



NOV 30 2015

Todd Kiehn
Medline Industries, Inc.
One Medline Plaza
Mundelein, IL 60060

Re: Notice of Preliminary Decision - Authority to Construct
Facility Number: N-9200
Project Number: N-1153093

Dear Mr. Kiehn:

Enclosed for your review and comment is the District's analysis of Medline Industries, Inc.'s application for Authorities to Construct for the installation of a 2,346 bhp and a 2,943 bhp diesel-fired emergency engines each powering an electrical generator, at 24550 Hansen Road, Tracy, CA.

The notice of preliminary decision for this project will be published approximately three days from the date of this letter. After addressing all comments made during the 30-day public notice period, the District intends to issue the Authority to Construct. Please submit your written comments on this project within the 30-day public comment period, as specified in the enclosed public notice.

Thank you for your cooperation in this matter. If you have any questions regarding this matter, please contact Mr. Fred Cruz of Permit Services at (209) 557-6456.

Sincerely,

Arnaud Marjollet
Director of Permit Services

AM:fjc

Enclosures

cc: Mike Tollstrup, CARB (w/ enclosure) via email

Seyed Sadredin
Executive Director/Air Pollution Control Officer

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San Joaquin Valley Air Pollution Control District
Authority to Construct Application Review
Diesel-fired Emergency Standby IC Engine

Facility Name:	Medline Industries, Inc.	Date:	November 9, 2015
Mailing Address:	One Medline Place Mundelein, IL 60060	Engineer:	Fred Cruz
Contact Person:	Todd Kiehn	Lead Engineer:	Nick Peirce
Telephone:	(847) 643-3576		
Cell telephone:	(224) 703-1210		
Email:	tkiehn@medline.com		
Application Nos:	N-9200-1-0 & -2-0		
Project No:	N-1153093		
Complete:	October 26, 2015		

I. Proposal:

Medline Industries, Inc. submitted Authority to Construct applications to install a 2,346 bhp and a 2,943 bhp diesel-fired emergency standby internal combustion (IC) engines each powering an electrical generator.

II. Applicable Rules:

Rule 2201 New and Modified Stationary Source Review Rule (4/21/2011)
Rule 2410 Prevention of Significant Deterioration (6/16/2011)
Rule 2520 Federally Mandated Operating Permits (6/21/2001)
Rule 4001 New Source Performance Standards (4/14/1999)
Rule 4002 National Emission Standards for Hazardous Air Pollutants (5/20/2004)
Rule 4101 Visible Emissions (2/17/2005)
Rule 4102 Nuisance (12/17/1992)
Rule 4201 Particulate Matter Concentration (12/17/1992)
Rule 4701 Stationary Internal Combustion Engines – Phase 1 (8/21/2003)
Rule 4702 Stationary Internal Combustion Engines – Phase 2 (8/18/2011)
Rule 4801 Sulfur Compounds (12/17/1992)
CH&SC 41700 Health Risk Assessment
CH&SC 42301.6 School Notice
Title 17 CCR, Section 93115 - Airborne Toxic Control Measure (ATCM) for Stationary
Compression-Ignition (CI) Engines
California Environmental Quality Act (CEQA)
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 facility is located at 24550 Hansen Road, Tracy, CA. The District has verified that 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. See area map.

IV. Process Description:

The emergency standby engines each powers an electrical generator. Other than emergency operation, each engine may be operated up to 50 hours per year for maintenance and testing purposes.

V. Equipment Listing:

N-9200-1-0: 2,346 BHP MITSUBISHI MODEL S16R-Y2PTAW-1 DIESEL-FIRED EMERGENCY ENGINE (TIER 2 CERTIFIED) POWERING AN ELECTRICAL GENERATOR.

N-9200-2-0: 2,923 BHP MITSUBISHI MODEL S16R-Y2PTAW2-1 DIESEL-FIRED EMERGENCY ENGINE (TIER 2 CERTIFIED) POWERING AN ELECTRICAL GENERATOR.

VI. Emission Control Technology Evaluation:

The applicant has proposed to install two 2015 Model Year Tier 2 certified diesel-fired IC engines each fired on very low-sulfur diesel fuel (0.0015% by weight sulfur maximum).

NO_x, CO, VOC and PM₁₀:

Per District Guidance Document FYI-324 and the District BACT Guideline 3.1.1, the applicant is required to install the latest available tier certification standard for emergency engines as noted below. A new emergency engine shall meet the requirements as follows:

- 50 ≤ bhp < 75: Tier 4 Interim certification standards
- 75 ≤ bhp < 750: Tier 3 certification standards
- ≥ 750 bhp: Tier 2 certification standards

The applicant has proposed to install a 2,346 bhp and a 2,923 bhp are each Tier 2 certified emergency engines which each meet the requirements of District Policy FYI-324 (see Appendix B for a copy of the emissions data sheet for these engines).

SO_x:

The use of very low-sulfur diesel fuel (0.0015% by weight sulfur maximum) reduces SO_x emissions by over 99% from standard diesel fuel.

VII. General Calculations:

A. Assumptions

Operating schedule:	24 hours/day, 50 hours/year
Density of diesel fuel:	7.1 lb/gal
EPA F-factor:	9051 dscf/MMBtu (corrected to 60° F)
PM ₁₀ fraction of diesel exhaust is:	96% (Reference - CARB, 1988)
Fuel heating value:	137,000 Btu/gal
BHP to Btu/hr conversion:	2542.5 Btu/hp-hr
Thermal efficiency of engine	commonly ≈ 35%
Fuel rate N-9200-1-0:	128.6 gal/hr @ 100% load (engine data sheet)
N-9200-2-0:	160.1 gal/hr @ 100% load (engine data sheet)

B. Emission Factors

The engine manufacturer supplied the emissions factor for NO_x, CO, VOC and PM₁₀ for each engine. The emission factors are the same for each engine.

N-9200-1-0 and N-9200-2-0;

Pollutant	Emission Factor (g/bhp-hr)	Source
NO _x	4.00	Engine manufacturer
CO	0.45	Engine manufacturer
VOC	0.42	Engine manufacturer
PM ₁₀	0.13	Engine manufacturer
SO _x	0.005	Calculated below

The emission factor for SO_x may be calculated based on the current CARB standard for diesel sulfur content, which is 15 ppm by weight.

$$\frac{0.000015 \text{ lb - S}}{\text{lb - fuel}} \times \frac{7.1 \text{ lb - fuel}}{\text{gallon}} \times \frac{2 \text{ lb - SO}_2}{1 \text{ lb - S}} \times \frac{1 \text{ gal}}{137,000 \text{ Btu}} \times \frac{1 \text{ bhp input}}{0.35 \text{ bhp out}} \times \frac{2,542.5 \text{ Btu}}{\text{bhp - hr}} \times \frac{453.6 \text{ g}}{\text{lb}} = 0.005 \frac{\text{g - SO}_x}{\text{bhp - hr}}$$

C. Calculations:

1. Pre-Project Emissions (PE1)

These are new emission units and PE1 emissions will equal zero for all pollutants for each engine.

2. Post Project PE (PE2)

The potential to emit emissions from this emergency IC engine is based on the maximum operating capacity of the engine for 24 hours per day. The following calculation for NO_x emissions is representative of emission calculations for all pollutants. Annual emissions are based on 50 hours per year for non-emergency operation for each engine.

