



# San Joaquin Valley

## AIR POLLUTION CONTROL DISTRICT

APR 04 2013

Ms. Kim Burns  
E & J Gallo Winery  
18000 River Road  
Livingston, CA 95334

**Re: Final - Authority to Construct / COC (Significant Mod)  
District Facility # N-1237  
Project # N-1122834**

Dear Ms. Burns:

The Air Pollution Control Officer has issued an Authority to Construct (ATC N-1237-607-0) with Certificate of Conformity to E & J Gallo Winery at 18000 River Road in Livingston. E & J Gallo Winery has proposed the installation of a new 90 MMBtu/hr natural gas-fired boiler and the removal of an existing 90 MMBtu/hr natural gas-fired boiler (unit -3). Enclosed is the Authority to Construct 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 Authority to Construct permit was published on March 1, 2013. The District's analysis of the proposal was also sent to CARB and US EPA Region IX on February 26, 2013. No comments were received following the District's preliminary decision on this project.

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.

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**

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

Ms. Kim Burns  
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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,

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

Enclosures

cc: Mike Tollstrup, CARB (w/enclosure) via email  
cc: Gerardo C. Rios, EPA (w/enclosure) via email

**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 at 18000 River Road in Livingston, California. E & J Gallo Winery has proposed the installation of a new 90 MMBtu/hr natural gas-fired boiler and the removal of an existing 90 MMBtu/hr natural gas-fired boiler (unit -3).

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

The District's analysis of the legal and factual basis for this proposed action, project #N-1122834, is available for public inspection at [http://www.valleyair.org/notices/public\\_notices\\_idx.htm](http://www.valleyair.org/notices/public_notices_idx.htm), the SAN JOAQUIN VALLEY AIR POLLUTION CONTROL DISTRICT, 1990 EAST GETTYSBURG AVENUE, FRESNO, CA 93726, and at any other District office. For additional information, please contact the District at (559) 230-6000.



# AUTHORITY TO CONSTRUCT

**PERMIT NO:** N-1237-607-0

**ISSUANCE DATE:** 04/01/2013

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

**LOCATION:** 18000 W RIVER RD  
LIVINGSTON, CA 95334

**EQUIPMENT DESCRIPTION:**

90 MMBTU/HR VICTORY ENERGY OPERATIONS (VEO) MODEL J-VE-540 NATURAL GAS-FIRED BOILER WITH A LOW-NOX BURNER, A FLUE GAS RECIRCULATION (FGR) SYSTEM, A NATIONWIDE SELECTIVE CATALYTIC REDUCTION (SCR) SYSTEM, AND A NOX AND O2 IN-STACK EMISSION MONITORING SYSTEM (REPLACEMENT FOR PERMIT N-1237-3)

## CONDITIONS

1. 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
2. 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. Within 90 days of startup of the equipment authorized by this Authority to Construct, Permit to Operate N-1237-3-8 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
4. Prior to operating equipment under this Authority to Construct, permittee shall surrender VOC emission reduction credits for the following quantity of emissions: 1st quarter - 512 lb, 2nd quarter - 511 lb, 3rd quarter - 511 lb, and fourth quarter - 511 lb. Offsets shall be provided at the applicable offset ratio specified in Table 4-2 of Rule 2201 (as amended 12/19/02). [District Rule 2201] Federally Enforceable Through Title V Permit

CONDITIONS CONTINUE ON NEXT PAGE

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

Seyed Sadredin, Executive Director / APCO

  
DAVID WARNER, Director of Permit Services  
N-1237-607-0 Apr 1 2013 1:48PM -- FUKUDAD Joint Inspection NOT Required

