



JUL 12 2017

Mr. Melinda Hicks
Kern Oil & Refining Co
7724 E Panama Lane
Bakersfield, CA 93307

**Re: Final - Authority to Construct / Certificate of Conformity (Significant Mod)
District Facility # S-37
Project # 1163546**

Dear Mr. Hicks:

The Air Pollution Control Officer has issued Authority to Construct (ATC) Authority to Construct (ATC) S-37-157-0 with a Certificate of Conformity to Kern Oil & Refining Co at 7724 E Panama Lane, Bakersfield CA 93307. The project authorizes installation of an IC engine powering a compressor. Enclosed are the ATC 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 ATC was published on June 8, 2017. The District's analysis of the proposal was also sent to CARB and US EPA Region IX on June 5, 2017. No comments were received following the District's preliminary decision on this project.

Prior to operating with the modifications authorized by the ATC, you must submit an application to modify the Title V permit as an administrative amendment in accordance with District Rule 2520, Section 11.5. Application forms are found on the District's website at www.valleyair.org/permits/TVforms.

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

Mr. Melinda Hicks
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Thank you for your cooperation in this matter. If you have any questions, please contact Mr. Leonard Scandura, Permit Services Manager, at (661) 392-5500.

Sincerely,


Arnaud Marjollet
Director of Permit Services

Enclosures

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



Facility # S-37
KERN OIL & REFINING CO
7724 E PANAMA LN
BAKERSFIELD, CA 93307-9210

AUTHORITY TO CONSTRUCT (ATC)

QUICK START GUIDE

1. **Pay Invoice:** Please pay enclosed invoice before due date.
2. **Modify Your Title V Permit.** Prior to operating the equipment authorized under this ATC, submit an application to modify your Title V permit. See application forms at <http://www.valleyair.org/busind/pto/ptoforms/1ptoformidx.htm>.
3. **Fully Understand ATC:** Make sure you understand ALL conditions in the ATC prior to construction, modification and/or operation.
4. **Follow ATC:** You must construct, modify and/or operate your equipment as specified on the ATC. Any unspecified changes may require a new ATC.
5. **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.
6. **Source Test:** Schedule and perform any required source testing. See http://www.valleyair.org/busind/comply/source_testing.htm for source testing resources.
7. **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. Sample record keeping forms can be found at http://www.valleyair.org/busind/comply/compliance_forms.htm.

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.**

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AUTHORITY TO CONSTRUCT

PERMIT NO: S-37-157-0

ISSUANCE DATE: 07/10/2017

LEGAL OWNER OR OPERATOR: KERN OIL & REFINING CO
MAILING ADDRESS: 7724 E PANAMA LN
BAKERSFIELD, CA 93307-9210

LOCATION: PANAMA LN & WEEDPATCH HWY
BAKERSFIELD, CA 93307-9210

EQUIPMENT DESCRIPTION:
240 HP WAUKESHA MODEL MODEL F18G, NATURAL GAS-FIRED IC ENGINE EQUIPPED WITH NONSELECTIVE CATALYTIC REDUCTION (NSCR) DRIVING RECYCLE COMPRESSOR UNIT SERVING THE DIESEL HYDROTREATER (S-37-37)

CONDITIONS

1. This Authority to Construct serves as a written certificate of conformity with the procedural requirements of 40 CFR 70.7 and 70.8 and with the compliance requirements of 40 CFR 70.6(c). [District Rule 2201] Federally Enforceable Through Title V Permit
2. Prior to operating with modifications authorized by this Authority to Construct, the facility shall submit an application to modify the Title V permit with an administrative amendment in accordance with District Rule 2520 Section 5.3.4. [District Rule 2520, 5.3.4] Federally Enforceable Through Title V Permit
3. PTO S-37-101-4 shall be cancelled upon implementation of ATC. [District Rule 2201] Federally Enforceable Through Title V Permit
4. Prior to operating equipment under this Authority to Construct, permittee shall surrender VOC emission reduction credits for the following quantity of emissions: 1st quarter - 811b, 2nd quarter - 811b, 3rd quarter - 811b, and fourth quarter - 811b. These amounts include the applicable offset ratio specified in Rule 2201 Section 4.8 (as amended 4/21/11) for the ERC specified below. [District Rule 2201] Federally Enforceable Through Title V Permit