N-9200-1-0:

NO_x: 4.00 g/hp-hr × 2,346 bhp × lb/453.6 g

NO_x: 20.69 lb/hr, 496.5 lb/day, 1,034 lb/yr
 CO: 2.33 lb/hr, 55.9 lb/day, 116 lb/yr
 VOC: 2.17 lb/hr, 52.1 lb/day, 109 lb/yr
 PM₁₀: 0.67 lb/hr, 16.1 lb/day, 34 lb/yr
 SO_x: 0.03 lb/hr, 0.6 lb/day, 1 lb/yr

	NO _x	CO	VOC	PM ₁₀	SO _x
Daily PE	496.5	55.9	52.1	16.1	0.6
Annual PE	1,034	118	109	34	1

N-9200-2-0:

NO_x: 4.00 g/hp-hr × 2,923 bhp × lb/453.6 g

NO_x: 25.78 lb/hr, 618.6 lb/day, 1,289 lb/yr
 CO: 2.90 lb/hr, 69.6 lb/day, 145 lb/yr
 VOC: 2.71 lb/hr, 65.0 lb/day, 135 lb/yr
 PM₁₀: 0.84 lb/hr, 20.1 lb/day, 42 lb/yr
 SO_x: 0.03 lb/hr, 0.8 lb/day, 2 lb/yr

	NO _x	CO	VOC	PM ₁₀	SO _x
Daily PE	618.6	69.6	65.0	20.1	0.8
Annual PE	1,289	145	135	42	2

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

Pursuant to Section 4.9 of District Rule 2201, the Pre-Project Stationary Source Potential to Emit (SSPE1) is the Potential to Emit (PE) from all units with valid ATCs or PTOs at the Stationary Source and the quantity of Emission Reduction Credits (ERCs) which have been banked since September 19, 1991 for Actual Emissions Reductions that have occurred at the source, and which have not been used on-site. Since these are new emission units at a new facility, SSPE1 will equal zero for all pollutants for these new engines.

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

Pursuant to Section 4.10 of District Rule 2201, the Post Project Stationary Source Potential to Emit (SSPE2) is the Potential to Emit (PE) from all units with valid ATCs or PTOs, except for emissions units proposed to be shut down as part of the Stationary Project, at the Stationary Source and the quantity of Emission Reduction Credits (ERCs) which have been banked since September 19, 1991 for Actual Emissions Reductions that have occurred at the source, and which have not been used on-site.

Post Project Stationary Source Potential to Emit (SSPE2) (lb/year)					
Permit No.	NO _x	CO	VOC	PM ₁₀	SO _x
N-9200-1-0 (ATC)	1,034	118	109	34	1
N-9200-2-0 (ATC)	1,289	145	135	42	2
Total	2,323	263	244	76	3
Major Source Threshold	20,000	200,000	20,000	140,000	140,000
Existing Major Source?	No	No	No	No	No

5. Major Source Determination:

Pursuant to Section 3.24 of District Rule 2201, a Major Source is a stationary source with post project emissions or a Post Project Stationary Source Potential to Emit (SSPE2), equal to or exceeding one or more of the following threshold values. However, Section 3.24.2 states, "for the purposes of determining major source status, the SSPE2 shall not include the quantity of emission reduction credits (ERC) which have been banked since September 19, 1991 for Actual Emissions Reductions that have occurred at the source, and which have not been used on-site." This facility does not have ERCs which have been banked at the source; therefore, SSPE2 does not have to be adjusted.

Major Source Determination					
Pollutant	SSPE1 (lb/yr)	SSPE2 (lb/yr)	Major Source Threshold (lb/yr)	Existing Major Source?	Becoming a Major Source?
NO _x	0	2,323	20,000	No	No
SO _x	0	3	140,000	No	No
PM ₁₀	0	76	140,000	No	No
CO	0	263	200,000	No	No
VOC	0	244	20,000	No	No

As seen in the table above, the facility is not an existing Major Source and also is not becoming a Major Source 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)							
	NO ₂	VOC	SO ₂	CO	PM	PM ₁₀	CO _{2e}
Estimated Facility PE before Project Increase	0	0	0	0	0	0	0
PSD Major Source Thresholds	100	100	100	100	100	100	100,000
PSD Major Source ? (Y/N)	N	N	N	N	N	N	N

As shown above, the facility is not an existing major source for PSD for any pollutant. Therefore the facility is not an existing major source for PSD.

6. Baseline Emissions (BE):

The equipment is considered as a new emissions unit and the baseline emissions will equal zero for all pollutants.

7. SB 288 Major Modification:

The purpose of Major Modification calculations is to determine the following:

- A. If Best Available Control Technology (BACT) is triggered for a new or modified emission unit that results in a Major Modification (District Rule 2201, Section 4.1.3); and
- B. If a public notification is triggered (District Rule 2201, Section 5.4.1).

Based on the pre and post-project stationary source potential to emit calculations (less onsite Emission Reduction Credit's) in this document, the facility is not a Major Source for any pollutant. Therefore, the proposed project cannot trigger a Major modification and no further calculations are required.

8. Federal Major Modification

This facility is not a Major Source for any pollutant. Therefore, this project can not constitute a Federal Major Modification and no further discussion is required.

9. 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 C.

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

Rule 2410 applies to pollutants for which the District is in attainment or for unclassified 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 applicability evaluation consists of determining whether the facility is an existing PSD Major Source. This facility is not an existing PSD Major source (See Section VII.C.5 of this document).

In the case the facility is NOT an existing PSD Major Source, the second step of the PSD evaluation is to determine if the project, by itself, would be a PSD major source.

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 further analysis will be needed.

PSD Major Source Determination: Potential to Emit (tons/yr)						
	NO ₂	VOC	SO ₂	CO	PM	PM ₁₀
Total PE from New and Modified Units	1.16	0.12	0.002	0.13	0.04	0.04
PSD Major Source threshold	250	250	250	250	250	250
New PSD Major Source?	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.

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 for the following*:

- a) Any new emissions unit with a potential to emit exceeding 2.0 pounds per day,
- b) The relocation from one Stationary Source to another of an existing emissions unit with a potential to emit exceeding 2.0 pounds per day,
- c) Modifications to an existing emissions unit with a valid Permit to Operate resulting in an AIPE exceeding 2.0 pounds per day, and/or
- d) Any new or modified emissions unit, in a stationary source project, which results in a Major Modification.

*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 > 2.0 lb/day

These engines are considered as a new emission units and the daily emissions are compared to the BACT thresholds in the following table:

New Emissions Unit BACT Applicability				
Pollutant	Daily Emissions for unit -1-0 (lb/day)	BACT Threshold (lb/day)	SSPE2 (lb/yr)	BACT Triggered?
NO _x	496.5	> 2.0	N/A	Yes
SO _x	0.6	> 2.0	N/A	No
PM ₁₀	16.1	> 2.0	N/A	Yes
CO	55.9	> 2.0 and SSPE2 ≥ 200,000 lb/yr	263	No
VOC	52.1	> 2.0	N/A	Yes

New Emissions Unit BACT Applicability				
Pollutant	Daily Emissions for unit -2-0 (lb/day)	BACT Threshold (lb/day)	SSPE2 (lb/yr)	BACT Triggered?
NO _x	618.6	> 2.0	N/A	Yes
SO _x	0.6	> 2.0	N/A	No
PM ₁₀	20.1	> 2.0	N/A	Yes
CO	69.6	> 2.0 and SSPE2 ≥ 200,000 lb/yr	263	No
VOC	65.0	> 2.0	N/A	Yes

BACT will be triggered for NO_x, VOC and PM₁₀ emissions for each engine.

b. Relocation of emissions units – PE > 2.0 lb/day

These engines are not being relocated from one stationary source to another stationary source as a result of this project.

c. Modification of emissions units – Adjusted Increase in Permitted Emissions (AIPE) > 2.0 lb/day

These engines are not being modified. Therefore, BACT is not triggered for the modification of emissions units with an AIPE > 2.0 lb/day.

d. Major Modification

This project does not constitute a Major Modification. Therefore, BACT is not triggered for a Major Modification.