5. Prior to operating equipment under this Authority to Construct, permittee shall surrender NOx emission reduction credits for the following quantity of emissions: 1st quarter - 1,274 lb, 2nd quarter - 1,274 lb, 3rd quarter - 1,274 lb, and fourth quarter - 1,274 lb. Offsets shall be provided at the applicable offset ratio specified in Table 4-2 of Rule 2201 (as amended 12/19/02. [District Rule 2201] Federally Enforceable Through Title V Permit
6. ERC Certificate Numbers N-2-1, S-3892-1, S-3807-1, S-3808-1, N-2-2, N-849-2, N-1061-2, N-1010-2, N-1011-2, or N-1012-2 (or a certificates 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. Particulate matter emissions shall not exceed 0.1 grains/dscf in concentration. [District Rule 4201] Federally Enforceable Through Title V Permit
9. 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
10. The unit shall only be fired on PUC-quality natural gas. [District Rules 2201 and 4320] Federally Enforceable Through Title V Permit
11. 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 Rules 2201 and 40 CFR 60.48 (c)(g)] Federally Enforceable Through Title V Permit
12. The exhaust stack shall vent vertically upward. The vertical exhaust flow shall not be impeded by a rain cap (flapper ok), roof overhang, or any other obstruction. [District Rule 4102]
13. Except during start-up and shutdown, emissions from this unit shall not exceed any of the following limits: 5 ppmvd NOx @ 3% O2 or 0.006 lb-NOx/MMBtu; 0.00285 lb-SOx/MMBtu; 0.0076 lb-PM10/MMBtu; 200 ppmvd CO @ 3% O2 (equivalent to 0.148 lb-CO/MMBtu); or 0.0027 lb-VOC/MMBtu. [District Rules 2201, 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
14. During start-up and shutdown, emissions from this unit shall not exceed any of the following limits: 0.83 lb-NOx/hr; 0.00285 lb-SOx/MMBtu; 0.0076 lb-PM10/MMBtu; 200 ppmvd CO @ 3% O2 (equivalent to 0.148 lb-CO/MMBtu); or 0.0027 lb-VOC/MMBtu. [District Rules 2201, 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
15. The total duration of start-up time shall not exceed 3.0 hours per day. [District Rules 2201, 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
16. 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
17. Duration of start-up or shutdown shall not exceed two hours each per occurrence. During start-up or shutdown, the emissions control system shall be in operation, and emissions shall be minimized insofar as technologically possible. The operator shall maintain daily records of the duration of start-up and shutdown periods. [District Rules 2201, 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
18. The ammonia emissions shall not exceed 10 ppmvd @ 3% O2. [District Rule 4102]
19. Source testing to measure NOx, CO, and NH3 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
20. Source testing to measure natural gas combustion NOx, 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

CONDITIONS CONTINUE ON NEXT PAGE

21. 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
22. 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
23. 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
24. 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 108] Federally Enforceable Through Title V Permit
25. NO<sub>x</sub> 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
26. 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
27. Stack gas oxygen (O<sub>2</sub>) 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
28. Source testing for ammonia slip shall be conducted utilizing BAAQMD Method ST-1B. [District Rule 4102]
29. The permittee shall monitor and record the stack concentration of NO<sub>x</sub>, CO, NH<sub>3</sub>, and O<sub>2</sub> at least once every month (in which a source test is not performed) using a portable emission monitor that meets District specifications. NH<sub>3</sub> 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 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
30. If the NO<sub>x</sub>, CO or NH<sub>3</sub> 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 1 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 4102, 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
31. All NO<sub>x</sub>, CO, O<sub>2</sub> and NH<sub>3</sub> 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<sub>x</sub>, CO and O<sub>2</sub> analyzer as well as the NH<sub>3</sub> 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 4102, 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
32. The permittee shall maintain records of: (1) the date and time of NO<sub>x</sub>, CO, NH<sub>3</sub> and O<sub>2</sub> measurements, (2) the O<sub>2</sub> concentration in percent by volume and the measured NO<sub>x</sub>, CO and NH<sub>3</sub> concentrations corrected to 3% O<sub>2</sub>, (3) make and model of exhaust gas analyzer, (4) exhaust gas analyzer calibration records, (5) the method of determining the NH<sub>3</sub> emission concentration, and (6) a description of any corrective action taken to maintain the emissions at or below the acceptable levels. [District Rules 4102, 4305, 4306, and 4320] Federally Enforceable Through Title V Permit

