



# San Joaquin Valley

AIR POLLUTION CONTROL DISTRICT

OCT 31 2018



Kate Branning  
Pacific Gas & Electric Company  
PO Box 7640  
San Francisco, CA 94120

**Re: Notice of Preliminary Decision - Authority to Construct**  
**Facility Number: N-9533**  
**Project Number: N-1182998**

Dear Ms. Branning:

Enclosed for your review and comment is the District's analysis of Pacific Gas & Electric Company's application for an Authority to Construct for installing a 762 bhp Tier 2 certified diesel-fired emergency standby IC engine powering an electrical generator, at 4165 E. Childs Avenue, Merced, CA 95340.

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 Ms. Youjin Kim of Permit Services at (209) 557-6454.

Sincerely,

  
for Arnaud Marjollet  
Director of Permit Services

AM:yk

Enclosures

cc: Tung Le, CARB (w/ enclosure) via email

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

**San Joaquin Valley Air Pollution Control District**  
**Authority to Construct**  
**Application Review**

Diesel-Fired Emergency Standby IC Engine

|   |                              |
|---|------------------------------|
| Facility Name: Pacific Gas & Electric Company                 | Date: October 25, 2018       |
| Mailing Address: PO Box 7640, San Francisco,<br>CA 94120      | Engineer: Youjin Kim         |
|   | Lead Engineer: James Harader |
| Contact Person: Kate Branning, Senior Environmental Scientist |                              |
| Telephone: (925) 415-6308                                     |                              |
| E-mail: k2by@pge.com  |                              |
| Application #: N-9533-1-0                                     |                              |
| Project #: 1182998  |                              |
| Deemed Complete: October 3, 2018                              |                              |

---

**I. Proposal**

Pacific Gas & Electric Company is proposing to install a 762 bhp (intermittent) diesel-fired emergency standby internal combustion (IC) engine powering an electrical generator.

**II. Applicable Rules**

Rule 2201 New and Modified Stationary Source Review Rule (2/18/16)  
Rule 2410 Prevention of Significant Deterioration (6/16/11)  
Rule 2520 Federally Mandated Operating Permits (6/21/01)  
Rule 4001 New Source Performance Standards (4/14/99)  
Rule 4002 National Emission Standards for Hazardous Air Pollutants (5/20/04)  
Rule 4101 Visible Emissions (2/17/05)  
Rule 4102 Nuisance (12/17/92)  
Rule 4201 Particulate Matter Concentration (12/17/92)  
Rule 4701 Internal Combustion Engines - Phase 1 (8/21/03)  
Rule 4702 Internal Combustion Engines (11/14/13)  
Rule 4801 Sulfur Compounds (12/17/92)  
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  
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 equipment will be located at 4165 E. Childs Avenue, Merced, CA 95340.

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.

### **IV. Process Description**

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

### **V. Equipment Listing**

**N-9533-1-0:** 762 BHP (INTERMITTENT) PERKINS\* MODEL 2506C-E15TAG3  
TIER 2 CERTIFIED DIESEL-FIRED EMERGENCY STANDBY IC  
ENGINE POWERING AN ELECTRICAL GENERATOR

\*Please note that as Caterpillar bought Perkins, the Perkins engine listed above is listed as a Caterpillar engine in the EPA Certification form.

### **VI. Emission Control Technology Evaluation**

The applicant has proposed to install a Tier 2 certified diesel-fired IC engine that is fired on very low-sulfur diesel fuel.

The proposed engine meets the latest Tier Certification requirements for emergency standby engines; therefore, the engine meets the latest ARB/EPA emissions standards for diesel particulate matter, hydrocarbons, nitrogen oxides, and carbon monoxide (see Appendix C for a copy of the emissions data sheet and/or the ARB/EPA executive order).

The use of CARB certified diesel fuel (0.0015% by weight sulfur maximum) reduces SO<sub>x</sub> emissions by over 99% from standard diesel fuel.

