



APR 04 2012

Mr. Phil Castro
E & J Gallo Winery
5610 E Olive Ave
Fresno, CA 93727

**Re: Final - Authority to Construct / COC (Significant Mod)
District Facility # C-447
Project # C-1113298**

Dear Mr. Castro:

The Air Pollution Control Officer has issued an Authority to Construct (C-447-295-0) with a Certificate of Conformity to E & J Gallo Winery at 5610 E Olive Ave in Fresno. The applicant is proposing to install one 99 MMBtu/hr natural gas/biogas-fired boiler.

Enclosed is the Authority to Construct. The application and proposal were sent to US EPA Region IX on February 28, 2012. No comments were received following the District's preliminary decision on this project.

The notice of final decision for this project will be published approximately three days from the date of this letter.

Prior to operating with modifications authorized by the Authority to Construct, you must submit an application to modify the Title V permit as an administrative amendment in accordance with District Rule 2520, Section 11.5.

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

Sincerely,

David Warner
Director of Permit Services

Enclosures
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Seyed Sadredin
Executive Director/Air Pollution Control Officer

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

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

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



APR 04 2012

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

**Re: Final - Authority to Construct / COC (Significant Mod)
District Facility # C-447
Project # C-1113298**

Dear Mr. Rios:

The Air Pollution Control Officer has issued an Authority to Construct (C-447-295-0) with a Certificate of Conformity to E & J Gallo Winery at 5610 E Olive Ave in Fresno. The applicant is proposing to install one 99 MMBtu/hr natural gas/biogas-fired boiler.

Enclosed is a copy of the Authority to Construct. The application and proposal were sent to US EPA Region IX on February 28, 2012. No comments were received following the District's preliminary decision on this project.

The notice of final decision for this project will be published approximately three days from the date of this letter.

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

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APR 04 2012

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

**Re: Final - Authority to Construct / COC (Significant Mod)
District Facility # C-447
Project # C-1113298**

Dear Mr. Tollstrup:

The Air Pollution Control Officer has issued an Authority to Construct (C-447-295-0) with a Certificate of Conformity to E & J Gallo Winery at 5610 E Olive Ave in Fresno. The applicant is proposing to install one 99 MMBtu/hr natural gas/biogas-fired boiler.

Enclosed is a copy of the Authority to Construct. The application and proposal were sent to US EPA Region IX on February 28, 2012. No comments were received following the District's preliminary decision on this project.

The notice of final decision for this project will be published approximately three days from the date of this letter.

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

Sincerely,

David Warner
Director of Permit Services

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Fresno Bee

**NOTICE OF FINAL 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 has made its final decision to issue an Authority to Construct to E & J Gallo Winery for winery located at 5610 E Olive Ave in Fresno, California. The applicant is proposing to install one 99 MMBtu/hr natural gas/biogas-fired boiler.

The District's analysis of the legal and factual basis for this proposed action, project #C-1113298, is available for public inspection at the District office at the address below. For additional information regarding this matter, please contact Mr. Jim Swaney, Permit Services Manager, at (559) 230-5900, or contact David Warner, Director of Permit Services, in writing at SAN JOAQUIN VALLEY AIR POLLUTION CONTROL DISTRICT, 1990 E. GETTYSBURG AVE, FRESNO, CA 93726-0244.



AUTHORITY TO CONSTRUCT

PERMIT NO: C-447-295-0

ISSUANCE DATE: 04/03/2012

LEGAL OWNER OR OPERATOR: E & J GALLO WINERY

MAILING ADDRESS: 5610 E OLIVE AVE
FRESNO, CA 93727

LOCATION: 5610 E OLIVE AVE
FRESNO, CA 93727

EQUIPMENT DESCRIPTION:

99 MMBTU/HR VICTORY ENERGY OPERATIONS NATURAL GAS/BIOGAS-FIRED BOILER EQUIPPED WITH A TODD VERIFLAME MODEL TODD VERIFLAME 99 LOW NOX BURNER, FLUE GAS RECIRCULATION SYSTEM, AND O2 CONTROLLER SERVED BY A NATIONWIDE MODEL CATASTAK SELECTIVE CATALYTIC REDUCTION (SCR) SYSTEM