CONDITIONS CONTINUE ON NEXT PAGE

33. Permittee shall determine sulfur content of combusted gas annually or shall demonstrate that the combusted gas is provided from a PUC or FERC regulated source. [District Rules 1081 and 4320] Federally Enforceable Through Title V Permit
34. The permittee shall take readings of the NOx 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 64.9] Federally Enforceable Through Title V Permit
35. 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 NOx 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 64] Federally Enforceable Through Title V Permit
36. The permittee shall maintain daily records of the NOx 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 64] Federally Enforceable Through Title V Permit
37. The permittee shall compare the NOx and O2 concentrations from the in-stack monitoring system with the concentration of NOx and O2 readings from calibration gas cylinders for NOx 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 64] Federally Enforceable Through Title V Permit
38. The permittee shall comply with the compliance assurance monitoring operation and maintenance requirements of 40 CFR Part 64.7. [40 CFR 64] Federally Enforceable Through Title V Permit
39. 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 64] Federally Enforceable Through Title V Permit
40. The permittee shall comply with the recordkeeping and reporting requirements of 40 CFR Part 64.9. [40 CFR 64.9] Federally Enforceable Through Title V Permit
41. 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
42. 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
43. 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. [Public Resources Code 21000-21177: California Environmental Quality Act]
44. 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. [Public Resources Code 21000-21177: California Environmental Quality Act]
45. 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. [Public Resources Code 21000-21177: California Environmental Quality Act]
46. 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. [Public Resources Code 21000-21177: California Environmental Quality Act]

CONDITIONS CONTINUE ON NEXT PAGE

47. 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. [Public Resources Code 21000-21177: California Environmental Quality Act]
48. 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. [Public Resources Code 21000-21177: California Environmental Quality Act]
49. Permittee shall comply with all applicable requirements of the California Department of Fish and Wildlife (CDFW). Permittee shall retain any permits/records deemed necessary by CDFW on-site and shall make these permits/records available to the District upon inspection. [Public Resources Code 21000-21177: California Environmental Quality Act]
50. In the event that archaeological/paleontological resources are discovered during ground-disturbing activities, all work within 100 feet of the find shall cease and Permittee shall notify and retain a qualified archaeologist/paleontologist to assess and provide an evaluation of the significance of the find. A qualified archaeologist/paleontologist shall determine whether avoidance is necessary and feasible in light of the factors such as the nature of the find, project design, costs, and other considerations, and, if necessary, develop appropriate mitigation measures in consultation with Merced County and the Native American Heritage Commission (NAHC). In addition, should archaeological/paleontological resources be discovered, Permittee shall provide the District a written report in relation to the nature of the find. [Public Resources Code 21000-21177: California Environmental Quality Act]
51. In the event that human remains are discovered during ground-disturbing activities; all work within 100 feet of the find shall cease and the discovery shall immediately be reported to the County Coroner (CC) and Native American Heritage Commission (NAHC) for further assessment. Permittee shall identify appropriate measures for treatment or disposition of the remains in consultation with the CC and NAHC. In addition, should human remains be discovered during ground-disturbing activities, Permittee shall provide the District a written report in relation to the nature of the find. [Public Resources Code 21000-21177: California Environmental Quality Act]
52. No later than 10 days prior to the start of construction activities, Permittee shall demonstrate compliance with District Rule 4002 (National Emissions Standard for Hazardous Air Pollutants) through the acquisition of an approved Demolition Permit Release. [Public Resources Code 21000-21177: California Environmental Quality Act]
53. Permittee shall comply with all applicable requirements of the Merced County Environmental Health Department (MCEHD) and the California Department of Toxic Substances Control (DTSC). Permittee shall retain any permits/records deemed necessary by MCEHD and DTSC and shall make these permits/records available to the District upon inspection. [Public Resources Code 21000-21177: California Environmental Quality Act]
54. Permittee shall comply with all applicable Regional Water Quality Control Board (RWQCB) water quality standard and waste discharge regulations. Permittee shall retain any permits/records deemed necessary by the RWQCB on-site and shall make these permits/records available to the District upon inspection. [Public Resources Code 21000-21177: California Environmental Quality Act]
55. Permittee shall comply with all applicable Regional Water Quality Control Board (RWQCB) and Department of Toxic Substances Control (DTSC) requirements. Permittee shall retain any permits/records deemed necessary by the RWQCB and DTSC on-site and shall make these permits/records available to the District upon inspection. [Public Resources Code 21000-21177: California Environmental Quality Act]