### **VII. General Calculations**

#### **A. Assumptions**

|                                   |                  |
|-----------------------------------|------------------|
| Emergency operating schedule:     | 24 hours/day     |
| Non-emergency operating schedule: | 50 hours/year    |
| Density of diesel fuel:           | 7.1 lb/gal       |
| EPA F-factor (adjusted to 60 °F): | 9,051 dscf/MMBtu |
| Fuel heating value:               | 137,000 Btu/gal  |

BHP to Btu/hr conversion: 2,542.5 Btu/bhp-hr  
Thermal efficiency of engine: commonly  $\approx$  35%  
PM<sub>10</sub> fraction of diesel exhaust: 0.96 (CARB, 1988)  
Conversion factor: 1.34 bhp/kw

## B. Emission Factors

| Emission Factors |                            |                           |                             |
|------------------|----------------------------|---------------------------|-----------------------------|
| Pollutant        | Emission Factor (g/bhp-hr) | Emission Factor (g/kw-hr) | Source                      |
| NO <sub>x</sub>  | 4.01                       | 5.38                      | ARB/EPA Certification       |
| SO <sub>x</sub>  | 0.0051                     | 0.0068                    | Mass Balance Equation Below |
| PM <sub>10</sub> | 0.07                       | 0.09                      | ARB/EPA Certification       |
| CO               | 1.2                        | 1.61                      | Engine Manufacturer         |
| VOC              | 0.07                       | 0.09                      | ARB/EPA Certification       |

$$\frac{0.000015 \text{ lb-S}}{\text{lb-fuel}} \times \frac{7.1 \text{ lb-fuel}}{\text{gallon}} \times \frac{2 \text{ lb-SO}_2}{1 \text{ lb-S}} \times \frac{1 \text{ gal}}{137,000 \text{ Btu}} \times \frac{1 \text{ bhp input}}{0.35 \text{ bhp out}} \times \frac{2,542.5 \text{ Btu}}{\text{bhp-hr}} \times \frac{453.6 \text{ g}}{\text{lb}} = 0.0051 \frac{\text{g-SO}_2}{\text{bhp-hr}}$$

## C. Calculations

### 1. Pre-Project Potential to Emit (PE1)

Since this is a new emissions unit, PE1 = 0.

### 2. Post-Project Potential to Emit (PE2)

The daily and annual PE2 are calculated as follows:

$$\text{Daily PE2 (lb-pollutant/day)} = \text{EF (g-pollutant/bhp-hr)} \times \text{rating (bhp)} \times \text{operation (hr/day)} / 453.6 \text{ g/lb}$$

$$\text{Annual PE2 (lb-pollutant/yr)} = \text{EF (g-pollutant/bhp-hr)} \times \text{rating (bhp)} \times \text{operation (hr/yr)} / 453.6 \text{ g/lb}$$

| Post Project Emissions (PE2) |                             |              |                                    |                                      |                    |                    |
|------------------------------|-----------------------------|--------------|------------------------------------|--------------------------------------|--------------------|--------------------|
| Pollutant                    | Emissions Factor (g/bhp-hr) | Rating (bhp) | Daily Hours of Operation (hrs/day) | Annual Hours of Operation (hrs/year) | Daily PE2 (lb/day) | Annual PE2 (lb/yr) |
| NO <sub>x</sub>              | 4.01                        | 762          | 24                                 | 50                                   | 161.7              | 337                |
| SO <sub>x</sub>              | 0.0051                      | 762          | 24                                 | 50                                   | 0.2                | 0                  |
| PM <sub>10</sub>             | 0.07                        | 762          | 24                                 | 50                                   | 2.8                | 6                  |
| CO                           | 1.2                         | 762          | 24                                 | 50                                   | 48.4               | 101                |
| VOC                          | 0.07                        | 762          | 24                                 | 50                                   | 2.8                | 6                  |

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

Pursuant to District Rule 2201, the SSPE1 is the Potential to Emit (PE) from all units with valid Authorities to Construct (ATCs) or Permits to Operate (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 (AER) that have occurred at the source, and which have not been used on-site.

Since this is a new facility, there are no valid ATCs, PTOs, or ERCs at the Stationary Source. Therefore, the SSPE1 is equal to zero.

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

Pursuant to District Rule 2201, the Post-Project Stationary Source Potential to Emit (SSPE2) is the 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 ERCs which have been banked since September 19, 1991 for AER that have occurred at the source, and which have not been used on-site.

