



SEP 10 2018

Mr. Jonathan Dethloff
Aera Energy, LLC
PO Box 11164
Bakersfield, CA 93389-1164

Re: Final - Authority to Construct / Certificate of Conformity (Significant Mod)
Facility Number: C-1121
Project Number: C-1181109

Dear Mr. Dethloff:

The Air Pollution Control Officer has issued Authority to Construct (ATC) C-1121-176-0 with a Certificate of Conformity to Aera Energy, LLC in western Fresno County. The application is for one steam generator. 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 7/26/18. The District's analysis of the proposal was also sent to CARB and US EPA Region IX on 7/19/18. 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.

Samir Sheikh
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. Jonathan Dethloff
Page 2

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



AUTHORITY TO CONSTRUCT

PERMIT NO: C-1121-176-0

ISSUANCE DATE: 09/06/2018

LEGAL OWNER OR OPERATOR: AERA ENERGY LLC
MAILING ADDRESS: PO BOX 11164
BAKERSFIELD, CA 93389-1164

LOCATION: HEAVY OIL PRODUCTION
FRESNO COUNTY, CA

EQUIPMENT DESCRIPTION:
62.5 MMBTU/HR NATURAL GAS-FIRED STEAM GENERATOR, WITH A NORTH AMERICAN ULTRA LOW-NOX MAGNA FLAME GLE BURNER OR EQUIVALENT, AND FLUE GAS RECIRCULATION

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. Either Permit to Operate S-1547-17 or S-1547-128 shall be cancelled prior to or upon implementation of this Authority to Construct. [District Rule 2201] Federally Enforceable Through Title V Permit
4. The following NOX emission reduction credits have been identified for surrender from ERC Certificate Number S-3267-2 in the following quantity: 1st quarter - 1,642 lb, 2nd quarter - 1,642 lb, 3rd quarter - 1,643 lb, and 4th quarter - 1,643 lb. These amounts include the applicable offset ratio specified in Rule 2201 Section 4.8 (as amended 2/18/16) for the ERC specified below. [District Rule 2201] Federally Enforceable Through Title V Permit
5. Prior to operating equipment under this Authority to Construct, permittee shall surrender VOC emission reduction credits for the following quantity of emissions: 1st quarter - 616 lb, 2nd quarter - 616 lb, 3rd quarter - 616 lb, and 4th quarter - 617 lb. These amounts include the applicable offset ratio specified in Rule 2201 Section 4.8 (as amended 2/18/16) 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 (559) 230-5950 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.

Samir Sheikh, Executive Director / APCO

Arnaud Marjollet, Director of Permit Services

C-1121-176-0 - Sep 6 2018 12:02PM - TORID - Joint Inspection NOT Required

6. ERC Certificate Number S-4624-1 (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
7. Prior to operating equipment under this Authority to Construct, permittee shall surrender SOx emission reduction credits for the following quantity of emissions: 1st quarter - 410 lb, 2nd quarter - 411 lb, 3rd quarter - 411 lb, and 4th quarter - 411 lb. These amounts include the applicable offset ratio specified in Rule 2201 Section 4.8 (as amended 2/18/16) for the ERC specified below. [District Rule 2201] Federally Enforceable Through Title V Permit
8. ERC Certificate Numbers S-4424-5 and S-4286-5 (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
9. Prior to operating equipment under this Authority to Construct, permittee shall surrender SOx emission reduction credits (to offset the PM10 emission increase) for the following quantity of emissions: 1st quarter - 616 lb, 2nd quarter - 616 lb, 3rd quarter - 616 lb, and 4th quarter - 617 lb. These amounts include the applicable offset ratio specified in Rule 2201 Section 4.8 (as amended 2/18/16) for the ERC specified below. [District Rule]
10. ERC Certificate Number S-4424-5 (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]
11. This unit is subject to Steam Generator General Conditions, Steam Generator Fuel Monitoring Conditions, Steam Generator Source Testing Conditions, and Steam Generator Periodic Monitoring Conditions on the facility wide permit C-1121-0. Deviations from a standard condition shall be reported under the applicable condition in C-1121-0. [District Rule 2520] Federally Enforceable Through Title V Permit
12. The permittee shall obtain written District approval for the use of any equivalent equipment not specifically approved by this Authority to Construct. Approval of the equivalent equipment shall be made only after the District's determination that the submitted design and performance of the proposed alternate equipment is equivalent to the specifically authorized equipment. [District Rule 2201] Federally Enforceable Through Title V Permit
13. The permittee's request for approval of equivalent equipment shall include the make, model, manufacturer's maximum rating, manufacturer's guaranteed emission rates, equipment drawing(s), and operational characteristics/parameters. [District Rule 2010] Federally Enforceable Through Title V Permit
14. Alternate equipment shall be of the same class and category of source as the equipment authorized by the Authority to Construct. [District Rule 2201] Federally Enforceable Through Title V Permit
15. No emission factor and no emission shall be greater for the alternate equipment than for the proposed equipment. No changes in the hours of operation, operating rate, throughput, or firing rate may be authorized for any alternate equipment. [District Rule 2201] Federally Enforceable Through Title V Permit
16. Particulate matter emissions shall not exceed 0.1 grains/dscf in concentration. [District Rule 4201] Federally Enforceable Through Title V Permit
17. 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]
18. The unit shall only be fired on natural gas with a maximum sulfur content of 0.75 gr S/100 scf. [District Rules 2201 and 4320] Federally Enforceable Through Title V Permit
19. If the unit is fired on PUC-regulated natural gas, valid purchase contracts, supplier certifications, tariff sheets, or transportation contracts may be used to satisfy the fuel sulfur content analysis, provided they establish the fuel sulfur concentration and higher heating value. [District Rule 4320] Federally Enforceable Through Title V Permit