2. BACT Guideline:

BACT Guideline 3.1.1, which appears in Appendix D of this report, covers diesel-fired emergency IC engines.

3. Top Down BACT Analysis:

Per District Policy APR 1305, Section IX, "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 for source categories or classes covered in the BACT Clearinghouse, relevant information under each of the following steps may be simply cited from the Clearinghouse without further analysis." Pursuant to the attached Top-Down BACT Analysis, which appears in Appendix D of this report, BACT is satisfied with:

NO_x, VOC: Tier 2 engine
PM₁₀: Use of an engine with PM₁₀ emissions of 0.15 g/bhp-hr, or less

B. Offsets:

Since emergency standby IC engines are exempt from the offset requirements of Rule 2201, per Section 4.6.2, offsets are not required for this engine, and offset calculations are not required.

C. Public Notification:

1. Applicability:

Public noticing is required for:

- a. New Major Sources, which is a new facility that also becomes a Major Source,
- b. Major Modifications,
- c. Any new emissions unit with a Potential to Emit greater than 100 pounds during any one day for any one pollutant,

- d. Any project which results in the offset thresholds being surpassed, and/or
- e. Any project with an SSIPE of greater than 20,000 lb/year for any pollutant,
- f. Title V Significant Modification.

a. New Major Source

A New Major Source is a new facility, which also becomes a major source. This is an existing facility and does not become a Major Source from this project; public noticing is not required for this project for New Major Source purposes.

b. Major Modification

As demonstrated previously in Sections VII.C.7 and VII.C.8, this project does not constitute a Major Modification; therefore, public noticing for Major Modification purposes is not required.

c. PE > 100 lb/day

The Daily PE for these new emission units are compared to the daily PE Public Notice Thresholds in the following table:

PE > 100 lb/day Public Notice Thresholds			
Pollutant	Daily PE for unit -1-0 (lb/day)	Public Notice Threshold (lb/day)	Public Notice Triggered?
NO _x	496.5	100	Yes
SO _x	0.6	100	No
PM ₁₀	16.1	100	No
CO	55.9	100	No
VOC	52.1	100	No

PE > 100 lb/day Public Notice Thresholds			
Pollutant	Daily PE for unit -2-0 (lb/day)	Public Notice Threshold (lb/day)	Public Notice Triggered?
NO _x	618.6	100	Yes
SO _x	0.6	100	No
PM ₁₀	20.1	100	No
CO	69.6	100	No
VOC	65.0	100	No

As detailed in the preceding table, NO_x emissions exceed the 100-lb/day threshold and public noticing is required for this project.

d. Offset Threshold

The following table compares the SSPE1 and SSPE2 with the offset thresholds to determine if any offset thresholds have been surpassed.

Offset Threshold				
Pollutant	SSPE1 (lb/yr)	SSPE2 (lb/yr)	Offset Threshold (lb/yr)	Public Notice Required?
NO _x	0	2,323	20,000	No
SO _x	0	3	54,750	No
PM ₁₀	0	76	29,200	No
CO	0	263	200,000	No
VOC	0	244	20,000	No

As detailed in the preceding table, there are no offset thresholds surpassed with this project. Therefore, public noticing is not required for this project

e. SSIPE > 20,000 lb/year

Public notification is required for any permitting action that results in a Stationary Source Increase in Permitted Emissions (SSIPE) of more than 20,000 lb/year of any affected pollutant. According to District policy, the SSIPE is calculated as the Post Project Stationary Source Potential to Emit (SSPE2) minus the Pre-Project Stationary Source Potential to Emit (SSPE1), i.e. $SSIPE = SSPE2 - SSPE1$. The values for SSPE2 and SSPE1 are calculated according to Rule 2201, Sections 4.9 and 4.10, respectively. The SSIPE is compared to the SSIPE Public Notice thresholds in the following table:

SSIPE Public Notice Threshold					
Pollutant	SSPE2 (lb/yr)	SSPE1 (lb/yr)	SSIPE (lb/yr)	SSIPE Threshold (lb/yr)	Public Notice Required?
NO _x	2,323	0	2,323	20,000	No
SO _x	3	0	3	20,000	No
PM ₁₀	76	0	76	20,000	No
CO	263	0	263	20,000	No
VOC	244	0	244	20,000	No

As detailed in the preceding table, there are no SSIPE thresholds surpassed with this project. Therefore, public noticing is not required for exceeding the SSIPE thresholds.

f. Title V Significant Modification:

This facility is not a Major Source and has not been issued a Title V permit. Therefore, public noticing for a Title V Significant Modification is not required.

2. Public Notice Action

As discussed above, this project will result in NOx emissions exceeding the 100-lb/day threshold from each engine, which would subject the project to the noticing requirements listed above. Therefore, public notice will be required for this project.

D. Daily Emissions Limits

Daily Emissions Limitations (DELs) and other enforceable conditions are required by Section 3.15 to restrict a unit's maximum daily emissions, to a level at or below the emissions associated with the maximum design capacity. Per Sections 3.15.1 and 3.15.2, the DEL must be contained in the latest ATC and contained in or enforced by the latest PTO and enforceable, in a practicable manner, on a daily basis. DELs are also required to enforce the applicability of BACT. For this emergency standby IC engine, the DELs are stated in the form of emission factors, the maximum engine horsepower rating, and the maximum operational time of 24 hours per day. The emission factors are the same for each engine. Therefore, the following conditions will be listed on each ATC to ensure compliance:

N-9200-1-0 and N-9200-2-0:

- Emissions from this IC engine shall not exceed any of the following limits: 4.00 g-NOx/bhp-hr, 0.45 g-CO/bhp-hr, or 0.42 g-VOC/bhp-hr. [District Rule 2201 and 17 CCR 93115]
- Emissions from this IC engine shall not exceed 0.13 g-PM10/bhp-hr based on USEPA certification using ISO 8178 test procedure. [District Rules 2201 and 4102 and 17 CCR 93115]
- Only CARB certified diesel fuel containing not more than 0.0015% sulfur by weight is to be used. [District Rules 2201 and 4801 and 17 CCR 93115]

E. Compliance Assurance:

1. Source Testing

Pursuant to District Policy APR 1705, source testing is not required for emergency standby IC engines to demonstrate compliance with Rule 2201.

2. Monitoring

Monitoring is not 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. As required by

District Rule 4702, *Stationary Internal Combustion Engines - Phase 2*, this IC engine is subject to recordkeeping requirements. Recordkeeping requirements, in accordance with District Rule 4702, will be discussed in Section VIII, *District Rule 4702*, of this evaluation.

4. Reporting

Reporting is not required to ensure 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 E** 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 PM₁₀ 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 PM₁₀ and PM_{2.5}.

Rule 2520 Federally Mandated Operating Permits

Since this facility's potential to emit does not exceed any major source thresholds of Rule 2201, this facility is not a major source, and Rule 2520 does not apply.