For this project the change in emissions for the facility is due to the installation of the new emergency standby IC engine. Thus:

| SSPE2 (lb/year) |                 |                 |                  |            |          |
|-----------------|-----------------|-----------------|------------------|------------|----------|
| Permit Unit     | NO <sub>x</sub> | SO <sub>x</sub> | PM <sub>10</sub> | CO         | VOC      |
| SSPE1           | 0               | 0               | 0                | 0          | 0        |
| N-9533-1-0      | 337             | 0               | 6                | 101        | 6        |
| <b>SSPE2</b>    | <b>337</b>      | <b>0</b>        | <b>0</b>         | <b>101</b> | <b>0</b> |

## 5. Major Source Determination

### Rule 2201 Major Source Determination:

Pursuant to District Rule 2201, a Major Source is a stationary source with a SSPE2 equal to or exceeding one or more of the following threshold values. For the purposes of determining major source status the following shall not be included:

- Any ERCs associated with the stationary source
- Emissions from non-road IC engines (i.e. IC engines at a particular site at the facility for less than 12 months)
- Fugitive emissions, except for the specific source categories specified in 40 CFR 51.165

| Rule 2201 Major Source Determination<br>(lb/year) |                 |                 |                  |                   |         |        |
|---|-----------------|-----------------|------------------|-------------------|---------|--------|
|   | NO <sub>x</sub> | SO <sub>x</sub> | PM <sub>10</sub> | PM <sub>2.5</sub> | CO      | VOC    |
| SSPE1   | 0               | 0               | 0                | 0                 | 0       | 0      |
| SSPE2   | 337             | 0               | 6                | 6                 | 101     | 6      |
| Major Source Threshold                            | 20,000          | 140,000         | 140,000          | 140,000           | 200,000 | 20,000 |
| Major Source?                                     | No              | No              | No               | No                | No      | No     |

As seen in the table above, the facility is not an existing Major Source and is not becoming a Major Source as a result of this project.

### Rule 2410 Major Source Determination:

The facility is not an existing Major Source for PSD for at least one pollutant. Therefore the facility is not an existing Major Source for PSD.

## 6. Baseline Emissions (BE)

BE = Pre Project Potential to Emit for:

- Any unit located at a non-Major Source,
- Any Highly-Utilized Emissions Unit, located at a Major Source,
- Any Fully-Offset Emissions Unit, located at a Major Source, or
- Any Clean Emissions Unit, located at a Major Source.

otherwise,

BE = Historic Actual Emissions (HAE), calculated pursuant to District Rule 2201

Since this is a new emissions unit,  $BE = PE1 = 0$  for all pollutants.

#### **7. SB 288 Major Modification**

SB 288 Major Modification is defined in 40 CFR Part 51.165 as "any physical change in or change in the method of operation of a major stationary source that would result in a significant net emissions increase of any pollutant subject to regulation under the Act."

Since this facility is not a major source for any of the pollutants addressed in this project, this project does not constitute an SB 288 major modification.

#### **8. Federal Major Modification**

District Rule 2201 states that a Federal Major Modification is the same as a "Major Modification" as defined in 40 CFR 51.165 and part D of Title I of the CAA.

Since this facility is not a Major Source for any pollutants, this project does not constitute a Federal Major Modification.

#### **9. Rule 2410 - Prevention of Significant Deterioration (PSD) Applicability Determination**

The project potential to emit, by itself, will not exceed any PSD major source thresholds. Therefore Rule 2410 is not applicable and no further discussion is required.

#### **10. 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 E.

## 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<sup>1</sup>:

- a. Any new emissions unit with a potential to emit exceeding two pounds per day,
- b. The relocation from one Stationary Source to another of an existing emissions unit with a potential to emit exceeding two pounds per day,
- c. Modifications to an existing emissions unit with a valid Permit to Operate resulting in an AIPE exceeding two pounds per day, and/or
- d. Any new or modified emissions unit, in a stationary source project, which results in an SB288 Major Modification or a Federal Major Modification, as defined by the rule.

