San Joaquin Valley
AIR POLLUTION CONTROL DISTRICT

AUG 14 2013

HEALTHY AIR LIVING™

Mr. Daniel Lee
Paramount Farms, Inc.
13646 Highway 33
Lost Hills, CA 93249-9719

Re: Proposed ATC / Certificate of Conformity (Significant Mod)
District Facility # S-377
Project # 1132837

Dear Mr. Lee:

Enclosed for your review is the District's analysis of an application for Authority to Construct for the facility identified above. You requested that a Certificate of Conformity with the procedural requirements of 40 CFR Part 70 be issued with this project. Paramount Farms, Inc. is requesting an Authority to Construct permit to install a 5 MMBtu/hr natural gas-fired nut roaster at its pistachio nut flavoring and roasting operation.

After addressing all comments made during the 30-day public notice and the 45-day EPA comment periods, the District intends to issue the Authority to Construct with a Certificate of Conformity. Please submit your comments within the 30-day public comment period, as specified in the enclosed public notice. Prior to operating with modifications authorized by the Authority 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

DW:DT/st

Enclosures

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

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)
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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

www.valleyair.org www.healthyairliving.com

Newspaper notice for publication in Bakersfield Californian and for posting on valleyair.org

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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 significant modification of Paramount Farms, Inc. at 13646 Highway 33 near Lost Hills, California. Paramount Farms, Inc. is requesting an Authority to Construct permit to install a 5 MMBtu/hr natural gas-fired nut roaster at its pistachio nut flavoring and roasting operation.

The District's analysis of the legal and factual basis for this proposed action, project #1132837, is available for public inspection at http://www.valleyair.org/notices/public_notices_idx.htm and at any District office. There are minor emission increases associated with this proposed action. This will be the public's only opportunity to comment on the specific conditions of the modification. If requested, the District will hold a public hearing regarding issuance of this modification. For additional information, please contact the District at (661) 392-5500. Written comments on the proposed initial permit must be submitted by September 18, 2013 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

New Pistachio Roaster

Facility Name:	Paramount Farms, Inc.	Date:	7/12/13
Mailing Address:	13646 Highway 33 Lost Hills, CA 93249-9719	Engineer:	David Torii
		Lead Engineer:	Rich Karrs
Contact Person:	Daniel Lee		
Telephone:	661-797-6500		
Fax:	661-797-6542		
E-Mail:	dlee@paramountfarms.com		
Application #(s):	S-377-50-3		
Project #:	1132837		
Deemed Complete:	7/10/13		

I. Proposal

Paramount Farms, Inc. (Paramount) has requested an Authority to Construct (ATC) permit for the installation of a 5.0 MMBtu/hr bed roaster to serve the pistachio flavoring and drying operation (S-377-50).

Disposition of Outstanding ATCs

> The applicant has requested that ATC S-377-50-2 serve as the base document for the proposed ACT. Current PTO S-377-50-0 and ATC S-377-50-2 are included in Appendix B.

Paramount received their Title V Permit on 8/31/01. This modification can be classified as a Title V minor modification pursuant to Rule 2520, 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. Paramount 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 2410	Prevention of Significant Deterioration (Adopted 6/16/11, effective 11/26/12)
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 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 roasting 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:

Base Document:

Current PTO 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

Base Document ATC S-377-50-2:

> MODIFICATION OF 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: REMOVE REFERENCE TO PERMIT EXEMPT EQUIPMENT, INSTALL A SIXTH 6.0 MMBTU/HR ROTARY ROASTER EQUIPPED WITH A HIGH EFFICIENCY CYCLONE, ANDERSON 2000 WET SCRUBBER AND INDUCED DRAFT FAN, REMOVE 8.0 MMBTU/HR AEROGLIDE ROASTER

Proposed ATC:

S-377-50-3: MODIFICATION OF 36.0 MMBTU/HR GAS-FIRED PISTACHIO NUT FLAVORING AND ROASTING OPERATION CONSISTING OF SIX 6 MMBTU/HR ROTARY ROASTERS EACH EQUIPPED WITH A HIGH-EFFICIENCY CYCLONE, ANDERSON 2000 WET SCRUBBER, AND INDUCED DRAFT FAN: ADD 5.0 MMBTU/HR BED ROASTER SERVED BY A BAGHOUSE

Post Project Equipment Description:

S-377-5-3: 41.0 MMBTU/HR GAS-FIRED PISTACHIO NUT FLAVORING AND DRYING OPERATION CONSISTING OF SIX 6 MMBTU/HR ROTARY ROASTERS EACH EQUIPPED WITH A HIGH-EFFICIENCY CYCLONE, ANDERSON 2000 WET SCRUBBER, AND INDUCED DRAFT FAN AND A 5.0 MMBTH/HR BED ROASTER SERVED BY A BAGHOUSE

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, PM_{10} and SO_X.

The new roaster will be fired on commercial natural gas and will be equipped with low NOx burners which are guaranteed by the burner manufacturer to not exceed 30 ppmv NOx at 3% O2.