Rule 4001 New Source Performance Standards (NSPS)

40 CFR 60 Subpart IIII – Standards of Performance for Stationary Compression Ignition Internal Combustion Engines

Pursuant to § 60.4200 of Subpart IIII, this engine is subject to this federal regulation. However, the District has not been delegated authorization to enforce the requirements of this regulation. The applicant will be so notified in a permit condition.

Rule 4002 National Emission Standards for Hazardous Air Pollutants

40 CFR 63 Subpart ZZZZ – National Emission Standards for Hazardous Air Pollutants for Stationary Reciprocating Internal Combustion Emissions (RICE)

Pursuant to § 63.6585 of Subpart ZZZZ, this engine is subject to this federal regulation. However, the District has not been delegated authorization to enforce the requirements of 40 CFR 63 Subpart ZZZZ for non-Part 70 sources (Major Sources). The applicant will be so notified in a permit condition.

Rule 4101 Visible Emissions

Rule 4101 states that 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. Therefore, the following condition will be listed on the ATC to ensure compliance:

- {15} 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]

Rule 4102 Nuisance

Rule 4102 states that no air contaminant shall be released into the atmosphere which causes a public nuisance. Public nuisance conditions are not expected as a result of these operations provided the equipment is well maintained. Therefore, the following condition will be listed on the ATC to ensure compliance:

- {98} No air contaminant shall be released into the atmosphere which causes a public nuisance. [District Rule 4102]

California Health & Safety Code 41700 (Health Risk Assessment)

District Policy APR 1905 - Risk Management Policy for Permitting New and Modified Sources (dated 3/2/01) 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.

Technical Services received a request on October 26, 2015, to perform an Ambient Air Quality Analysis and a Risk Management Review for the proposed installation of one 2,346 bhp diesel-fired emergency IC engine and one 2,923 bhp diesel-fired emergency IC engine, each powering an electric generator. (See RMR Summary in Appendix E).

RMR Summary				
Categories	Diesel-Fired IC Engine (Unit 1-0)	Diesel-Fired IC Engine (Unit 2-0)	Project Totals	Facility Totals
Prioritization Score	N/A ¹	N/A ¹	N/A ¹	N/A ¹
Acute Hazard Index	N/A ²	N/A ²	N/A ²	N/A ²
Chronic Hazard Index	N/A ²	N/A ²	N/A ²	N/A ²
Maximum Individual Cancer Risk	5.06E-06	1.15E-06	6.21E-06	>1
T-BACT Required?	Yes	Yes		
Special Permit Conditions?	Yes	Yes		

1 Prioritization for this unit was not conducted since it has been determined that all diesel-fired IC engines will result in a prioritization score greater than 1.0.

2 Acute and Chronic Hazard Indices were not calculated since there is no risk factor, or the risk factor is so low that the risk has been determined to be insignificant for this type of unit.

The cancer risk associated with the operation of the proposed diesel IC engine is greater than 1.0 in a million, but less than 20 in a million. In accordance with the District's Risk Management Policy, the project is approved with Toxic Best Available Control Technology (T-BACT) for PM10.

The following conditions will be listed on the ATCs to ensure compliance with the RMR:

Units N-9200-1-0 & 2-0:

1. The PM10 emissions rate of each engine shall not exceed 0.13 g/bhp-hr based on US EPA certification using ISO 8178 test procedure. [District Rules 2201]
2. The exhaust stack of each engine 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]
3. These engines shall be operated only for testing and maintenance of the engine, required regulatory purposes, and during emergency situations. Operation of each engine for maintenance, testing, and required regulatory purposes shall not exceed 50 hours per calendar year. [District Rule 4702 and 17 CCR 93115]

BACT for toxic emission control (T-BACT) is required if the cancer risk exceeds one in one million. As demonstrated above, T-BACT is required for this project because the HRA indicates that the risk is above the District's thresholds for triggering T-BACT requirements.

For this project T-BACT is triggered for PM10. T-BACT is satisfied with BACT for PM10 (see Appendix E), which is the use of an engine with PM10 emissions of 0.15 g/bhp-hr, or less. Therefore, compliance with the District's Risk Management Policy is expected.

Rule 4201 Particulate Matter Concentration

Rule 4201 limits particulate matter emissions from any single source operation to 0.1 gr/dscf, which, as calculated below, is equivalent to a PM₁₀ emission factor of 0.4 g-PM₁₀/bhp-hr.

$$0.1 \frac{\text{grain-PM}}{\text{dscf}} \times \frac{g}{15.43 \text{ grain}} \times \frac{1 \text{ Btu}_{in}}{0.35 \text{ Btu}_{out}} \times \frac{9,051 \text{ dscf}}{10^6 \text{ Btu}} \times \frac{2,542.5 \text{ Btu}}{1 \text{ bhp-hr}} \times \frac{0.96 \text{ g-PM}_{10}}{1 \text{ g-PM}} = 0.4 \frac{\text{g-PM}_{10}}{\text{bhp-hr}}$$

Each new engine has a PM₁₀ emission factor less than 0.4 g/bhp-hr. Therefore, compliance is expected and the following condition will be listed on the ATC:

- {14} Particulate matter emissions shall not exceed 0.1 grains/dscf in concentration. [District Rule 4201]

Rule 4701 Internal Combustion Engines – Phase 1

District Rule 4701 is applicable to diesel-fired emergency standby or emergency IC engines. Rule 4702 is at least as stringent as this rule in all aspects; therefore, compliance with that rule will ensure compliance with Rule 4701.

Rule 4702 Internal Combustion Engines – Phase 2

The following table demonstrates how the proposed engines will comply with the requirements of District Rule 4702.

District Rule 4702 Requirements Emergency Standby IC Engines	Proposed Method of Compliance with District Rule 4702 Requirements
<p>Operation of emergency standby engines is limited to 100 hours or less per calendar year for non-emergency purposes, verified through the use of a non-resettable elapsed operating time meter.</p>	<p>The Air Toxic Control Measure for Stationary Compression Ignition Engines (Stationary ATCM) limits this engine maintenance and testing to 50 hours/year. Thus, compliance is expected.</p>
<p>Emergency standby engines cannot be used to reduce the demand for electrical power when normal electrical power line service has not failed, or to produce power for the electrical distribution system, or in conjunction with a voluntary utility demand reduction program or interruptible power contract.</p>	<p>The following conditions will be included on each permit:</p> <ul style="list-style-type: none"> • {3807} An emergency situation is an unscheduled electrical power outage caused by sudden and reasonably unforeseen natural disasters or sudden and reasonably unforeseen events beyond the control of the permittee. [District Rules 4701 and 4702] • {3808} This engine shall not be used to produce power for the electrical distribution system, as part of a voluntary utility demand reduction program, or for an interruptible power contract. [District Rules 4701 and 4702]
<p>The owner/operator must monitor the operational characteristics of each engine as recommended by the engine manufacturer or emission control system supplier.</p>	<p>The following condition will be included on each permit:</p> <ul style="list-style-type: none"> • {3478} During periods of operation for maintenance, testing, and required regulatory purposes, the permittee shall monitor the operational characteristics of the engine as recommended by the manufacturer or emission control system supplier (for example: check engine fluid levels, battery, cables and connections; change engine oil and filters; replace engine coolant; and/or other operational characteristics as recommended by the manufacturer or supplier). [District Rules 4701 and 4702]
<p>Records of the total hours of operation of the emergency standby engine, type of fuel used, purpose for operating the engine, all hours of non-emergency and emergency operation, and support documentation must be maintained. All records shall be retained for a period of at least five years, shall be readily available, and be made available to the APCO upon request.</p>	<p>The following conditions will be included on each permit:</p> <ul style="list-style-type: none"> • {3496} The permittee shall maintain monthly records of emergency and non-emergency operation. Records shall include the number of hours of emergency operation, the date and number of hours of all testing and maintenance operations, the purpose of the operation (for example: load testing, weekly testing, rolling

