



FEB 17 2016

Mr. Gregory Pritchett
Chevron USA Inc.
P.O. Box 1392
Bakersfield, CA 93302

**Re: Notice of Final Action - Significant Title V Permit Modification
District Facility # C-311
Project # C-1150307**

Dear Mr. Pritchett:

The Air Pollution Control Officer has modified the Title V permit for Chevron USA Inc. at Chevron's Coalinga Oil Field in Fresno County incorporating C-311-88-15. The purpose of the project is the modification of a 86.4 MMBtu/hr cogeneration system with a gas-fired turbine to install a selective catalytic reduction (SCR) system, replace the heat recovery steam generator (HRSG) and duct burner, and to install a continuous emissions monitoring system (CEMS).

Enclosed is the modified Title V permit. The application and proposal were sent to CARB and US EPA Region IX on November 5, 2015. No comments were received following the District's preliminary decision on this project.

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

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

Sincerely,

Errol Villegas
for Arnaud Marjollet
Director of Permit Services

Enclosures

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

Seyed Sadredin
Executive Director/Air Pollution Control Officer

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Modesto, CA 95356-8718
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San Joaquin Valley Air Pollution Control District

PERMIT UNIT: C-311-88-15

EXPIRATION DATE: 12/31/2016

SECTION: 25 TOWNSHIP: 20S RANGE: 14E

EQUIPMENT DESCRIPTION:

86.4 MMBTU/HR COGENERATION SYSTEM WITH A NOMINAL RATED 40.9 MMBTU/HR SOLAR MODEL CENTAUR 40-4500 TURBINE ENGINE #TG-104, DRIVING A 2.7 MW ELECTRICAL GENERATOR AND INCLUDING A RENTECH WASTE HEAT RECOVERY STEAM GENERATOR, WITH A 37 MMBTU/HR JOHN ZINC HAMWORTHY COMBUSTION DUCT BURNER SERVED BY A SELECTIVE CATALYTIC REDUCTION (SCR) SYSTEM WITH AMMONIA INJECTION AND A CONTINUOUS EMISSIONS MONITORING SYSTEM (CEMS)

PERMIT UNIT REQUIREMENTS

1. Particulate matter emissions shall not exceed 0.1 grains/dscf in concentration. [District Rule 4201, 3.1] Federally Enforceable Through Title V Permit
2. If the gas turbine system is fired on PUC-regulated or FERC regulated natural gas, then maintain on file copies of natural gas bills. [District Rule 2520] Federally Enforceable Through Title V Permit
3. This unit shall be fired exclusively on natural gas as defined in 40 CFR 60.331(u) and the natural gas shall have a total sulfur content less than or equal to 1.0 gr/100 scf. [40 CFR 60.333(b) and District Rules 2201 and 4201] Federally Enforceable Through Title V Permit
4. If the gas turbine system is not fired on PUC-regulated or FERC regulated natural gas, the sulfur content of each fuel source shall be tested weekly except that if compliance with the fuel sulfur content limit has been demonstrated for 8 consecutive weeks for a fuel source, then the testing frequency shall be quarterly. If a test shows noncompliance with the sulfur content requirement, the source must return to weekly testing until eight consecutive weeks show compliance. [40 CFR 60.334(h)(3)] Federally Enforceable Through Title V Permit
5. HHV and LHV of the fuel shall be determined by using ASTM D3588, ASTM 1826, or ASTM 1945. [40 CFR 60.335(b), District Rule 4703] Federally Enforceable Through Title V Permit
6. Emissions from the gas turbine system, when startup or shutdown or black start do not occur, shall not exceed any of the following limits: 9 ppmvd NO_x @ 15% O₂ referenced as NO₂; 53 ppmvd CO @ 15% O₂ when firing both gas turbine and duct burner simultaneously; 63 ppmvd CO @ 15% O₂ when firing gas turbine only; 0.026 lb-PM₁₀/MMBtu; 0.026 lb-VOC/MMBtu referenced as methane; and 0.002 lb-SO_x/MMBtu referenced as SO₂. NO_x and CO emission limits are based on 3-hour rolling average period. If unit is in either startup, shutdown, or black start mode during any portion of a clock hour, the unit will not be subject to the ppmvd limits for NO_x and CO during that clock hour. [District Rules 2201 and 4703] Federally Enforceable Through Title V Permit
7. Emissions from the gas turbine system, on days when startup, shutdown, or black start occurs, shall not exceed any of the following limits: 67.4 lb-NO_x/day referenced as NO₂; 1199.5 lb-CO/day; 3.7 lb-SO_x/day; 48.2 lb-PM₁₀/day; 99.6 lb-VOC/day referenced as methane; and 52.7 lb-NH₃/day. [District Rule 2201] Federally Enforceable Through Title V Permit
8. Emissions from the gas turbine system shall not exceed any of the following limits: 22,343 lb-NO_x/year; 84,878 lb-CO/year; 1,354 lb-SO_x/year; 17,606 lb-PM₁₀/year; 17,863 lb-VOC/year; 19,239 lb-NH₃/year. All annual emission limits are based on 12 consecutive month rolling emissions totals. [District Rule 2201] Federally Enforceable Through Title V Permit