Low-NO_X burners reduce NO_X formation by producing lower flame temperatures (and longer flames) than conventional burners. Conventional burners thoroughly mix all the fuel and air in a single stage just prior to combustion, whereas low-NO_X burners delay the mixing of fuel and air by introducing the fuel (or sometimes the air) in multiple stages. Generally, in the first combustion stage, the air-fuel mixture is fuel rich. In a fuel rich environment, all the oxygen will be consumed in reactions with the fuel, leaving no excess oxygen available to react with nitrogen to produce thermal NO_X. In the secondary and tertiary stages, the combustion zone is maintained in a fuel-lean environment. The excess air in these stages helps to reduce the flame temperature so that the reaction between the excess oxygen with nitrogen is minimized.

The proposed baghouse for this operation is used to collect particulate matter greater than 10 microns in aerodynamic diameter (PM_{10}) such as trash and other foreign debris mixed in with the pistachios. Because the process only handles clean pistachios, controlled PM_{10} emissions are expected to be negligible. If there are any PM_{10} emissions, the proposed baghouse is expected to control that PM_{10} by at least 99%.

VII. General Calculations

A. Assumptions

- The facility and all permitted equipment is designed to operate 24 hours/day, 365 days/yr (per Applicant);
- The proposed roaster 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);
- Pre project fuel use is limited to 1.83 MMscf/day and 165 MMscf/yr (ATC S-377-50-2); and
- Post project fuel use is limited to 1.83 MMscf/day and 165 MMscf/yr (per applicant)

B. Emission Factors

Rotary Roaster – Combustion Emissions		
Pollutant	lb/MMscf	Source
NO_X	83.2	S-377-50-2
SO_X	2.85	
PM_{10}	2.8	
CO	21.0	
VOC	3.8	
EF1 – Non-Combustion Emissions		
Pollutant	lb/hr	Source
Scrubber PM_{10} (each 6 MMBtu/hr Roasters)	0.04	S-377-50-2

Proposed Bed Roaster – Combustion Emissions		
Pollutant	lb/MMscf	Source
NO_X	36.0	Manufacturer and applicant
SO_X	2.85	District Policy APR 1720
PM_{10}	2.8	Current permit
CO	147.8	Manufacturer and applicant
VOC	3.8	Current permit
EF2 – Non-Combustion Emissions		
Pollutant	lb/hr	Source
Scrubber PM_{10} (each rotary roasters)	0.04	S-377-50-2
bed roaster PM_{10}	0.01	Current permit

C. Calculations

1. Pre-Project Potential to Emit (PE1)

The PE1 is calculated as follows, and summarized in the table below:

$PE1_{NOx}$ = (83.2 lb-NOx/MMscf)(1.83 MMscf/day)
= 152.3 lb NO_X/day

= (83.2 lb-NOx/MMscf)(165.0 MMscf/year)
= 13,728 lb NO_X/year

$PE1_{PM10}$= (0.04 lb-PM10/roaster)(6 roaster)](24 hr/day) + (2.8 lb-PM10/MMscf)(1.83 MMscf/day)

= 10.9 lb PM10/day

$PE1_{PM10}$= (0.04 lb-PM10/roaster)(6 roaster)](8760 hr/year) + (2.8 lb-PM10/MMscf)(165 MMscf/year)
= 2564 lb PM10/day

PE1 S-377-50-2		
	Daily Emissions (lb/day)	Annual Emissions (lb/year)
NO_X	152.3	13,728
SO_X	5.2	470
PM_{10}	10.9	2564
CO	3.8	3465
VOC	7.0	627

2. Post Project Potential to Emit (PE2)

The potential to emit for the new bed roaster is calculated as follows, and summarized in the table below:

(5 MMBtu/hr)(36.0 lb-NOx/MMscf)(scf/1000 Btu)(24 hr/day) = 4.3 lb-NOx/day

(5 MMBtu/hr)(36.0 lb-NOx/MMscf)(scf/1000 Btu)(8760 hr/yr) = 1577 lb-NOx/day

PE2 New Bed Roaster S-377-50-3		
	Daily Emissions (lb/day)	Annual Emissions (lb/year)
NO_X	4.3	1577
SO_X	0.3	125
PM_{10}	0.3	123
CO	17.7	6474
VOC	0.5	166

The potential to emit for all of S-377-50-3's equipment is calculated as follows, and summarized in the table below:

$PE2_{NOx}$ = (83.2 lb-NOx/MMscf)(1.83 MMscf/day)
= 152.3 lb NO_X/day

= (83.2 lb-NOx/MMscf)(165.0 MMscf/year)
= 13,728 lb NO_X/year

$PE2_{PM10}$:

[(0.04 lb-PM10/roaster)(6 roaster)+(0.01 lb-PM10/bed roaster)(1)](24hr/day)+(2.8 lb-PM10/MMscf)(1.83 MMscf/day)
= 11.1 lb PM10/day

$PE2_{PM10}$

= (0.04 lb-PM10/roaster)(6)+(0.01 lb-PM10/bed roaster)(1)](8760 hr/year)+(2.8 lb-PM10/MMscf)(165 MMscf/year)
= 2652 lb PM10/yr

PE2 S-377-50-3		
	Daily Emissions (lb/day)	Annual Emissions (lb/year)
NO_X	152.3	13,728
SO_X	5.2	470
PM_{10}	11.1	2652
CO	3.8	3465
VOC	7.0	627

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

Pursuant to District Rule 2201, the 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 (AER) that have occurred at the source, and which have not been used on-site.