CONDITIONS

1. Within 90 days of startup of the equipment authorized by this Authority to Construct, Permit to Operate C-447-4 shall be surrendered to the District and the associated equipment shall be removed or rendered inoperable. [District Rule 2201] Federally Enforceable Through Title V Permit
2. 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 Rule 2201] Federally Enforceable Through Title V Permit
3. 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
4. Prior to operating equipment under this Authority to Construct, permittee shall surrender NOx emission reduction credits for the following quantities of emissions: 1st quarter - 146 lb, 2nd quarter - 146 lb, 3rd quarter - 146 lb, and fourth quarter - 146 lb. Offsets shall be provided at the applicable offset ratio specified in Table 4-2 of Rule 2201 (as amended 4/21/11). [District Rule 2201] Federally Enforceable Through Title V Permit

CONDITIONS CONTINUE ON NEXT PAGE

YOU MUST NOTIFY THE DISTRICT COMPLIANCE DIVISION AT (559) 230-5950 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
C-447-295-0 : Apr 3 2012 8:36AM - TOMS : Joint Inspection NOT Required

5. Prior to operating equipment under this Authority to Construct, permittee shall surrender VOC emission reduction credits for the following quantities of emissions: 1st quarter - 854 lb, 2nd quarter - 855 lb, 3rd quarter - 855 lb, and fourth quarter - 855 lb. Offsets shall be provided at the applicable offset ratio specified in Table 4-2 of Rule 2201 (as amended 4/21/11). [District Rule 2201] Federally Enforceable Through Title V Permit
6. ERC Certificate Numbers N-849-2, N-972-2, C-1107-1 (or a certificate split from these certificates) shall be used to supply the required offsets, unless a revised offsetting proposal is received and approved by the District, upon which this Authority to Construct shall be reissued, administratively specifying the new offsetting proposal. Original public noticing requirements, if any, shall be duplicated prior to reissuance of this Authority to Construct [District Rule 2201] Federally Enforceable Through Title V Permit
7. No air contaminant shall be released into the atmosphere which causes a public nuisance. [District Rule 4102]
8. No air contaminant shall be discharged into the atmosphere for a period or periods aggregating more than three minutes in any one hour which is as dark as, or darker than, Ringelmann 1 or 20% opacity. [District Rule 4101] Federally Enforceable Through Title V Permit
9. Particulate matter emissions shall not exceed 0.1 grains/dscf in concentration. [District Rule 4201] Federally Enforceable Through Title V Permit
10. All equipment shall be constructed, maintained and operated according to the specifications and plans contained in the permit application except as otherwise specified herein. [District Rule 2201] Federally Enforceable Through Title V Permit
11. All equipment shall be maintained in good operating condition and shall be operated in a manner to minimize emissions of air contaminants into the atmosphere. [District Rule 2201] Federally Enforceable Through Title V Permit
12. The boiler shall be equipped with an economizer system that consists of, at a minimum, a single stage economizer section which will recover energy from the boiler flue gas by heat exchange with the boiler feed water. The economizer system shall be designed at maximum boiler firing rate to either 1) reduce the temperature of the economizer flue gas outlet to a value no greater than 20 deg F above the temperature of the boiler feed water at maximum firing rate, or 2) heat the boiler feed water to a temperature which is no less than 30 deg F below the steam temperature at the steam drum, or 3) reduce the final temperature of the boiler's flue gas to a temperature no greater than 200 deg F. [California Environmental Quality Act]
13. Electric motors driving combustion air fans or induced draft fans shall have an efficiency meeting the standards of the National Electric Manufacturer's Association (NEMA) for "premium efficiency" motors and shall each be operated with a variable speed control or equivalent for control of flow through the fan. [California Environmental Quality Act]
14. The boiler shall be equipped with an O2 trim system designed to control oxygen content of the stack gases to a maximum of 3% by volume dry basis except during any period where the rate of fuel consumption by the boiler is less than 20% of maximum rated firing. [California Environmental Quality Act]
15. The boiler shall be designed to limit the recirculation of flue gas to a value not exceeding 10 percent of total flue gas volume while meeting the applicable requirements for control of NOx emissions from the boiler. [California Environmental Quality Act]
16. The boiler shall be equipped with an automatic boiler blowdown control system which minimizes boiler blowdown while controlling dissolved solids in the boiler water at an optimum level. [California Environmental Quality Act]
17. The boiler shall be equipped with a flash steam recovery system which will recover flash steam from the blowdown pressure reduction and utilize it for feedwater heating in the deaerator or feedwater heater. [California Environmental Quality Act]
18. A non-resettable, totalizing mass or volumetric fuel flow meter to measure the amount of fuel combusted in the unit shall be installed, utilized and maintained. [District Rule 2201 and 40 CFR 60.48 (c)(g)] Federally Enforceable Through Title V Permit
19. The unit shall only be fired on PUC-regulated natural gas and/or on scrubbed biogas from C-447-226. [District Rules 2201 and 4320] Federally Enforceable Through Title V Permit
20. The H2S content of the scrubbed biogas fuel shall not exceed 50 ppmv. [District Rules 2201 and 4320] Federally Enforceable Through Title V Permit

