



MAY 24 2016

Celine Granger
Tesla Motors, Inc.
45500 Fremont Blvd
Fremont, CA 94538-6326

RE: Notice of Final Action - Authority to Construct
Facility Number: N-4447
Project Number: N-1160588

Dear Ms. Granger:

The Air Pollution Control Officer has issued the Authority to Construct permit to Tesla Motors, Inc. for the installation of a 1,490 bhp diesel-fueled emergency internal combustion engine, at 18260 Harlan Rd, Lathrop, California. Enclosed are the Authority to Construct permit and a copy of the notice of final action to be published approximately three days from the date of this letter.

Notice of the District's preliminary decision to issue the Authority to Construct permit was published on April 8, 2016. The District's analysis of the proposal was also sent to CARB on April 5, 2016. No comments were received following the District's preliminary decision on this project.

Also enclosed is an invoice for the engineering evaluation fees pursuant to District Rule 3010. Please remit the amount owed, along with a copy of the attached invoice, within 60 days.

Thank you for your cooperation in this matter. If you have any questions, please contact Mr. Nick Peirce at (209) 557-6400.

Sincerely,

Arnaud Marjollet
Director of Permit Services
AM: JK
Enclosures

cc: Tung Le, CARB (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)
1990 E. Gettysburg Avenue
Fresno, CA 93726-0244
Tel: (559) 230-6000 FAX: (559) 230-6061

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



Facility # N-4447
TESLA MOTORS, INC.
45500 FREMONT BLVD
FREMONT, CA 94538-6326

AUTHORITY TO CONSTRUCT (ATC)

QUICK START GUIDE

1. **Pay Invoice:** Please pay enclosed invoice before due date.
2. **Fully Understand ATC:** Make sure you understand ALL conditions in the ATC prior to construction, modification and/or operation.
3. **Follow ATC:** You must construct, modify and/or operate your equipment as specified on the ATC. Any unspecified changes may require a new ATC.
4. **Notify District:** You must notify the District's Compliance Department, at the telephone numbers below, upon start-up and/or operation under the ATC. Please record the date construction or modification commenced and the date the equipment began operation under the ATC. You may NOT operate your equipment until you have notified the District's Compliance Department. A startup inspection may be required prior to receiving your Permit to Operate.
5. **Source Test:** Schedule and perform any required source testing. See http://www.valleyair.org/busind/comply/source_testing.htm for source testing resources.
6. **Maintain Records:** Maintain all records required by ATC. Records are reviewed during every inspection (or upon request) and must be retained for at least 5 years.

By operating in compliance, you are doing your part to improve air quality for all Valley residents.

**For assistance, please contact District Compliance staff at
any of the telephone numbers listed below.**

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

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1090 E. Gettysburg Avenue
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Southern Region
34948 Flyover Court
Bakersfield, CA 93308-9725
Tel: 661-392-5500 FAX: 661-392-5586



AUTHORITY TO CONSTRUCT

PERMIT NO: N-4447-16-0

ISSUANCE DATE: 05/09/2016

LEGAL OWNER OR OPERATOR: TESLA MOTORS, INC.
MAILING ADDRESS: 45500 FREMONT BLVD
FREMONT, CA 94538-6326

LOCATION: 18260 HARLAN RD
LATHROP, CA 95330

EQUIPMENT DESCRIPTION:

1,490 BHP CUMMINS MODEL QST30-G5 TIER 2 CERTIFIED DIESEL-FIRED EMERGENCY STANDBY INTERNAL COMBUSTION ENGINE POWERING AN ELECTRICAL GENERATOR

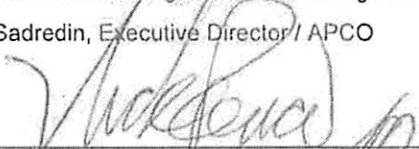
CONDITIONS

1. This engine is permitted to be solely used by Tesla Motors Inc., at 18260 Harlan Road, Lathrop (Lathrop Site). The engine shall be located 187 feet away from the East boundary line and 534 feet away from the South boundary line of the Lathrop Site. [District Rules 2201 and 4201]
2. No air contaminant shall be released into the atmosphere which causes a public nuisance. [District Rule 4102]
3. 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]
4. Particulate matter emissions shall not exceed 0.1 grains/dscf in concentration. [District Rule 4201]
5. 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]
6. 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]
7. 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]
8. Emissions from this IC engine shall not exceed any of the following limits: 4.2 g-NOx/bhp-hr, 0.5 g-CO/bhp-hr, or 0.2 g-VOC/bhp-hr. [District Rule 2201 and 17 CCR 93115]

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 Marjollet, Director of Permit Services

N-4447-16-0 May 9 2016 6:53AM - KAH/LONJ : Joint Inspection NOT Required

9. PM10 emission rate shall not exceed 0.09 g-PM10/bhp-hr based on USEPA certification using ISO 8178 test procedure. [District Rules 2201 and 4102 and 17 CCR 93115]
10. 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]
11. 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]
12. 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]
13. 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]
14. 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, 4102 and 4702, and 17 CCR 93115]
15. 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]
16. The permittee shall maintain monthly records of the type of fuel purchased. [District Rule 4702 and 17 CCR 93115]
17. 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]
18. 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]