Pre-Project Stationary Source Potential to Emit [SSPE1] (lb/year)					
Permit Unit	NO_X	SO_X	PM_{10}	CO	VOC
Pre-Project SSPE (SSPE1)	81,886	3,311	17,276	35,024	25,656

*From project1131768

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

Pursuant to District Rule 2201, the SSPE2 is the PE from all units with valid ATCs or PTOs at the Stationary Source and the quantity of ERCs which have been banked since September 19, 1991 for AER 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
Post Project SSPE (SSPE2)	81,886	3,311	17,276+2652–2564 = 17,364	35,024	25,656

5. Major Source Determination

Rule 2201 Major Source Determination:

Pursuant to District Rule 2201, a Major Source is a stationary source with a SSPE2 equal to or exceeding one or more of the following threshold values. For the purposes of determining major source status the following shall not be included:

- any ERCs associated with the stationary source
- Emissions from non-road IC engines (i.e. IC engines at a particular site at the facility for less than 12 months)
- Fugitive emissions, except for the specific source categories specified in 40 CFR 51.165

Rule 2201 Major Source Determination (lb/year)					
	NO_x	SO_x	PM_{10}	CO	VOC
SSPE1	81,886	3,311	17,276	35,024	25,656
SSPE2	81,886	3,311	17,364	35,024	25,656
Major Source Threshold	20,000	140,000	140,000	200,000	20,000
Major Source?	Yes	No	No	No	Yes

This source is an existing Major Source for NOx and VOC emissions and will remain so. No change in other pollutants are proposed or expected as a result of this project.

Rule 2410 Major Source Determination:

The facility or the equipment evaluated under this project is not listed as one of the categories specified in 40 CFR 52.21 (b)(1)(i). Therefore the following PSD Major Source thresholds are applicable.

PSD Major Source Determination (tons/year)							
	NO2	VOC	SO2	CO	PM	PM10	CO2e
Estimated Facility PE before Project Increase							>100,000
PSD Major Source Thresholds	250	250	250	250	250	250	100,000
PSD Major Source ? (Y/N)							y

As shown above, the facility is an existing major source for PSD for at least one pollutant. Therefore the facility is an existing major source for PSD.

6. Baseline Emissions (BE)

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

Pursuant to District Rule 2201, BE = PE1 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 District Rule 2201.

As shown in Section VII.C.5 above, the facility is a Major Source for NO_X and VOC emissions.

Pursuant to Rule 2201, 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.

Pursuant to current BACT guideline 1.6.7 [Pistachio Nut Dryer], achieved in Practice BACT for NOx and VOC is "natural gas fuel".

Permit S-377-50's roasters are all fired on natural gas; therefore, they are Clean Emissions Units for VOC and NOx. Therefore, BE=PE1.

As shown in Section VII.C.5 above, the facility is not a Major Source for SO_X, PM_{10}, or CO; therefore, Baseline Emissions (BE) are equal to the Pre-Project Potential to Emit (PE1) for these pollutants.

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."

Since this facility is a major source for NOx and VOC, the project's PE2 is compared to the SB 288 Major Modification Thresholds in the following table in order to determine if the SB 288 Major Modification calculation is required.

SB 288 Major Modification Thresholds			
Pollutant	Project PE2 (lb/year)	Threshold (lb/year)	SB 288 Major Modification Calculation Required?
NO_X	13,728	50,000	No
VOC	627	50,000	No

Since none of the SB 288 Major Modification Thresholds are surpassed with this project, this project does not constitute an SB 288 Major Modification.

8. Federal Major Modification

District Rule 2201 states that a Federal Major Modification is the same as a "Major Modification" as defined in 40 CFR 51.165 and part D of Title I of the CAA.

The determination of Federal Major Modification is based on a two-step test. For the first step, only the emission *increases* are counted. Emission decreases may not cancel out the increases for this determination.

Step 1

For new emissions units, the increase in emissions is equal to the PE2 for each new unit included in this project.

The project's combined total emission increases are compared to the Federal Major Modification Thresholds in the following table.

Federal Major Modification Thresholds for Emission Increases			
Pollutant	Total Emissions Increases (lb/yr)	Thresholds (lb/yr)	Federal Major Modification?
NO_x*	1577	0	Yes
VOC*	627	0	Yes
PM_{10}		30,000	
$PM_{2.5}$		20,000	
SO_x		80,000	

*If there is any emission increases in NO_x or VOC, this project is a Federal Major Modification and no further analysis is required.

Since there is an increase in NO_x and VOC emissions, this project constitutes a Federal Major Modification, and no further analysis is required.