	<p>blackout, general area power outage, etc.) and records of operational characteristics monitoring. For units with automated testing systems, the operator may, as an alternative to keeping records of actual operation for testing purposes, maintain a readily accessible written record of the automated testing schedule. [District Rule 4702 and 17 CCR 93115]</p> <ul style="list-style-type: none"> • The permittee shall maintain monthly records of the type of fuel purchased. [District Rule 4702 and 17 CCR 93115] • {3475} 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 4701 and 4702 and 17 CCR 93115]
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Rule 4801 Sulfur Compounds

Rule 4801 requires that sulfur compound emissions (as SO₂) shall not exceed 0.2% by volume. Using the ideal gas equation, the sulfur compound emissions are calculated as follows:

$$\text{Volume SO}_2 = (n \times R \times T) \div P$$

n = moles SO₂

T (standard temperature) = 60 °F or 520 °R

$$R \text{ (universal gas constant)} = \frac{10.73 \text{ psi} \cdot \text{ft}^3}{\text{lb} \cdot \text{mol} \cdot \text{°R}}$$

$$\frac{0.000015 \text{ lb} - S}{\text{lb} - \text{fuel}} \times \frac{7.1 \text{ lb}}{\text{gal}} \times \frac{64 \text{ lb} - \text{SO}_2}{32 \text{ lb} - S} \times \frac{1 \text{ MMBtu}}{9,051 \text{ scf}} \times \frac{1 \text{ gal}}{0.137 \text{ MMBtu}} \times \frac{\text{lb} - \text{mol}}{64 \text{ lb} - \text{SO}_2} \times \frac{10.73 \text{ psi} - \text{ft}^3}{\text{lb} - \text{mol} - \text{°R}} \times \frac{520 \text{°R}}{14.7 \text{ psi}} \times 1,000,000 = 1.0 \text{ ppmv}$$

Since 1.0 ppmv is ≤ 2,000 ppmv, this engine is expected to comply with Rule 4801. Therefore, the following condition will be listed on the ATC to ensure compliance:

- Only CARB certified diesel fuel containing not more than 0.0015% sulfur by weight is to be used. [District Rules 2201 and 4801, and 17 CCR 93115]

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.

Title 17 California Code of Regulations (CCR), Section 93115 - Airborne Toxic Control Measure (ATCM) for Stationary Compression-Ignition (CI) Engines

The following table demonstrates how the proposed engine will comply with the requirements of Title 17 CCR Section 93115.

Title 17 CCR Section 93115 Requirements for New Emergency IC Engines Powering Electrical Generators	Proposed Method of Compliance with Title 17 CCR Section 93115 Requirements
Emergency engines must be fired on CARB diesel fuel, or an approved alternative diesel fuel.	The applicant has proposed the use of CARB certified diesel fuel. The proposed permit condition, requiring the use of CARB certified diesel fuel, was included earlier in this evaluation.
Engines must emit diesel PM at a rate less than or equal to 0.15 g/bhp-hr or must meet the diesel PM standard, as specified in the off-road compression ignition standards for off-road engines with the same maximum rated power (17 CCR 93115)	The applicant has proposed the use of an engine that is certified to the applicable EPA Tier Certification level for the applicable horsepower range, guaranteeing compliance with the emission standards of Subpart IIII. Additionally, the proposed diesel PM emissions rate is less than or equal to 0.15 g/bhp-hr.
The engine may not be operated more than 50 hours per year for maintenance and testing purposes.	<p>The following condition will be included on these permits:</p> <ul style="list-style-type: none"> • This engine shall be operated only for testing and maintenance of the engine, required regulatory purposes, and during emergency situations. Operation of the engine for maintenance, testing, and required regulatory purposes shall not exceed 50 hours per calendar year. [District Rule 4702 & 17 CCR 93115]
Engines, with a PM10 emissions rate greater than 0.01 g/bhp-hr and located at schools, may not be operated for maintenance and testing whenever there is a school sponsored activity on the grounds. Additionally, engines located within 500 feet of school grounds may not be operated for maintenance and testing between 7:30 AM and 3:30 PM	The District has verified that this engine is not located within 500' of a school. See site map of proposed location of this emergency engine.
An owner or operator shall maintain monthly records of the following: emergency use hours of operation; maintenance and testing hours of operation; hours of operation for emission testing; initial start-up testing hours; hours of operation for all other uses; and the type of fuel used. All records shall be retained for a minimum of 36 months.	Permit conditions enforcing these requirements were shown earlier in the evaluation.

California Environmental Quality Act (CEQA)

The California Environmental Quality Act (CEQA) requires each public agency to adopt objectives, criteria, and specific procedures consistent with CEQA Statutes and the CEQA Guidelines for administering its responsibilities under CEQA, including the orderly evaluation of projects and preparation of environmental documents. The San Joaquin Valley Unified Air Pollution Control District (District) adopted its *Environmental Review Guidelines* (ERG) in 2001.

The basic purposes of CEQA are to:

- Inform governmental decision-makers and the public about the potential, significant environmental effects of proposed activities.
- Identify the ways that environmental damage can be avoided or significantly reduced.
- Prevent significant, avoidable damage to the environment by requiring changes in projects through the use of alternatives or mitigation measures when the governmental agency finds the changes to be feasible.
- 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.

Consistent with California Environmental Quality Act (CEQA) and CEQA Guidelines requirements, the San Joaquin Valley Air Pollution Control District (District) has adopted procedures and guidelines for implementing CEQA. The District's Environmental Review Guidelines (ERG) establishes procedures for avoiding unnecessary delay during the District's permitting process while ensuring that significant environmental impacts are thoroughly and consistently addressed. The ERG includes policies and procedures to be followed when processing permits for projects that are exempt under CEQA.

The State Legislature granted a number of exemptions from CEQA, including projects that require only ministerial approval. Based upon analysis of its own laws and consideration of CEQA provisions, the District has identified a limited number of District permitting activities considered to be ministerial approvals. As set forth in §4.2.1 of the ERG, projects permitted consistent with the District's Guidelines for Expedited Application Review (GEAR) are standard application reviews in which little or no discretion is used in issuing Authority to Construct (ATC) documents.

For the proposed project, the District performed an Engineering Evaluation (this document) and determined that the project will occur at an existing facility; involves negligible expansion of the existing use; and would not have a significant effect on the environment. The District further determined that the project qualifies for processing under the procedures set forth in the District's Permit Services Procedures Manual in the Guidelines for Expedited Application Review (GEAR). Thus, as discussed above, issuance of such ATC(s) is ministerial approval for the District and is not subject to CEQA provisions.

IX. Recommendations:

Compliance with all applicable rules and regulations is expected. Issue Authority to Construct N-9200-1-0 and N-9200-2-0 subject to the permit conditions on the attached Authorities to Construct in Appendix A.