CONDITIONS CONTINUE ON NEXT PAGE

21. Except during start-up and shutdown, emissions from this unit shall not exceed any of the following limits: 5 ppmvd NO_x @ 3% O₂ or 0.006 lb-NO_x/MMBtu; 0.0022 lb-PM₁₀/MMBtu; 200 ppmvd CO @ 3% O₂ (equivalent to 0.147 lb-CO/MMBtu); or 0.0055 lb-VOC/MMBtu. [District Rules 2201, 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
22. During start-up and shutdown, emissions from this unit shall not exceed any of the following limits: 0.83 lb-NO_x/hr; 0.0022 lb-PM₁₀/MMBtu; 200 ppmvd CO @ 3% O₂ (equivalent to 0.147 lb-CO/MMBtu); or 0.0055 lb-VOC/MMBtu.. [District Rules 2201, 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
23. The total duration of start-up time shall not exceed 5.0 hours per day. [District Rules 2201, 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
24. The total duration of startup time shall not exceed 4.0 hours per occurrence. [District Rules 2201, 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
25. The total duration of shutdown time shall not exceed 2.0 hours per day. [District Rules 2201, 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
26. The total duration of shutdown time shall not exceed 2.0 hours per occurrence. [District Rules 2201, 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
27. The permittee shall maintain daily records of start-up and shutdown durations and number of occurrences of each. [District Rules 2201, 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
28. The ammonia (NH₃) emissions shall not exceed 10 ppmvd @ 3% O₂ over a 15 minute averaging period. [District Rule 4102]
29. Source testing to measure NO_x and CO emissions from this unit while fired on natural gas shall be conducted within 60 days of initial start-up. [District Rules 2201, 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
30. Source testing to measure natural gas combustion NO_x, CO, and NH₃ emissions from this unit shall be conducted at least once every twelve months. After demonstrating compliance on two consecutive annual source tests when unit is fired on natural gas, the unit shall be tested not less than once every 36 months. If the result of the 36-month source test demonstrates that the unit does not meet the applicable emission limits, the source testing frequency shall revert to at least once every twelve months. [District Rules 2201, 4102, 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
31. Nitrogen oxide (NO_x) emission concentrations in ppmv referenced at dry stack emissions shall be corrected to 3% O₂ and lb/MMBtu rates shall be calculated as lb NO₂/MMBtu of heat input (hhv). [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
32. For emissions source testing, the arithmetic average of three 30-consecutive-minute test runs shall apply. If two of three runs are above an applicable limit the test cannot be used to demonstrate compliance with an applicable limit. [District Rules 4305, 4306 and 4320] Federally Enforceable Through Title V Permit
33. All emissions measurements shall be made with the unit operating either at conditions representative of normal operations or conditions specified in the Permit to Operate. No determination of compliance shall be established within two hours after a continuous period in which fuel flow to the unit is shut off for 30 minutes or longer, or within 30 minutes after a re-ignition. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
34. NO_x emissions for source test purposes shall be determined using EPA Method 7E or ARB Method 100 on a ppmv basis, or EPA Method 19 on a heat input basis. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
35. CO emissions for source test purposes shall be determined using EPA Method 10 or ARB Method 100. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
36. Stack gas oxygen (O₂) shall be determined using EPA Method 3 or 3A or ARB Method 100. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
37. Source testing for ammonia slip shall be conducted utilizing BAAQMD Method ST-1B. [District Rule 4102]