9. Rule 2410 – Prevention of Significant Deterioration (PSD) Applicability Determination

Rule 2410 applies to pollutants for which the District is in attainment or for unclasssified, pollutants. The pollutants addressed in the PSD applicability determination are listed as follows:

- NO2 (as a primary pollutant)
- SO2 (as a primary pollutant)
- CO
- PM
- PM10
- Greenhouse gases (GHG): CO2, N2O, CH4, HFCs, PFCs, and SF6

The first step of this PSD evaluation consists of determining whether the facility is an existing PSD Major Source or not (See Section VII.C.5 of this document).

The second step of the PSD evaluation is to determine if the project results in a PSD significant increase.

I. Project Location Relative to Class 1 Area

As demonstrated in the "PSD Major Source Determination" Section above, the facility was determined to be a existing major source for PSD. Because the project is not located within 10 km of a Class 1 area – modeling of the emission increase is not required to determine if the project is subject to the requirements of Rule 2410.

II. Significance of Project Emission Increase Determination

a. Potential to Emit of attainment/unclassified pollutant for New or Modified Emission Units vs PSD Significant Emission Increase Thresholds

As a screening tool, the potential to emit from all new and modified units is compared to the PSD significant emission increase thresholds, and if total potential to emit from all new and modified units is below this threshold, no futher analysis will be needed.

PSD Significant Emission Increase Determination: Potential to Emit (tons/year)						
	NO2	SO2	CO	PM	PM10	CO2e
Total PE from New and Modified Units	0.79	0.06	3.24	0.06	0.06	2628
PSD Significant Emission Increase Thresholds	40	40	100	25	15	75,000
PSD Significant Emission Increase?	n	n	n	n	n	n

As demonstrated above, because the project has a total potential to emit from all new and modified emission units below the PSD significant emission increase thresholds, this project is not subject to the requirements of Rule 2410 due to a significant emission increase and no further discussion is required.

10. Quarterly Net Emissions Change (QNEC)

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

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 specifically exempted by Rule 2201, 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 SB 288 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

As seen in Section VII.C.2 above, the applicant is proposing to install a new pistachio roaster with a PE greater than 2 lb/day for NO_X and CO. BACT is triggered for NO_X only since the PE is greater than 2 lbs/day. 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 above.

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 Sections VII.C.7 and VII.C.8 above, this project does constitute an SB 288 and/or 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.

2. BACT Guideline

BACT Guideline 1.6.7., applies to the pistachio nut roaster. [Pistachio Roasting Operation] (See Appendix C)

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 C), BACT has been satisfied with the following:

- Natural Gas Fuel.

B. Offsets

1. Offset Applicability

Offset requirements shall be triggered on a pollutant by pollutant basis and shall be required if the SSPE2 equals to or exceeds the offset threshold levels in Table 4-1 of Rule 2201.

The SSPE2 is compared to the offset thresholds in the following table.

Offset Determination (lb/year)					
	NO_X	SO_X	PM_{10}	CO	VOC
SSPE2	81,886	3,311	17,364	35,024	25,656
Offset Thresholds	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 SSPE2 is greater than the offset thresholds for NO_X and VOC only. Therefore offset calculations will be required for this project.

The quantity of offsets in pounds per year for NO_X and VOC 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) = (Σ[PE2 – BE] + ICCE) x 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 = PE1 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 = HAE

As shown above in VII.C.6 the NOx and VOC emitting emission units in S-377-50-2 are Clean Emissions Units; therefore their BE = PE1. Also, there are no increases in cargo carrier emissions; therefore offsets can be determined as follows:

Offsets Required (lb/year) = ([PE2 – BE] + ICCE) x DOR

The BE and PE2 are equal for NOx and also for VOC; therefore:

Offsets Required (lb/year) = ([0] + 0) x DOR

= 0 x DOR
= 0 lb/year

As demonstrated in the calculation above, the amount of offsets is zero. Therefore, offsets will not be required for this project.

C. Public Notification

1. Applicability

Public noticing is required for:
a. New Major Sources, Federal Major Modifications, and SB 288 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 SB 288 Major Modifications

New Major Sources are new facilities, which are also Major Sources. Since this is not a new facility, public noticing is not required for this project for New Major Source purposes.

As demonstrated in Sections VII.C.7 and VII.C.8, this project is an 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 PE greater than 100 pounds during any one day for any pollutant will trigger public noticing requirements. As seen in Section VII.C.2 above, this project does not include a new emissions unit which has daily emissions greater than 100 lb/day for any pollutant, therefore public noticing for PE > 100 lb/day purposes is not required.

c. Offset Threshold

The SSPE1 and SSPE2 are compared to the offset thresholds in the following table.

Offset Thresholds				
Pollutant	SSPE1 (lb/year)	SSPE2 (lb/year)	Offset Threshold	Public Notice Required?
NO_X	81,886	81,886	20,000 lb/year	No
SO_X	3,311	3,311	54,750 lb/year	No
PM_{10}	17,276	17,634	29,200 lb/year	No
CO	35,024	35,024	200,000 lb/year	No
VOC	25,656	25,656	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 SSIPE of more than 20,000 lb/year of any affected pollutant. According to District policy, the SSIPE = SSPE2 – SSPE1. The SSIPE is compared to the SSIPE Public Notice thresholds in the following table.