X. Billing Information:

Billing Schedule			
Permit Number	Fee Schedule	Fee Description	Fee Amount
N-9200-1-0	3020-10-F	2,346 bhp IC engine	\$785
N-9200-2-0	3020-10-F	2,942 bhp IC engine	\$785

Appendices

- A. Authority to Construct permits N-9200-1-0 and N-9200-2-0
- B. Engine Emissions Data
- C. QNEC Calculations
- D. BACT Guideline and BACT Analysis
- E. RMR Summary

Appendix A

Authority to Construct permits
N-9200-1-0 and N-9200-2-0

San Joaquin Valley
Air Pollution Control District

AUTHORITY TO CONSTRUCT

ISSUANCE DATE: DRAFT
DRAFT

PERMIT NO: N-9200-1-0

LEGAL OWNER OR OPERATOR: MEDLINE INDUSTRIES INC
MAILING ADDRESS: ONE MEDLINE PL
MUNDELEIN, IL 60060

LOCATION: 24550 HANSEN RD
TRACY, CA 95377

EQUIPMENT DESCRIPTION:
2,346 BHP MITSUBISHI MODEL S16R-Y2PTAW-1 DIESEL-FIRED EMERGENCY ENGINE (TIER 2 CERTIFIED)
POWERING AN ELECTRICAL GENERATOR.

CONDITIONS

1. {98} No air contaminant shall be released into the atmosphere which causes a public nuisance. [District Rule 4102]
2. {15} 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]
3. {14} Particulate matter emissions shall not exceed 0.1 grains/dscf in concentration. [District Rule 4201]
4. {1898} 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]
5. This engine shall be equipped with an operational non-resettable elapsed time meter or other APCO approved alternative. [District Rule 4702 and 17 CCR 93115]
6. {4258} Only CARB certified diesel fuel containing not more than 0.0015% sulfur by weight is to be used. [District Rules 2201 and 4801, and 17 CCR 93115]
7. Emissions from this IC engine shall not exceed any of the following limits: 4.00 g-NOx/bhp-hr, 0.45 g-CO/bhp-hr, or 0.42 g-VOC/bhp-hr. [District Rule 2201 and 17 CCR 93115]
8. Emissions from this IC engine shall not exceed 0.13 g-PM10/bhp-hr based on USEPA certification using ISO 8178 test procedure. [District Rules 2201 and 4102 and 17 CCR 93115]
9. {4261} This engine shall be operated and maintained in proper operating condition as recommended by the engine manufacturer or emissions control system supplier. [District Rule 4702]

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

Arnaud Marjolle, Director of Permit Services

N-9200-1-0 Nov 8 2015 3:58PM - CRUZ Joint Inspection NOT Required

10. {3478} During periods of operation for maintenance, testing, and required regulatory purposes, the permittee shall monitor the operational characteristics of the engine as recommended by the manufacturer or emission control system supplier (for example: check engine fluid levels, battery, cables and connections; change engine oil and filters; replace engine coolant; and/or other operational characteristics as recommended by the manufacturer or supplier). [District Rule 4702]
11. {3807} An emergency situation is an unscheduled electrical power outage caused by sudden and reasonably unforeseen natural disasters or sudden and reasonably unforeseen events beyond the control of the permittee. [District Rule 4702]
12. {3808} This engine shall not be used to produce power for the electrical distribution system, as part of a voluntary utility demand reduction program, or for an interruptible power contract. [District Rule 4702]
13. {3496} The permittee shall maintain monthly records of emergency and non-emergency operation. Records shall include the number of hours of emergency operation, the date and number of hours of all testing and maintenance operations, the purpose of the operation (for example: load testing, weekly testing, rolling blackout, general area power outage, etc.) and records of operational characteristics monitoring. For units with automated testing systems, the operator may, as an alternative to keeping records of actual operation for testing purposes, maintain a readily accessible written record of the automated testing schedule. [District Rule 4702 and 17 CCR 93115]
14. {4777} This engine shall be operated only for testing and maintenance of the engine, required regulatory purposes, and during emergency situations. Operation of the engine for maintenance, testing, and required regulatory purposes shall not exceed 50 hours per calendar year. [District Rules 2201 and 4702, and 17 CCR 93115]
15. {4263} The permittee shall maintain monthly records of the type of fuel purchased. [District Rule 4702 and 17 CCR 93115]
16. {3475} All records shall be maintained and retained on-site for a minimum of five (5) years, and shall be made available for District inspection upon request. [District Rule 4702 and 17 CCR 93115]
17. U.S. EPA administers the requirements of 40 CFR Part 60 Subpart IIII and 40 CFR Part 63 Subpart ZZZZ. The owner or operator shall comply with the emission and operating limitations, testing requirements, initial and continuous compliance requirements as specified in these subparts. The owner or operator shall submit all applicable notifications, reports, and records to the administrator by the required compliance dates. [District Rules 4001 and 4002]

DRAFT

San Joaquin Valley
Air Pollution Control District

AUTHORITY TO CONSTRUCT

ISSUANCE DATE: DRAFT
DRAFT

PERMIT NO: N-9200-2-0

LEGAL OWNER OR OPERATOR: MEDLINE INDUSTRIES INC
MAILING ADDRESS: ONE MEDLINE PL
MUNDELEIN, IL 60060

LOCATION: 24550 HANSEN RD
TRACY, CA 95377

EQUIPMENT DESCRIPTION:
2,923 BHP MITSUBISHI MODEL S16R-Y2PTAW2-1 DIESEL-FIRED EMERGENCY ENGINE (TIER 2 CERTIFIED)
POWERING AN ELECTRICAL GENERATOR.

CONDITIONS

1. {98} No air contaminant shall be released into the atmosphere which causes a public nuisance. [District Rule 4102]
2. {15} 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]
3. {14} Particulate matter emissions shall not exceed 0.1 grains/dscf in concentration. [District Rule 4201]
4. {1898} 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]
5. This engine shall be equipped with an operational non-resettable elapsed time meter or other APCO approved alternative. [District Rule 4702 and 17 CCR 93115]
6. {4258} Only CARB certified diesel fuel containing not more than 0.0015% sulfur by weight is to be used. [District Rules 2201 and 4801, and 17 CCR 93115]
7. Emissions from this IC engine shall not exceed any of the following limits: 4.00 g-NOx/bhp-hr, 0.45 g-CO/bhp-hr, or 0.42 g-VOC/bhp-hr. [District Rule 2201 and 17 CCR 93115]
8. Emissions from this IC engine shall not exceed 0.13 g-PM10/bhp-hr based on USEPA certification using ISO 8178 test procedure. [District Rules 2201 and 4102 and 17 CCR 93115]
9. {4261} This engine shall be operated and maintained in proper operating condition as recommended by the engine manufacturer or emissions control system supplier. [District Rule 4702]