PERMIT UNIT REQUIREMENTS CONTINUE ON NEXT PAGE

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9. Ammonia (NH₃) emissions shall not exceed 21 ppmvd @ 15% O₂ over a 24-hour average period. [District Rule 2201] Federally Enforceable Through Title V Permit
10. Each three hour rolling average will be compiled from the three most recent one hour periods. Each one hour period shall commence on the hour. Each one hour period in a twenty-four hour average for ammonia slip will commence on the hour. The twenty-four hour average will be calculated starting and ending at twelve-midnight. [District Rule 2201] Federally Enforceable Through Title V Permit
11. Daily emissions shall be compiled for a twenty-four hour period starting and ending at twelve-midnight. Each calendar month in a twelve consecutive month rolling emissions total shall commence at the beginning of the first day of the month. The twelve consecutive month rolling emissions totals used to determine compliance with annual emission limits shall be compiled from the twelve most recent calendar months. [District Rule 2201] Federally Enforceable Through Title V Permit
12. The exhaust stack shall be equipped with permanent provisions to allow collection of stack gas samples consistent with EPA test methods and shall be equipped with safe permanent provisions to sample stack gases with a portable NO_x, CO, and O₂ analyzer during District inspections. The sampling ports shall be located in accordance with the CARB regulation titled California Air Resources Board Air Monitoring Quality Assurance Volume VI, Standard Operating Procedures for Stationary Emission Monitoring and Testing. [District Rule 1081] Federally Enforceable Through Title V Permit
13. Source testing shall be conducted using the methods and procedures approved by the District. The District must be notified at least 30 days prior to any compliance source test, and a source test plan must be submitted for approval at least 15 days prior to testing. [District Rule 1081] Federally Enforceable Through Title V Permit
14. Source testing shall be witnessed or authorized by District personnel and samples shall be collected by a California Air Resources Board (CARB) certified testing laboratory or a CARB certified source testing firm. [District Rule 1081] Federally Enforceable Through Title V Permit
15. Source testing to measure start-up mass emission rates of NO_x, CO, and VOC shall be conducted for one of the gas turbine engines (C-311-88, -93, -95 or -97) at least once every seven years. CEMS relative accuracy shall be determined during source testing in accordance with the procedure listed in 40 CFR Part 60, Appendix F with any necessary changes approved by the District. [District Rule 1081] Federally Enforceable Through Title V Permit
16. Source testing to determine compliance with the NO_x, CO and NH₃ emission rates (ppmvd @ 15% O₂) during normal operation shall be conducted annually. [District Rules 2201 and 4703, CFR 60.335(a)] Federally Enforceable Through Title V Permit
17. For the purpose of determining compliance with the emissions limits (ppmvd @ 15% O₂) during normal operation in this permit, the arithmetic mean of three test runs shall apply, unless two of the three results are above an applicable limit. If two of three runs are above the applicable limit the test cannot be used to demonstrate compliance with an applicable limit. [District Rule 1081] Federally Enforceable Through Title V Permit
18. The following test methods shall be used: NO_x - EPA Method 7E or 20 or CARB Method 100; CO - EPA Method 10 or 10B or CARB Method 100; VOC - EPA Method 18 or 25; PM₁₀ - EPA Method 5 (front half and back half) or 201 and 202a; ammonia - BAAQMD ST-1B; and O₂ - EPA Method 3, 3A, or 20 or CARB Method 100. EPA approved alternative test methods as approved by the District may also be used to address the source testing requirements of this permit. [District Rules 1081 and 4703, 40 CFR 60.335(a), and 40 CFR 60.335(b)(1)] Federally Enforceable Through Title V Permit
19. Source test to demonstrate compliance with NO_x and CO emission limits shall be conducted with duct burner "on" and "off" configurations. An annual demonstration of compliance with the duct burner in operation is not required in any year in which the duct burner is not operated at all in the preceding 12 months, in such case, the unit shall be compliance source tested within 60 days of resumption of operation of the duct burner. An annual demonstration of compliance with the duct burner not in operation is not required in any year in which the duct burner operated continuously in conjunction with the turbine in the preceding 12 months, in such case, the unit shall be compliance source tested within 60 days of shutdown of operation of the duct burner. [District Rule 2201 and 4703] Federally Enforceable Through Title V Permit