SSIPE Public Notice Thresholds					
Pollutant	SSPE1 (lb/year)	SSPE2 (lb/year)	SSIPE (lb/year)	SSIPE Public Notice Threshold	Public Notice Required?
NO_x	81,886	81,886	0	20,000 lb/year	No
SO_x	3,311	3,311	0	20,000 lb/year	No
PM_{10}	17,276	17,634	358	20,000 lb/year	No
CO	35,024	35,024	0	20,000 lb/year	No
VOC	25,656	25,656	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 triggering 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)

DELs and other enforceable conditions are required by Rule 2201 to restrict a unit's maximum daily emissions, to a level at or below the emissions associated with the maximum design capacity. 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.

Proposed Rule 2201 (DEL) Conditions:

- Non-combustion PM10 emission rate from the outlet of the baghouse serving the 5 MMBtu/hr bed roaster shall not exceed 0.01 lb/hr. [District Rule 2201]
- PM10 emission rate from the outlet of each scrubber serving the 6.0 MMBtu/hr rotary roasters shall not exceed 0.04 lb/hr. [District Rule 2201] Y
- Daily natural gas consumption shall not exceed 1.83 MMscf/day. [District Rule 2201] Y
- Rotary roaster 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] Y

- Bed roaster 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): 36.0 lb/MMscf, VOC: 3.8 lb/MMscf, or CO: 21.0 lb/MMscf. [District Rule 2201] Y

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) are listed on the permit to operate:

- 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] Y
- 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] Y
- Permittee shall maintain daily operation and maintenance records that demonstrate the roaster 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 Rules 1070 and 2201] Y
- 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 1070] Y
- 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]

4. Reporting

No reporting is required to demonstrate compliance with Rule 2201.

F. Ambient Air Quality Analysis (AAQA)

An AAQA shall 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 District's Technical Services Division conducted the required analysis. Refer to Appendix D of this document for the AAQA summary sheet.

The proposed location is in an attainment area for NO_X, CO, and SO_X. As shown by the AAQA summary sheet the proposed equipment will not cause a violation of an air quality standard for NO_X, CO, or SO_X.

The proposed location is in a non-attainment area for the state's PM_{10} as well as federal and state $PM_{2.5}$ thresholds. As shown by the AAQA summary sheet the proposed equipment will not cause a violation of an air quality standard for PM_{10} and $PM_{2.5}$.

Criteria Pollutant Modeling Results

Diesel ICE	1 Hour	3 Hours	8 Hours.	24 Hours	Annual
CO	X	X	X	X	X
NO_x	X	X	X	X	X
SO_x	X	X	X	X	X
PM_{10}	X	X	X	Pass[2]	Pass[2]
$PM_{2.5}$	X	X	X	Pass[2]	Pass[2]

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 Section VIII above, this facility is a new major source and this project does constitute a Title I modification, therefore this requirement is applicable. Paramount's compliance certification is included in Appendix E.

H. Alternate Siting Analysis

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

Since the project will provide a roaster 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 2410 Prevention of Significant Deterioration

This rule is not applicable as shown in section VII.C.9.

Rule 2520 Federally Mandated Operating Permits

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

This project is a Federal Major Modification, as a result, the proposed project constitutes a Significant Modification to the Title V Permit.

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 nut roasting, or nut flavoring operations.

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 gas-fired nut roasting, 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

Rule 4102 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 or equal to one. According to the Technical Services Memo for this project (**Appendix D**), the total facility prioritization score including this project was less than or equal to one. Therefore, no future analysis is required to determine the impact from this project and compliance with the District's Risk Management Policy is expected.

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.

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 ATC to ensure ongoing compliance:

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

Rule 4301 Fuel Burning Equipment

This rule specifies maximum emission rates in lb/hr for SO_2, NO_2, 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 permit S-377-50 heat the nuts 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 (NOx) and carbon monoxide (CO) from dryers, dehydrators, and ovens. This rule applies to any dryer, dehydrator, or oven that is fired on gaseous fuel, liquid fuel, or is fired on gaseous and liquid fuel sequentially, and the total rated heat input for the unit is 5.0 million British thermal units per hour (5.0 MMBtu/hr) or greater.

Each roaster in permit unit S-377-50 is fired on natural gas and is rated at 5.0 MMBtu/hr or greater, however, pursuant to Section 4.1.3 of this rule, roasters are exempt from the requirements of Rule 4309. Therefore, since each unit is a roaster, the equipment in permit unit S-377-50 is not subject to the provisions of this rule. No further discussion is required.

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 SO_2, 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 quality 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 quality natural gas only. [District Rules 2201 and 4801] Y*

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)

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 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.

Facilities subject to the Cap and Trade regulation are subject to an industry-wide cap on overall GHG emissions. As such, any growth in emissions must be accounted for under that cap such that a corresponding and equivalent reduction in emissions must occur to allow any increase. Therefore, it is reasonable to conclude that implementation of the Cap and Trade program will and must fully mitigate project-specific GHG emissions.