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

Arnaud Marjolle, Director of Permit Services

N-9200-2-0 Nov 9 2015 3:58PM - CRUZP Joint Inspection NOT Required

10. {3478} During periods of operation for maintenance, testing, and required regulatory purposes, the permittee shall monitor the operational characteristics of the engine as recommended by the manufacturer or emission control system supplier (for example: check engine fluid levels, battery, cables and connections; change engine oil and filters; replace engine coolant; and/or other operational characteristics as recommended by the manufacturer or supplier). [District Rule 4702]
11. {3807} An emergency situation is an unscheduled electrical power outage caused by sudden and reasonably unforeseen natural disasters or sudden and reasonably unforeseen events beyond the control of the permittee. [District Rule 4702]
12. {3808} This engine shall not be used to produce power for the electrical distribution system, as part of a voluntary utility demand reduction program, or for an interruptible power contract. [District Rule 4702]
13. {3496} The permittee shall maintain monthly records of emergency and non-emergency operation. Records shall include the number of hours of emergency operation, the date and number of hours of all testing and maintenance operations, the purpose of the operation (for example: load testing, weekly testing, rolling blackout, general area power outage, etc.) and records of operational characteristics monitoring. For units with automated testing systems, the operator may, as an alternative to keeping records of actual operation for testing purposes, maintain a readily accessible written record of the automated testing schedule. [District Rule 4702 and 17 CCR 93115]
14. {4777} This engine shall be operated only for testing and maintenance of the engine, required regulatory purposes, and during emergency situations. Operation of the engine for maintenance, testing, and required regulatory purposes shall not exceed 50 hours per calendar year. [District Rules 2201 and 4702, and 17 CCR 93115]
15. {4263} The permittee shall maintain monthly records of the type of fuel purchased. [District Rule 4702 and 17 CCR 93115]
16. {3475} All records shall be maintained and retained on-site for a minimum of five (5) years, and shall be made available for District inspection upon request. [District Rule 4702 and 17 CCR 93115]
17. U.S. EPA administers the requirements of 40 CFR Part 60 Subpart IIII and 40 CFR Part 63 Subpart ZZZZ. The owner or operator shall comply with the emission and operating limitations, testing requirements, initial and continuous compliance requirements as specified in these subparts. The owner or operator shall submit all applicable notifications, reports, and records to the administrator by the required compliance dates. [District Rules 4001 and 4002]

DRAFT

Appendix B

Engine emissions data

Appendix C

QNEC Calculations

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 emission calculations in this evaluation, PE2_{quarterly} and BE_{quarterly} can be calculated as follows:

This calculation is required for application emission profile purposes. It is assumed that each unit's annual emissions are evenly distributed throughout the year as follows: $\Delta PE \text{ (lb/qtr)} = PE \text{ (lb/yr)} \div 4 \text{ qtr/yr}$

N-9200-1-0:

$$\begin{aligned} \Delta PE_{NOx} &= 1,034 \text{ lb-NOx/year} - 0 \text{ lb-NOx/year} &&= 1,034 \text{ lb/year} \\ \Delta PE_{CO} &= 116 \text{ lb-CO/year} - 0 \text{ lb-CO/year} &&= 116 \text{ lb/year} \\ \Delta PE_{VOC} &= 109 \text{ lb-VOC/year} - 0 \text{ lb-VOC/year} &&= 109 \text{ lb/year} \\ \Delta PE_{PM10} &= 34 \text{ lb-PM10/year} - 0 \text{ lb-PM10/year} &&= 34 \text{ lb/year} \\ \Delta PE_{SOx} &= 1 \text{ lb-SOx/year} - 0 \text{ lb-SOx/year} &&= 1 \text{ lb/year} \end{aligned}$$

	Quarter 1	Quarter 2	Quarter 3	Quarter 4
NOx	258	258	259	259
CO	29	29	3	30
VOC	27	27	27	28
PM₁₀	8	8	9	9
SOx	0	0	0	1

N-9200-1-0:

$$\begin{aligned} \Delta PE_{NOx} &= 1,289 \text{ lb-NOx/year} - 0 \text{ lb-NOx/year} &&= 1,289 \text{ lb/year} \\ \Delta PE_{CO} &= 145 \text{ lb-CO/year} - 0 \text{ lb-CO/year} &&= 145 \text{ lb/year} \\ \Delta PE_{VOC} &= 135 \text{ lb-VOC/year} - 0 \text{ lb-VOC/year} &&= 135 \text{ lb/year} \\ \Delta PE_{PM10} &= 42 \text{ lb-PM10/year} - 0 \text{ lb-PM10/year} &&= 42 \text{ lb/year} \\ \Delta PE_{SOx} &= 1 \text{ lb-SOx/year} - 0 \text{ lb-SOx/year} &&= 1 \text{ lb/year} \end{aligned}$$

	Quarter 1	Quarter 2	Quarter 3	Quarter 4
NOx	322	322	322	323
CO	36	36	36	37
VOC	33	34	34	34
PM₁₀	10	10	11	11
SOx	0	0	0	1

Appendix D

BACT Guideline and BACT Analysis

San Joaquin Valley Unified Air Pollution Control District

Best Available Control Technology (BACT) Guideline 3.1.1
Last Update: 9/10/2013
Emergency Diesel IC Engine

Pollutant	Achieved in Practice or in the SIP	Technologically Feasible	Alternate Basic Equipment
CO	Latest EPA Tier Certification level for applicable horsepower range		
NOX	Latest EPA Tier Certification level for applicable horsepower range		
PM10	0.15 g/hp-hr or the Latest EPA Tier Certification level for applicable horsepower range, whichever is more stringent. (ATCM)		
SOX	Very low sulfur diesel fuel (15 ppmw sulfur or less)		
VOC	Latest EPA Tier Certification level for applicable horsepower range		

*Note: for emergency engines 50 <= bhp < 75, Tier 4 Interim certification is the requirement; for emergency engines 75 <= bhp < 750 bhp, Tier 3 certification is the requirement; for emergency engines => 750 bhp, Tier 2 certification is the requirement.

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

Top Down BACT Analysis for NO_x and VOC emissions:

BACT Guideline 3.1.1 (September 10, 2009) applies to emergency diesel IC engines. In accordance with the District BACT policy, information from that guideline will be utilized without further analysis.

1. BACT analysis for NO_x and VOC emissions:

a. Step 1 - Identify all control technologies

BACT Guideline 3.1.1 identifies only the following option:

- *Latest EPA Tier Certification level for applicable horsepower range*

To determine the latest applicable Tier level, the following EPA and state regulations were consulted:

- 40 CFR Part 60 Subpart IIII – Standards of Performance for Stationary Compression Ignition Internal Combustion Engines
- 40 CFR Part 89 – Control of Emissions from New and In-Use Nonroad Compression – Ignition Engines
- 40 CFR Part 1039 – Control of Emissions from New and In-Use Nonroad Compression-Ignition Engines
- Title 17 CCR, Section 93115 - Airborne Toxic Control Measure (ATCM) for Stationary Compression-Ignition (CI) Engines

40 CFR Parts 89 and 1039, which apply only to nonroad engines, do not directly apply because the proposed emergency engine does not meet the definition of a nonroad engine. Therefore, only Title 17 CCR, Section 93115 and 40 CFR Part 60 Subpart IIII apply directly to the proposed emergency engine.

Title 17 CCR, Section 93115.6(a)(3)(A) (CARB stationary diesel engine ATCM) applies to emergency standby diesel-fired engines and requires that such engines be certified to the emission levels in Table 1 (below). Please note that these levels are at least as stringent or more stringent than the emission levels in 40 CFR Subpart IIII.

Maximum Engine Power	Tier	Model Year(s)	PM	NMHC+NOx	CO
50 ≤ HP < 75 (37 ≤ kW < 56)	2	2007	0.15 (0.20)	5.6 (7.5)	3.7 (5.0)
	4i	2008+		3.5 (4.7)	
75 ≤ HP < 100 (56 ≤ kW < 75)	2	2007	0.15 (0.20)	5.6 (7.5)	3.7 (5.0)
	3	2008+		3.5 (4.7)	
100 ≤ HP < 175 (75 ≤ kW < 130)	3	2007	0.15 (0.20)	3.0 (4.0)	3.7 (5.0)
		2008+			
175 ≤ HP < 300 (130 ≤ kW < 225)	3	2007	0.15 (0.20)	3.0 (4.0)	2.6 (3.5)
		2008+			
300 ≤ HP < 600 (225 ≤ kW < 450)	3	2007	0.15 (0.20)	3.0 (4.0)	2.6 (3.5)
		2008+			
600 ≤ HP ≤ 750 (450 ≤ kW ≤ 560)	3	2007	0.15 (0.20)	3.0 (4.0)	2.6 (3.5)
		2008+			
HP > 750 (kW > 560)	2	2007	0.15 (0.20)	4.8 (6.4)	2.6 (3.5)
		2008+			

Additionally, 40 CFR Subpart IIII establishes emission standards for emergency diesel IC engines. These emission standards are the same as those specified in the CARB ATCM, except for engines rated greater than or equal to 100 and less than 175 hp. For such IC engines, the CARB ATCM is more stringent.