CONDITIONS CONTINUE ON NEXT PAGE

20. Except during startup, shutdown, or refractory curing, emissions rates from the unit shall not exceed any of the following limits: 0.003 lb-PM10/MMBtu, 25 ppmv CO @ 3% O₂ or 0.0182 lb-CO/MMBtu, or 0.003 lb-VOC/MMBtu. [District Rules 2201, 4305, 4306, and 4320] Federally Enforceable Through Title V Permit
21. The permittee shall be allowed a 12-month period to evaluate the operational variability and optimum NO_x control effectiveness of the proposed burner system to meet the design emission rate of 5 ppmv NO_x @ 3% O₂. During the evaluation period, the permittee shall operate and maintain the steam generator and the emission control system in such a manner as to minimize NO_x emissions, and shall perform all required source testing and monitoring. The evaluation period shall begin upon the first day of the initial source test, and shall terminate after 12 months. [District Rule 2201] Federally Enforceable Through Title V Permit
22. During the 12-month evaluation period, NO_x emissions in excess of 5 ppmv @ 3% O₂, but less than or equal to 7 ppmv NO_x @ 3% O₂ shall not constitute a violation of this permit. [District Rule 2201] Federally Enforceable Through Title V Permit
23. If NO_x emissions continue to exceed, or are projected to exceed, 5 ppmv @ 3% O₂ after the 12-month evaluation period, the permittee shall submit a final report containing all monitoring and source test data to the District within 90 days after the end of the evaluation period. The report shall include a detailed analysis of all factors that prevent achievement of the expected emission rate, as well as a detailed explanation of the steps taken to operate and maintain the steam generator and the emission control system in such a manner as to minimize emissions. The report shall also propose an enforceable NO_x emission limit, which shall not exceed 7 ppmv NO_x @ 3% O₂. [District Rule 2201] Federally Enforceable Through Title V Permit
24. Upon submittal of the report, the District shall determine an appropriate NO_x emissions limit. Within 30 days of receipt of the District's determination, the permittee shall submit an Authority to Construct application to incorporate the revised emissions limit. In no case shall the NO_x emission limitation be higher than 7 ppmv @ 3% O₂. [District Rule 2201] Federally Enforceable Through Title V Permit
25. Within 30 days of receipt of the District's determination of an appropriate NO_x emissions limit, the permittee shall submit an application to withdraw emission reduction credits (ERCs) to offset the unit's NO_x emissions at the determined emission limit pursuant to section 4.5 of Rule 2201. [District Rule 2201] Federally Enforceable Through Title V Permit
26. Following the 12-month evaluation period and prior to issuance of an Authority to Construct with a revised NO_x emission limit, NO_x emissions in excess of 5 ppmv @ 3% O₂, but less than or equal to 7 ppmv NO_x @ 3% O₂, shall not constitute a violation of this permit. [District Rule 2201] Federally Enforceable Through Title V Permit
27. If NO_x emissions do not exceed, and are not projected to exceed, the expected emission rate of 5 ppmv @ 3% O₂ after the 12-month evaluation period, then the expected emission rate of 5 ppmv @ 3% O₂ shall become an enforceable NO_x emission limit. If the permittee fails to submit the required final report within 90 days after the end of the evaluation period, the permittee shall be considered to stipulate that an enforceable NO_x emission limit of 5 ppmv @ 3% O₂ is achievable and will be made enforceable. [District Rule 2201] Federally Enforceable Through Title V Permit
28. Permittee shall maintain daily records of the type and quantity of fuel combusted by the steam generator. Fuel use may be estimated using industry practices when the fuel meter(s) are undergoing maintenance. [District Rule 2201 and 40 CFR 60.48c (g)] Federally Enforceable Through Title V Permit
29. A source test to demonstrate compliance with NO_x, CO and VOC emission limits shall be performed within 60 days of initial startup of this unit. [District Rules 2201 and 4320] Federally Enforceable Through Title V Permit
30. One of the following VOC test methods shall be used: EPA Method 18, 25A, 25B, or ARB Method 100. [District Rules 1081 and 2201] Federally Enforceable Through Title V Permit
31. 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 Rules 1070, 2201, 4305, 4306 and 4320] Federally Enforceable Through Title V Permit