CONDITIONS CONTINUE ON NEXT PAGE

38. Source testing shall be conducted using the methods and procedures approved by the District. The District must be notified at least 30 days prior to any compliance source test, and a source test plan must be submitted for approval at least 15 days prior to testing. [District Rule 1081] Federally Enforceable Through Title V Permit
39. The source test plan shall identify which basis (ppmv or lb/MMBtu) will be used to demonstrate compliance. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
40. The results of each source test shall be submitted to the District within 60 days thereafter. [District Rule 1081] Federally Enforceable Through Title V Permit
41. The permittee shall monitor and record the stack concentration of NO_x, CO, NH₃, and O₂ at least once every month (in which a source test is not performed) using a portable emission monitor that meets District specifications. NH₃ monitoring shall be conducted utilizing Draeger tubes or a District approved equivalent method. Monitoring shall not be required if the unit is not in operation, i.e. the unit need not be started solely to perform monitoring. Monitoring shall be performed within five days of restarting the unit unless monitoring has been performed within the last month. [District Rules 4102, 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
42. If the NO_x, CO or NH₃ concentrations, as measured by the portable analyzer or the District approved ammonia monitoring equipment, exceed the permitted levels, the permittee shall return the emissions to within the acceptable range as soon as possible, but no longer than one hour of operation after detection. If the portable analyzer or the ammonia monitoring equipment continue to show emission limit violations after one hour of operation following detection, the permittee shall notify the District within the following one hour and conduct a certified source test within 60 days of the first exceedance. In lieu of conducting a source test, the permittee may stipulate a violation has occurred, subject to enforcement action. The permittee must then correct the violation, show compliance has been re-established, and resume monitoring procedures. If the deviations are the result of a qualifying breakdown condition pursuant to Rule 1100, the permittee may fully comply with Rule 1100 in lieu of the performing the notification and testing required by this condition. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
43. All NO_x, CO, O₂ and NH₃ emission readings shall be taken with the unit operating either at conditions representative of normal operations or conditions specified in the permit-to-operate. The NO_x, CO and O₂ analyzer as well as the NH₃ emission monitoring equipment shall be calibrated, maintained, and operated in accordance with the manufacturer's specifications and recommendations or a protocol approved by the APCO. Emission readings taken shall be averaged over a 15 consecutive-minute period by either taking a cumulative 15 consecutive-minute sample reading or by taking at least five readings, evenly spaced out over the 15 consecutive-minute period. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
44. NH₃ emission readings shall be conducted at the time the NO_x, CO and O₂ readings are taken. The readings shall be converted to ppmvd @ 3% O₂. [District Rule 4102]
45. The permittee shall maintain records of: (1) the date and time of NO_x, CO, NH₃, and O₂ measurements, (2) the O₂ concentration in percent by volume and the measured NO_x, CO, and NH₃ concentrations corrected to 3% O₂, (3) make and model of the portable analyzer, (4) portable analyzer calibration records, (5) the method of determining the NH₃ emission concentration, and (6) a description of any corrective action taken to maintain the emissions at or below the acceptable levels. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
46. Operator shall provide that fuel hhv be certified by third party fuel supplier or determined annually by ASTM D 1826 or D 1945 in conjunction with ASTM D 3588. [District Rules 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
47. Permittee shall determine sulfur content of combusted natural gas annually or shall demonstrate that the combusted natural gas is provided from a PUC or FERC regulated source. [District Rules 1081 and 4320] Federally Enforceable Through Title V Permit
48. The permittee shall monitor the biogas H₂S concentration at the outlet of the biogas scrubber (Permit to Operate C-447-226) on a weekly basis. If the biogas H₂S concentration does not exceed 50 ppmv for four consecutive weeks, monitoring may be conducted on a monthly basis. If the H₂S concentration at the outlet exceeds 50 ppmv, weekly monitoring shall resume. [District Rule 4320] Federally Enforceable Through Title V Permit
49. The permittee shall take readings of the NO_x concentration and O₂ percent, by volume, using the in-stack monitoring system at least once per each day that the boiler operates. [District Rule 2201 and 40 CFR Part 64.9] Federally Enforceable Through Title V Permit