Therefore, the most stringent applicable emission standards are those listed in the CARB ATCM (Table 1). For IC engines rated greater than 750 hp, the Tier required is Tier 2.

Also, please note that neither the state ATCM nor the Code of Federal Regulations require the installation of IC engines meeting a higher Tier standard than those listed above for emergency applications, due to concerns regarding the effectiveness of the exhaust emissions controls during periods of short-term operation (such as testing operational readiness of an emergency engine).

The proposed engine is rated at 755 bhp. Therefore, the applicable control technology option is EPA Tier 2 certification.

b. Step 2 - Eliminate technologically infeasible options

The control option listed in Step 1 is not technologically infeasible.

c. Step 3 - Rank remaining options by control effectiveness

Ranking is not necessary since there is only one control option listed in Step 1.

d. Step 4 - Cost Effectiveness Analysis

The applicant has proposed the only control option remaining under consideration. Therefore, a cost effectiveness analysis is not required.

e. Step 5 - Select BACT

BACT for NOx and VOC is the use of an EPA Tier 2 certified engine. The applicant is proposing such a unit. Therefore, the District's BACT requirements will be satisfied.

2. BACT Analysis for PM₁₀ Emissions:

a. Step 1 - Identify all control technologies

BACT Guideline 3.1.1 identifies only the following option:

- *0.15 g/bhp-hr or the Latest EPA Tier Certification level for applicable horsepower range, whichever is more stringent. (ATCM)*

The latest EPA Tier Certification level for an engine of the proposed model year and horsepower rating is Tier 3. Refer to the Top-Down BACT analysis for NO_x for a discussion regarding the determination of the EPA Tier level to be considered.

Please note Tier 2 or 3 IC engines do not have a PM emission standard that is more stringent than 0.15 g/bhp-hr. Additionally, the ATCM requires a PM emission standard of 0.15 g/bhp-hr for all new emergency diesel IC engines.

Therefore, a PM/PM₁₀ emission standard of 0.15 g/bhp-hr is required as BACT.

b. Step 2 - Eliminate technologically infeasible options

The control option listed in Step 1 is technologically feasible.

c. Step 3 - Rank remaining options by control effectiveness

Ranking is not necessary since there is only one control option listed in Step 1.

d. Step 4 - Cost Effectiveness Analysis

The applicant has proposed the only control option remaining under consideration. Therefore, a cost effectiveness analysis is not required.

e. Step 5 - Select BACT

BACT for the control of PM₁₀ emissions is the use of an engine with an emission factor of 0.15 g/bhp-hr, or less. The applicant is proposing an engine that meets this requirement. Therefore, BACT will be satisfied.

Appendix E

RMR Summary

San Joaquin Valley Air Pollution Control District Risk Management Review

To: Fred Cruz– Permit Services
 From: Jessica Coria– Technical Services
 Date: October 27, 2015
 Facility Name: Medline Industries, Inc.
 Location: 24550 Hansen Rd., Tracy, CA
 Application Nos: N-9200-1-0 & 2-0
 Project No: N-1153093

A. RMR SUMMARY

RMR Summary				
Categories	Diesel-Fired IC Engine (Unit 1-0)	Diesel-Fired IC Engine (Unit 2-0)	Project Totals	Facility Totals
Prioritization Score	N/A ¹	N/A ¹	N/A ¹	N/A ¹
Acute Hazard Index	N/A ²	N/A ²	N/A ²	N/A ²
Chronic Hazard Index	N/A ²	N/A ²	N/A ²	N/A ²
Maximum Individual Cancer Risk	5.06E-06	1.15E-06	6.21E-06	>1
T-BACT Required?	Yes	Yes		
Special Permit Conditions?	Yes	Yes		

- 1 Prioritization for this unit was not conducted since it has been determined that all diesel-fired IC engines will result in a prioritization score greater than 1.0.
- 2 Acute and Chronic Hazard Indices were not calculated since there is no risk factor, or the risk factor is so low that the risk has been determined to be insignificant for this type of unit.

Proposed Permit Conditions

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

Units # 1-0 & 2-0

1. The PM10 emissions rate of each engine shall not exceed 0.13 g/bhp-hr based on US EPA certification using ISO 8178 test procedure. [District Rules 2201]
2. The exhaust stack of each engine 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]
3. These engines shall be operated only for testing and maintenance of the engine, required regulatory purposes, and during emergency situations. Operation of each engine for maintenance, testing, and required regulatory purposes shall not exceed 50 hours per calendar year. [District Rule 4702 and 17 CCR 93115]

T-BACT is required for this unit because of emissions of Diesel Exhaust, which is a PM-10. In accordance with District policy, BACT for this unit will be considered to be T-BACT.

B. RMR REPORT

I. Project Description

Technical Services received a request on October 26, 2015, to perform an Ambient Air Quality Analysis and a Risk Management Review for the proposed installation of one 2,346 bhp diesel-fired emergency IC engine and one 2,923 bhp diesel-fired emergency IC engine, each powering an electric generator.

II. Analysis

Technical Services performed modeling for criteria pollutants CO, NO_x, SO_x and PM₁₀; as well as a RMR. The emission rates used for criteria pollutant modeling of Unit 1 were 118 lb/yr CO, 1034 lb/yr NO_x, 1 lb/yr SO_x, and 34 lb/yr PM₁₀. The emission rates used for criteria pollutant modeling of Unit 2 were 145 lb/yr CO, 1289 lb/yr NO_x, 2 lb/yr SO_x, and 42 lb/yr PM₁₀. The engineer supplied the maximum fuel rate for the IC engine used during the analysis.

The results from the Criteria Pollutant Modeling were as follows for each engine:

Criteria Pollutant Modeling Results*

2 Diesel ICE's	1 Hour	3 Hours	8 Hours.	24 Hours	Annual
CO	NA ¹	X	NA ¹	X	X
NO _x	NA ¹	X	X	X	Pass
SO _x	NA ¹	NA ¹	X	NA ¹	Pass
PM ₁₀	X	X	X	NA ¹	Pass ²
PM _{2.5}	X	X	X	NA ¹	Pass ²

*Results were taken from the attached PSD spreadsheet.

¹ The project is an intermittent source as defined in APR-1920. In accordance with APR-1920, compliance with short-term (i.e., 1-hour, 3-hour, 8-hour and 24-hour) standards is not required.

² The criteria pollutants are below EPA's level of significance as found in 40 CFR Part 51.165 (b)(2).

III. Conclusion

The cancer risk associated with the operation of the proposed diesel IC engine is greater than 1.0 in a million, but less than 20 in a million. In accordance with the District's Risk Management Policy, the project is approved with Toxic Best Available Control Technology (T-BACT) for PM10.

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.

Attachments

- A. RMR request from the project engineer
- B. Additional information from the applicant/project engineer
- C. Toxic emissions summary
- D. Facility Summary
- E. AERMOD Non-Regulatory Option Checklist