sadredin, Executive Director / APCO

David Warner, Director of Permit Services



Central Regional Office • 1990 E. Gettysburg Ave. • Fresno, CA 93726

## Emission Reduction Credit Certificate C-1072-5

**ISSUED TO:** SPRECKELS SUGAR COMPANY  
**ISSUED DATE:** August 24, 2011  
**LOCATION OF REDUCTION:** 29400 W WHITESBRIDGE RD  
 MENDOTA, CA 93640

**For SOx Reduction In The Amount Of:**

Quarter 1	Quarter 2	Quarter 3	Quarter 4
None	26,875 lbs	37,739 lbs	16,268 lbs

Conditions Attached

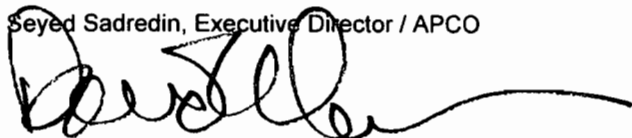
**Method Of Reduction**

- Shutdown of Entire Stationary Source
- Shutdown of Emissions Units
- Other

**Shutdown of sugar beet processing operation, 40 MMBtu/hr oil fired lime kiln and 311 MMBtu/hr natural gas fired boiler**

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Seyed Sadredin, Executive Director / APCO



David Warner, Director of Permit Services