CONDITIONS CONTINUE ON NEXT PAGE

YOU **MUST** NOTIFY THE DISTRICT COMPLIANCE DIVISION AT (661) 392-5500 WHEN CONSTRUCTION IS COMPLETED AND PRIOR TO OPERATING THE EQUIPMENT OR MODIFICATIONS AUTHORIZED BY THIS AUTHORITY TO CONSTRUCT. This is NOT a PERMIT TO OPERATE. Approval or denial of a PERMIT TO OPERATE will be made after an inspection to verify that the equipment has been constructed in accordance with the approved plans, specifications and conditions of this Authority to Construct, and to determine if the equipment can be operated in compliance with all Rules and Regulations of the San Joaquin Valley Unified Air Pollution Control District. Unless construction has commenced pursuant to Rule 2050, this Authority to Construct shall expire and application shall be cancelled two years from the date of issuance. The applicant is responsible for complying with all laws, ordinances and regulations of all other governmental agencies which may pertain to the above equipment.

Seyed Sadredin, Executive Director / APCO



Arnaud Marjollet, Director of Permit Services

S-37-157-0 : Jul 10 2017 4:38PM - EDGEHILR : Joint Inspection NOT Required

5. ERC Certificate Number S-4724-1 (or a certificate split from this certificate) shall be used to supply the required offsets, unless a revised offsetting proposal is received and approved by the District, upon which this Authority to Construct shall be reissued, administratively specifying the new offsetting proposal. Original public noticing requirements, if any, shall be duplicated prior to reissuance of this Authority to Construct. [District Rule 2201] Federally Enforceable Through Title V Permit
6. Particulate matter emissions shall not exceed 0.1 grains/dscf in concentration. [District Rule 4201, 3.1] Federally Enforceable Through Title V Permit
7. Kern Oil and Refining Company shall operate and maintain the air fuel ratio (AFR) controller appropriately in order to ensure proper operation of the engine and control device to minimize emissions at all times. [NSPS Subpart JJJJ and District Rule 2201] Federally Enforceable Through Title V Permit
8. NOx emission concentrations shall not exceed 5 ppm by volume at 15% O2. [District Rule 2201, District Rule 4701, 5.1; and District Rule 4702, 5.1] Federally Enforceable Through Title V Permit
9. VOC emissions concentrations shall not exceed 12 ppmv at 15% O2. [District Rule 2201; District Rule 4701, 5.1; and District Rule 4702, 5.1] Federally Enforceable Through Title V Permit
10. CO emission concentrations shall not exceed 56 ppm by volume at 15% O2. [District Rule 2201; District Rule 4701, 5.1; and District Rule 4702, 5.1] Federally Enforceable Through Title V Permit
11. Unit shall be fired only on natural gas with a sulfur content of less than or equal to 1.0 grains per 100 dry standard cubic feet of fuel gas. [District Rule 2201 and District Rule 4801] Federally Enforceable Through Title V Permit
12. Emissions from the engine shall neither exceed SOx (as SO2) - 0.00285 lb/1,000 scf of fuel burned, nor PM10 - 0.019 lb/1,000 scf of fuel burned. [District Rule 2201] Federally Enforceable Through Title V Permit
13. The permittee shall monitor and record the stack concentration of NOx, CO, and O2 at least once every month (in which a source test is not performed) using a portable emission monitor that meets District specifications. [In-stack O2 monitors may be allowed if approved by the APCO.] Monitoring shall not be required if the engine is not in operation, i.e. the engine need not be started solely to perform monitoring. Monitoring shall be performed within 5 days of restarting the engine unless monitoring has been performed within the last month. Records must be maintained of the dates of non-operation to validate extended monitoring frequencies. [District Rules 2520, 9.3.2 & 9.4.2; 4701, 5.4; and 4702, 5.6 and 6.5] Federally Enforceable Through Title V Permit
14. If either the NOx or CO concentrations corrected to 15% O2, as measured by the portable analyzer, exceed the allowable emission concentration, the permittee shall return the emissions to within the acceptable range as soon as possible, but no longer than 8 hours after detection. If the portable analyzer readings continue to exceed the allowable emissions concentration after 8 hours, the permittee shall notify the District within the following 1 hour, and conduct a certified source test within 60 days of the first exceedance. In lieu of conducting a source test, the permittee may stipulate a violation has occurred, subject to enforcement action. The permittee must then correct the violation, show compliance has been re-established, and resume monitoring procedures. If the deviations are the result of a qualifying breakdown condition pursuant to Rule 1100, the permittee may fully comply with Rule 1100 in lieu of the performing the notification and testing required by this condition. [District Rules 2520, 9.3.2; 4701, 5.4; and 4702, 5.6 and 6.5] Federally Enforceable Through Title V Permit
15. All emission readings shall be taken with the unit operating either at conditions representative of normal operations or conditions specified in the permit-to-operate. The analyzer shall be calibrated, maintained, and operated in accordance with the manufacturer's specifications and recommendations or a protocol approved by the APCO. Emission readings taken by the portable analyzer shall be averaged over a 15 consecutive-minute period by either taking a cumulative 15 consecutive-minute sample reading or by taking at least five (5) readings, evenly spaced out over the 15 consecutive-minute period. [District Rules 4701, 5.4 and 4702, 5.6] Federally Enforceable Through Title V Permit
16. NOx, CO, and VOC emissions shall be measured (source tested) within 60 days of startup and not less than once every 24 months thereafter. [District Rules 4701, 6.3.1 and 4702, 6.3.1] Federally Enforceable Through Title V Permit
17. The following test methods shall be used: NOx (ppmv) - EPA Method 7E or ARB Method 100, CO (ppmv) - EPA Method 10 or ARB Method 100, stack gas oxygen - EPA Method 3 or 3A or ARB Method 100, and VOC (ppmv) - EPA Method 25 or EPA Method 18 referenced as methane. [District Rules 1081; 4701, 6.4; and 4702, 6.4] Federally Enforceable Through Title V Permit