CONDITIONS CONTINUE ON NEXT PAGE

50. During times when the in-stack monitoring system is down for maintenance or repairs, the permittee shall use a District approved portable analyzer to record daily NO_x and O₂ concentrations. The permittee shall maintain records of the portable analyzer readings including the date(s) and reason the in-stack monitoring system was not operating. [District Rule 2201 and 40 CFR Part 64] Federally Enforceable Through Title V Permit
51. The permittee shall maintain daily records of the NO_x and O₂ concentration from the in-stack monitoring system. These records shall be made available for District inspection upon request. [District Rule 2201 and 40 CFR Part 64] Federally Enforceable Through Title V Permit
52. The permittee shall compare the NO_x and O₂ concentrations from the in-stack monitoring system with the concentration of NO_x and O₂ readings from calibration gas cylinders for NO_x and O₂ at least once during each month that the boiler operates. The permittee shall maintain these comparison readings and these records shall be available for District inspection upon request. [District Rule 2201 and 40 CFR Part 64] Federally Enforceable Through Title V Permit
53. If the NO_x or O₂ concentrations, as measured by the in-stack monitoring system, exceed the permitted levels the permittee shall return the emissions to compliant levels as soon as possible, but no longer than 1 hour of operation after detection. If the in-stack monitoring system continues to show emission limit violations after 1 hour of operation following detection, the permittee shall notify the District within the following 1 hour and conduct a certified source test within 60 days of the first exceedance. In lieu of conducting a source test, the permittee may stipulate a violation that is subject to enforcement action has occurred. The permittee must then correct the violation, show compliance has been re-established, and resume monitoring procedures. If the deviations are the result of a qualifying breakdown condition pursuant to Rule 1100, the permittee may fully comply with Rule 1100 in lieu of the performing the notification and testing required by this condition. [District Rules 4102, 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
54. The permittee shall comply with the compliance assurance monitoring operation and maintenance requirements of 40 CFR part 64.7. [40 CFR Part 64.7] Federally Enforceable Through Title V Permit
55. If the District or EPA determine that a Quality Improvement Plan is required under 40 CFR 64.7(d)(2), the permittee shall develop and implement the Quality Improvement Plan in accordance with 40 CFR Part 64.8. [40 CFR Part 64.8] Federally Enforceable Through Title V Permit
56. The permittee shall comply with the record keeping and reporting requirements of 40 CFR part 64.9. [40 CFR Part 64.9] Federally Enforceable Through Title V Permit
57. Permittee shall maintain daily records of the type and quantity of fuel combusted by the boiler. [District Rules 2201 and 40 CFR 60.48 (c)(g)] Federally Enforceable Through Title V Permit
58. All records shall be maintained and retained on-site for a minimum of five years, and shall be made available for District inspection upon request. [District Rules 1070, 4305, 4306, and 4320] Federally Enforceable Through Title V Permit