Regardless of, and independent to, the above significance determination, the District finds that, through compliance with the Cap and Trade regulation, project-specific GHG emissions would be fully mitigated. The District therefore concludes that projects occurring at facilities subject to ARB's Cap and Trade regulation would have a less than significant individual and cumulative impact on global climate change.

Facility S-377 is subject to the Cap and Trade regulation. 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. Issue ATC S-377-50-3 subject to the permit conditions on the attached draft ATC in Appendix F.

X. Billing Information

Annual Permit Fees			
Permit Number	Fee Schedule	Fee Description	Annual Fee
S-377-50-3	3020-02H	41 MMBtu/hr	$1030

APPENDIX A
Quarterly Net Emissions Change (QNEC)

Quarterly Net Emissions Change (QNEC)

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

QNEC = PE2 - PE1, where:

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

Using the values in Sections VII.C.2 and VII.C.6 in the evaluation above, quarterly PE2 and quarterly PE1 can be calculated as follows:

$PE2_{quarterly}$ = $PE2_{annual}$ ÷ 4 quarters/year

$PE1_{quarterly}$= $PE1_{annual}$ ÷ 4 quarters/year

S-377-50-3 Quarterly NEC [QNEC]					
	PE2 (lb/yr)	PE2 (lb/qtr)	PE1 (lb/yr)	PE1 (lb/qtr)	QNEC (lb/qtr)
NO_X	13,728	3,432	13,728	3,432	0
SO_X	470	118	470	118	0
PM_{10}	2,652	663	2,564	641	22
CO	3,465	866	3,465	866	0
VOC	627	157	627	157	0

Application Emissions

Permit #: S-377-50-3	Last Updated
Facility: PARAMOUNT FARMS	07/12/2013 TORID

Equipment Pre-Baselined: NO

	NOX	SOX	PM10	CO	VOC
Potential to Emit (lb/Yr):	13728.0	470.0	2652.0	3465.0	627.0
Daily Emis. Limit (lb/Day)	152.3	5.2	11.1	3.8	7.0
Quarterly Net Emissions Change (lb/Qtr)					
Q1:	0.0	0.0	22.0	0.0	0.0
Q2:	0.0	0.0	22.0	0.0	0.0
Q3:	0.0	0.0	22.0	0.0	0.0
Q4:	0.0	0.0	22.0	0.0	0.0
Check if offsets are triggered but exemption applies	N	N	N	N	N
Offset Ratio					
Quarterly Offset Amounts (lb/Qtr)					
Q1:					
Q2:					
Q3:					
Q4:					

APPENDIX B
PTO S-377-50-0 and ATC S-377-50-2

San Joaquin Valley
Air Pollution Control District

PERMIT UNIT: S-377-50-0 **EXPIRATION DATE:** 10/31/2016

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

PERMIT UNIT REQUIREMENTS

1. 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
2. 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
3. Combustion equipment shall be fired on PUC regulated natural gas only. [District Rules 4309 and 4801] Federally Enforceable Through Title V Permit
4. Daily natural gas consumption shall not exceed 1.83 MMscf/day. [District Rule 2201] Federally Enforceable Through Title V Permit
5. Annual natural gas consumption shall not exceed 165.0 MMscf/yr. [District Rule 2201] Federally Enforceable Through Title V Permit
6. 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
7. 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
8. 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
9. 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
10. Visible emissions at cyclone serving the 8.0 MMBtu/hr roaster 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
11. Particulate matter emissions shall not exceed 0.1 gr/dscf in concentration. [District Rule 4201] Federally Enforceable Through Title V Permit
12. 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

PERMIT UNIT REQUIREMENTS CONTINUE ON NEXT PAGE

13. Particulate matter emissions shall not exceed the hourly rate as calculated in District Rule 4202 using the equation E=3.59xP^0.62 if P is less than or equal to 30 tons per hour, or E=17.31xP^0.16 if P is greater than 30 tons per hour. [District Rule 4202] Federally Enforceable Through Title V Permit
14. 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
15. 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
16. 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
17. 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

San Joaquin Valley
AIR POLLUTION CONTROL DISTRICT

HEALTHY AIR LIVING™

AUTHORITY TO CONSTRUCT

PERMIT NO: S-377-50-2 **ISSUANCE DATE:** 07/22/2013

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 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: REMOVE REFERENCE TO PERMIT EXEMPT EQUIPMENT, INSTALL A SIXTH 6.0 MMBTU/HR ROTARY ROASTER EQUIPPED WITH A HIGH EFFICIENCY CYCLONE, ANDERSON 2000 WET SCRUBBER AND INDUCED DRAFT FAN, REMOVE 8.0 MMBTU/HR AEROGLIDE ROASTER

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. Authority to Construct (ATC) S-377-50-1 shall be implemented prior to or concurrently with this ATC. [District Rule 2201] Federally Enforceable Through Title V Permit
4. Combustion equipment shall be fired on PUC quality natural gas only. [District Rules 2201 and 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-377-50-2 : Aug 6 2013 10:25AM – TORID : Joint Inspection NOT Required