CONDITIONS CONTINUE ON NEXT PAGE

18. 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
19. The results of each source test shall be submitted to the District within 60 days thereafter. [District Rule 1081] Federally Enforceable Through Title V Permit
20. If the engine is fired on natural gas certified by the supplier to have a sulfur content of 1.0 grains per 100 dscf or less, then the permittee shall maintain on file copies of all natural gas bills and supplier certifications for a period of five years. [District Rule 2520, 9.3.2] Federally Enforceable Through Title V Permit
21. If the engine is not fired on natural gas certified by the supplier to have a sulfur content of 1.0 grains per 100 dscf or less, then the sulfur content of the natural gas being fired in the engine shall be determined using ASTM method D 1072, D 3031, D 4084 or D 3246. [District Rule 2520, 9.3.2] Federally Enforceable Through Title V Permit
22. If the engine is not fired on natural gas certified by the supplier to have a sulfur content of 1.0 grains per 100 dscf or less, 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. [District Rule 2520, 9.3.2] Federally Enforceable Through Title V Permit
23. Permittee shall maintain accurate records of fuel gas BTU content, and daily records of volume and sulfur content of gas burned. [District Rule 1070] Federally Enforceable Through Title V Permit
24. The portable analyzer shall be calibrated, maintained, and operated in accordance with the manufacturer's specifications and recommendations or a protocol approved by the APCO. [District Rule 2520, 9.3.2 and 4702] Federally Enforceable Through Title V Permit
25. The permittee shall maintain records of: (1) total hours of operation; (2) type and quantity of fuel used; (3) maintenance or modifications performed; (4) the date and time of NO_x, CO, and O₂ measurements; (5) the O₂ concentration in percent and the measured NO_x and CO concentrations corrected to 15% O₂; (6) make and model of exhaust gas analyzer; (7) exhaust gas analyzer calibration records; and (8) a description of any corrective action taken to maintain the emissions within the acceptable range. [District Rules 4701, 6.2 and 4702, 6.2] Federally Enforceable Through Title V Permit
26. The permittee shall install and operate a nonresettable fuel meter and a nonresettable elapsed operating time meter. In lieu of installing a nonresettable fuel meter, the owner or operator may use a non-resettable elapsed operating time meter in conjunction with the engine manufacturer's maximum rated fuel consumption to determine annual fuel usage. The owner or operator shall maintain the required meters in proper operating condition. [District Rule 4702, 5.6.6] Federally Enforceable Through Title V Permit