PERMIT UNIT REQUIREMENTS CONTINUE ON NEXT PAGE

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20. The results of each source test shall be submitted to the District within 60 days of the source test. [District Rule 1081] Federally Enforceable Through Title V Permit
21. The owner or operator shall install, certify, maintain, operate, and quality-assure a continuous emission monitor system (CEMS) which continuously measures and records the exhaust gas NO_x, CO, and O₂ concentrations. Continuous emissions monitors shall be capable of monitoring emissions during normal operating conditions and during startups and shutdowns, provided that CEMS passes the relative accuracy requirements of 40 CFR Part 60, Appendix B, Performance Specification 2 (PS-2) and District approved protocol for startups. If relative accuracy of CEMS cannot be demonstrated during the startup, CEMS results during startup and shutdown events shall be replaced with startup emission rates obtained from the source test conducted by the facility to determine compliance with emission limits contained in this document. [District Rules 1080, 2201 and 4703, 40 CFR 60.334(b)(1)] Federally Enforceable Through Title V Permit
22. The CEMS shall complete a minimum of one cycle of operation (sampling, analyzing, and data recording) for each 15-minute quadrant of the hour or shall meet equivalent specifications established by mutual agreement of the District, the CARB and the EPA. [District Rule 1080 and 40 CFR 60.334(b)(2)] Federally Enforceable Through Title V Permit
23. The NO_x, CO and O₂ CEMS shall meet the requirements in 40 CFR 60, Appendix F Procedure 1 and Part 60, Appendix B Performance Specification 2 (PS 2), District approved protocol for startups, or shall meet equivalent specifications established by mutual agreement of the District, the CARB, and the EPA. [District Rule 1080 and 40 CFR 60.334(b)(1)] Federally Enforceable Through Title V Permit
24. In accordance with 40 CFR Part 60, Appendix F, 5.1, the CEMS must be audited at least once each calendar quarter. The District shall be notified prior to completion of the audits. Audit reports shall be submitted along with quarterly compliance reports to the District. [District Rule 1080] Federally Enforceable Through Title V Permit
25. The requirements in 40 CFR 60, Appendix F, shall be met through the following EPA and District approved modified procedures: 1) annual RATA testing of at least one gas turbine engine (C-311-88, -93, -95 or -97), and rotate the unit tested so that all four units are tested over four years, 2) annual RAA testing for the three gas turbine engines for which the annual RATA testing is not performed, 3) if any of the gas turbine engines fail the RAA testing, they must have a RATA test within 60 days, and 4) for every quarter that RATA or RAA testing is not performed, a CGA is to be performed for each gas turbine engine. [District Rules 1080 and 4703, 40 CFR 60.334(b)(1)] Federally Enforceable Through Title V Permit
26. APCO or an authorized representative shall be allowed to inspect, as determined to be necessary, the required monitoring devices to ensure that such devices are functioning properly. [District Rule 1080] Federally Enforceable Through Title V Permit
27. The CEMS data shall be reduced to hourly averages as specified in 40 CFR 60.13(h), or by other methods deemed equivalent by mutual agreement with the District, the CARB, and the EPA. [District Rule 1080 and 40 CFR 60.334(b)(3)] Federally Enforceable Through Title V Permit
28. Upon written notice from the District, the owner or operator shall provide a summary of the data obtained from the CEMS. This summary shall be in the form and the manner prescribed by the District. [District Rule 1080] Federally Enforceable Through Title V Permit
29. The facility shall install and maintain equipment, facilities, and systems compatible with the District's CEMS data polling software system, or a District approved alternative polling method, and shall make CEMS data available to the District on a daily basis. Upon notice by the District that the facility's CEMS is not providing polling data, the facility may continue to operate without providing automated data for a maximum of 30 days per calendar year provided the CEMS data is sent to the District by a District-approved alternative method. [District Rule 1080] Federally Enforceable Through Title V Permit
30. The permittee shall maintain the following records: the date, time and duration of any malfunction of the continuous monitoring equipment; dates of performance testing; dates of evaluations, calibrations, checks, and adjustments of the continuous monitoring equipment; date and time period which a continuous monitoring system or monitoring device was inoperative. [District Rules 1080 and 2201 and 40 CFR 60.8(d)] Federally Enforceable Through Title V Permit