5. 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
6. 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 2201] Federally Enforceable Through Title V Permit
7. 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
8. The exhaust stacks 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]
9. PM10 emission rate from the outlet of each scrubber serving the 6.0 MMBtu/hr rotary roasters shall not exceed 0.04 lb/hr. [District Rule 2201] Federally Enforceable Through Title V Permit
10. Daily natural gas consumption shall not exceed 1.83 MMscf/day. [District Rule 2201] Federally Enforceable Through Title V Permit
11. Annual natural gas consumption shall not exceed 165.0 MMscf/yr. [District Rule 2201] Federally Enforceable Through Title V Permit
12. 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
13. Particulate matter emissions shall not exceed 0.1 gr/dscf in concentration. [District Rule 4201] Federally Enforceable Through Title V Permit
14. Particulate matter emissions shall not exceed the hourly rate as calculated in District Rule 4202 using the equation E=3.59xP^0.62 if P is less than or equal to 30 tons per hour, or E=17.31xP^0.16 if P is greater than 30 tons per hour. [District Rule 4202] 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 2201] 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 2201] Federally Enforceable Through Title V Permit
17. 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 Rules 1070 and 2201] Federally Enforceable Through Title V Permit
18. 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 1070] Federally Enforceable Through Title V Permit
19. 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

APPENDIX C
BACT Guideline and BACT Analyses

Best Available Control Technology (BACT) Guideline 1.6.7
Last Update: 1/27/1994

Pistachio Roasting Operation

Pollutant	Achieved in Practice or in the SIP	Technologically Feasible	Alternate Basic Equipment
NOx	Natural gas fuel		
PM10	Fabric Filter Baghouse	After burner with 0.3 sec retention time @ 1400 F	
SOx	Natural gas fuel		
VOC	Natural gas 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 s a state implementation plan must be cost effective as well as feasible. Economic analysis to demonstrate cost effectiveness is requried 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. For background Information, see Permit Specific BACT Determinations on Details Page.

A. NOx BACT Analyses

Step 1 – Identify All Control Technologies

Natural Gas Fuel

Step 2 – Eliminate Technologically Infeasible Options

The control technology is not infeasible and cannot be eliminated.

Step 3 – Rank Remaining Control Technologies by Control Effectiveness

Natural Gas Fuel

Step 4 – Cost Effectiveness Analysis

The applicant is proposing the only control measure identified in the BACT guideline. Therefore, a cost effectiveness analysis is not required.

Step 5 – Select BACT

Natural Gas Fuel

APPENDIX D
HRA and AAQA

San Joaquin Valley Air Pollution Control District
Risk Management Review

To:	David Torii – Permit Services
From:	Kou Thao – Technical Services
Date:	7-16-13
Facility Name:	Paramount Farms
Location:	13646 Hwy 33 Lost Hills, CA
Application #(s):	S-377-50-3
Project #:	S-1132837

A. RMR SUMMARY

RMR Summary			
Categories	**Type of Unit (Unit 50-3)**	**Project Totals**	**Facility Totals**
Prioritization Score	0.061	061	0.21
Acute Hazard Index	1.28E-06	1.28E-06	1.45E-01
Chronic Hazard Index	4.99E-06	4.99E-06	5.71E-01
Maximum Individual Cancer Risk (10^{-6})	1.33E-08	1.33E-08	4.49E-07
T-BACT Required?	No		
Special Permit Conditions?	Yes		

Proposed Permit Conditions

To ensure that human health risks will not exceed District allowable levels; the following permit conditions must be included for:

Unit # 50-3

1. 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]
2. Fugitive PM10 emissions from the bag-house shall not exceed 0.01 lb/hr.

B. RMR REPORT

I. Project Description

Technical Services received a request on July 8, 2013, to perform a Risk Management Review for a proposed modification to a pistachio flavoring operation. The modification consisted of the installation of a 5.0 MMBtu/hr natural gas dehydrator served by a bag-house.

II. Analysis

Technical Services performed a prioritization using the District's HEARTs database. Since the total facility prioritization score was greater than one, a refined health risk assessment was required. Emissions calculated using Ventura County emission factors for external combustion of natural gas were input into the HEARTs database. The AERMOD model was used, 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 Hot Spots Analysis and Reporting Program (HARP) risk assessment module to calculate the chronic and acute hazard indices and the carcinogenic risk for the project.

The following parameters were used for the review:

Analysis Parameters Unit 50-3			
Source Type	Point	**Location Type**	Rural
Stack Height (m)	6.09	**Closest Receptor (m)**	1,859
Stack Diameter. (m)	0.609	**Type of Receptor**	Residence
Stack Exit Velocity (m/s)	37.91	**Max Hours per Year**	8760
Stack Exit Temp. (°K)	321.88	**Fuel Type**	NG
Burner Rating (MMBtu/hr)	5.0	**Fugitive PM10 Emissions**	0.01 lb/hr

As per the permitting engineer the permit unit will have a fuel use limit and therefore will have no increase in combustion emissions. This project will only result in an increase of fugitive PM10 emissions. Technical Services performed modeling for criteria pollutant PM_{10}; as well as a RMR. The emission rates used for criteria pollutant modeling were 0.01 lb/hr PM_{10}. The engineer supplied the maximum fuel rate for the IC engine used during the analysis.

The results from the Criteria Pollutant Modeling are as follows:

Criteria Pollutant Modeling Results*

Diesel ICE	1 Hour	3 Hours	8 Hours.	24 Hours	Annual
CO	X	X	X	X	X
NO_x	X	X	X	X	X
SO_x	X	X	X	X	X
PM_{10}	X	X	X	Pass[2]	Pass[2]
$PM_{2.5}$	X	X	X	Pass[2]	Pass[2]

III. *Conclusion*

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

To ensure that human health risks will not exceed District allowable levels; the permit conditions listed on page 1 of this report must be included for this proposed unit.

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.

> The emissions from the proposed equipment will not cause or contribute significantly to a violation of the State and National AAQS.

IV. *Attachments*

A. RMR request from the project engineer
B. Additional information from the applicant/project engineer
C. Toxic emissions summary
D. Prioritization score
E. Facility Summary

APPENDIX E
Compliance Certification

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 Szeflin

Title: Vice President of Operations Date: 4/16/2013

APPENDIX F
Draft ATC

San Joaquin Valley
Air Pollution Control District

AUTHORITY TO CONSTRUCT

PERMIT NO: S-377-50-3 **ISSUANCE DATE:** DRAFT

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 36.0 MMBTU/HR GAS-FIRED PISTACHIO NUT FLAVORING AND ROASTING OPERATION CONSISTING OF SIX 6 MMBTU/HR ROTARY ROASTERS EACH EQUIPPED WITH A HIGH-EFFICIENCY CYCLONE, ANDERSON 2000 WET SCRUBBER, AND INDUCED DRAFT FAN: ADD 5.0 MMBTU/HR BED ROASTER SERVED BY A BAGHOUSE

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 Rule 2201] 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. Combustion equipment shall be fired on PUC quality natural gas only. [District Rules 2201 and 4801] Federally Enforceable Through Title V Permit
4. 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
5. The baghouse shall be maintained and operated according to manufacturer's specifications. [District Rule 2201] Federally Enforceable Through Title V Permit
6. Material removed from the dust collector shall be disposed of in a manner preventing entrainment into the atmosphere. [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
S-377-50-3 : Jul 17 2013 1:28PM – TORID : Joint Inspection NOT Required

7. Baghouse shall be equipped with an operational differential pressure indicator. [District Rule 2201] Federally Enforceable Through Title V Permit
8. Dust collection system shall be completely inspected annually while in operation for evidence of particulate matter leaks and repaired as needed. [District Rule 2520] Federally Enforceable Through Title V Permit
9. 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] Federally Enforceable Through Title V Permit
10. Records of dust collector maintenance, inspections, and repair shall be maintained. The records shall include identification of the equipment, date of inspection, corrective action taken, and identification of the individual performing the inspection. [District Rule 2520] Federally Enforceable Through Title V Permit
11. Roasters shall be operated and maintained in proper operating condition as recommended by the roaster manufacturer or APCO-approved alternative procedures. [District Rule 2201] Federally Enforceable Through Title V Permit
12. 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
13. The exhaust stacks 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]
14. Non-combustion PM10 emission rate from the outlet of the baghouse serving the 5 MMBtu/hr bed roaster shall not exceed 0.01 lb/hr. [District Rule 2201] Federally Enforceable Through Title V Permit
15. PM10 emission rate from the outlet of each scrubber serving the 6.0 MMBtu/hr rotary roasters shall not exceed 0.04 lb/hr. [District Rule 2201] Federally Enforceable Through Title V Permit
16. Daily natural gas consumption shall not exceed 1.83 MMscf/day. [District Rule 2201] Federally Enforceable Through Title V Permit
17. Annual natural gas consumption shall not exceed 165.0 MMscf/yr. [District Rule 2201] Federally Enforceable Through Title V Permit
18. Rotary roaster 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
19. Bed roaster 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): 36.0 lb/MMscf, VOC: 3.8 lb/MMscf, or CO: 21.0 lb/MMscf. [District Rule 2201] Federally Enforceable Through Title V Permit
20. Particulate matter emissions shall not exceed 0.1 gr/dscf in concentration. [District Rule 4201] Federally Enforceable Through Title V Permit
21. Particulate matter emissions shall not exceed the hourly rate as calculated in District Rule 4202 using the equation E=3.59xP^0.62 if P is less than or equal to 30 tons per hour, or E=17.31xP^0.16 if P is greater than 30 tons per hour. [District Rule 4202] Federally Enforceable Through Title V Permit
22. 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
23. 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
24. Permittee shall maintain daily operation and maintenance records that demonstrate that roasters are 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 Rules 1070 and 2201] Federally Enforceable Through Title V Permit
25. 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 1070] Federally Enforceable Through Title V Permit

CONDITIONS CONTINUE ON NEXT PAGE

26. 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

27. Authority to Construct (ATC) S-377-50-2 shall be implemented prior to or concurrently with this ATC. [District Rule 2201] Federally Enforceable Through Title V Permit