PERMIT UNIT REQUIREMENTS CONTINUE ON NEXT PAGE

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31. The owner or operator shall submit a written report of CEM operations for each calendar quarter to the District. The report is due on the 30th day following the end of the calendar quarter and shall include the following: Time intervals, data and magnitude of excess NOx emissions, nature and the cause of excess (if known), corrective actions taken and preventive measures adopted; Averaging period used for data reporting corresponding to the averaging period specified in the emission test period used to determine compliance with an emission standard; Applicable time and date of each period during which the CEM was inoperative, except for zero and span checks, and the nature of system repairs and adjustments; A negative declaration when no excess emissions occurred. [District Rule 1080 and 40 CFR 60.334(j)(5)] Federally Enforceable Through Title V Permit
32. Monitor downtime for NOx shall be any unit operating hour in which sufficient data are not obtained to validate the hour for either NOx concentration or diluent O2 (or both). [40 CFR 60.334(j)1)(iii)(B)] Federally Enforceable Through Title V Permit
33. If the gas turbine system is not fired on PUC-regulated or FERC regulated natural gas, then a fuel sample shall be collected during the source test to determine sulfur content of the fuel combusted in the turbine. The fuel sample shall be analyzed for the total sulfur content using ASTM D1072; D3031; D3246; D4084; D4468; D6228; or D6667; or double GC for H2S and mercaptans. The applicable ranges of some ASTM methods are not adequate to measure the levels of sulfur in some fuel gases. Dilution of samples before analysis (with verification of dilution ratio) may be used after getting a prior approval from the District. [40 CFR 60.335(b)(10)] Federally Enforceable Through Title V Permit
34. Should the applicant decide to conduct performance evaluation of CEMS with the initial performance test, a minimum of 9 reference method runs, with a minimum time per run of 21 minutes, at a single load level, between 90 and 100 percent of peak (or the highest physically achievable) load shall be performed. The test data obtained during these runs can be used to demonstrate compliance with the applicable NOx emission limit and to provide reference method data for the RATA of the CEMS. The requirement to test at three additional load levels is waived under this option. [40 CFR 60.335(b)(6)] Federally Enforceable Through Title V Permit
35. A totalizing mass or volumetric fuel flow computer shall be utilized and maintained to calculate the amount of natural gas combusted based on measured flow meter parameters (fuel pressure and temperature) and gas composition. [District Rules 2201 and 4703] Federally Enforceable Through Title V Permit
36. Except during black start, each startup shall not exceed two hours per event. [District Rules 2201 and 4703] Federally Enforceable Through Title V Permit
37. Each shutdown shall not exceed two hours per event. [District Rules 2201 and 4703] Federally Enforceable Through Title V Permit
38. The emission control systems shall be in operation and emissions shall be minimized insofar as technologically feasible during startup (black start) and shutdown. [District Rule 4703] Federally Enforceable Through Title V Permit
39. Start-up is defined as the period of time during which a unit is brought from a shutdown status to its operating temperature and pressure, including the time required by the unit's emission control system to reach full operation. [District Rule 4703] Federally Enforceable Through Title V Permit
40. Shutdown is defined as the period of time during which a unit is taken from an operational to a non-operational status by allowing it to cool down from its operating temperature to ambient temperature as the fuel supply to the unit is completely turned off. [District Rule 4703] Federally Enforceable Through Title V Permit
41. Reduced load period is defined as the time during which a gas turbine is operated at less than rated capacity in order to change the position of the exhaust gas diverter gate. Each reduced load period shall not exceed one hour. [District Rule 4703] Federally Enforceable Through Title V Permit
42. A black start event is defined as the startup of a unit while the cogen plant is electrically separated from the utility grid. A black start event shall not exceed 4.0 hours. [District Rules 2201 and 4703] Federally Enforceable Through Title V Permit
43. The owner or operator shall submit to the District information correlating the NOx control system operating parameters to the associated measured NOx output. The information must be sufficient to allow the District to determine compliance with the NOx emission limits of this permit when the CEMS is not operating properly. [District Rule 4703] Federally Enforceable Through Title V Permit

PERMIT UNIT REQUIREMENTS CONTINUE ON NEXT PAGE

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44. The owner or operator shall maintain a stationary gas turbine system operating log that includes, on a daily basis, the actual local startup and stop time, length and reason for reduced load periods, total hours of operation, the type and quantity of fuel used, duration of each start-up (or black start) and each shutdown time period. [District Rule 4703] Federally Enforceable Through Title V Permit
45. The owner or operator shall maintain all records of required monitoring data and support information for a period of five years from the date of data entry and shall make such records available to the District upon request. [District Rules 2201 and 4703] Federally Enforceable Through Title V Permit
46. The requirements of 40 CFR 72.6 (b) do not apply to this source because only non-Title IV sources can qualify to use the applicable template. A permit shield is granted from this requirement. [District Rule 2520, 13.2] Federally Enforceable Through Title V Permit
47. Compliance with permit conditions in the Title V permit shall be deemed compliance with the following subsumed requirement: 40 CFR 60.332(a), 60.335 (a), (b) and (c) . A permit shield is granted from these requirements. [District Rule 2520, 13.2] Federally Enforceable Through Title V Permit
48. Compliance with the permit conditions in the Title V permit shall be deemed compliance with the following applicable requirements: SJVUAPCD Rule 4703, 6.2.4, 6.3, 6.4.1, 6.4.3 and 6.4.5. A permit shield is granted from these requirements. [District Rule 2520, 13.2] Federally Enforceable Through Title V Permit
49. Compliance with permit conditions in the Title V permit shall be deemed compliance with District Rule 4201 (as amended 12/17/92). A permit shield is granted from these requirements. [District Rule 2520, 13.2] Federally Enforceable Through Title V Permit

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