As discussed in Section I, the facility is proposing to install a new emergency standby IC engine. Additionally, as determined in Sections VII.C.7 and VII.C.8, this project does not result in an SB288 Major Modification or a Federal Major Modification, respectively. Therefore, BACT can only be triggered if the daily emissions exceed 2.0 lb/day for any pollutant.

The daily emissions from the new engine are compared to the BACT threshold levels in the following table:

| New Emissions Unit BACT Applicability |   |                                 |               |                 |
|---------------------------------------|---|---------------------------------|---------------|-----------------|
| Pollutant                             | Daily Emissions for the new unit (lb/day) | BACT Threshold (lb/day)         | SSPE2 (lb/yr) | BACT Triggered? |
| NO <sub>x</sub>                       | 161.7                                     | > 2.0                           | 337           | Yes             |
| SO <sub>x</sub>                       | 0.2                                       | > 2.0                           | 0             | No              |
| PM <sub>10</sub>                      | 2.8                                       | > 2.0                           | 6             | Yes             |
| CO                                    | 48.4                                      | > 2.0 and SSPE2 ≥ 200,000 lb/yr | 101           | No              |
| VOC                                   | 2.8                                       | > 2.0                           | 6             | Yes             |

<sup>1</sup> 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.



As shown above, BACT will be triggered for NO<sub>x</sub>, PM<sub>10</sub>, and VOC emissions from the engine for this project.

## **2. BACT Guideline**

BACT Guideline 3.1.1, which appears in Appendix B 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 B of this report, BACT is satisfied with:

NO<sub>x</sub>: Latest Available Tier Certification level for applicable horsepower\*  
VOC: Latest Available Tier Certification level for applicable horsepower\*  
PM<sub>10</sub>: 0.15 g/bhp-hr

\*Note: The certification requirements for emergency engines are as follows:  
50 ≤ bhp < 75 – Tier 4I; 75 ≤ bhp < 750 – Tier 3; ≥ 750 bhp – Tier 2.

The facility has proposed to install a 762 bhp Tier 2 certified IC engine (with a PM<sub>10</sub> emissions rate of 0.07 g/bhp-hr), and using very low sulfur diesel fuel. Therefore, BACT is satisfied for NO<sub>x</sub>, VOC, and PM<sub>10</sub>.

## **B. Offsets**

### **1. Offset Applicability**

Pursuant to Section 4.6.2 of this rule, offsets are not required for emergency IC engines. The engine in this project is an emergency IC engine; therefore, this exemption is applicable to this project.

However, even when there is an applicable exemption, the SSPE2 values are compared to the offset threshold to determine if offsets are triggered. In its PAS database, the District keeps track of facilities where offsets are triggered but an exemption applies. The SSPE2 values are compared to the offset trigger thresholds in the following table:

| Offset Determination (lb/year) |        |        |                  |         |        |
|--------------------------------|--------|--------|------------------|---------|--------|
|                                | NOx    | SOx    | PM <sub>10</sub> | CO      | VOC    |
| SSPE2                          | 337    | 0      | 6                | 101     | 6      |
| Offset Thresholds              | 20,000 | 54,750 | 29,200           | 200,000 | 20,000 |
| Offsets Triggered?             | No     | No     | No               | No      | No     |

## 2. Quantity of Offsets Required

As shown in the table above, no offset thresholds are exceeded with this project. Further, as previously stated, the offset exemption from Section 4.6.2 of District Rule 2201 is applicable to this project; therefore, offset calculations are not necessary and offsets are not required.

## C. Public Notification

### 1. Applicability

Public noticing is required for:

a. New Major Sources, SB288 Major Modifications, and Federal Major Modifications

As shown in Sections VII.C.5, VII.C.7, and VII.C.8, this facility is not a new Major Source, not an SB 288 Major Modification, and not a Federal Major Modification, respectively.

b. Any new emissions unit with a Potential to Emit greater than 100 pounds during any one day for any pollutant

As calculated in Section VII.C.2, daily emissions for NOx are greater than 100 lb/day.

c. Any project which results in the offset thresholds being surpassed  
The SSPE1 and SSPE2 are compared to the offset thresholds in the following table.

| Offset Thresholds |                    |                    |                     |                            |
|-------------------|--------------------|--------------------|---------------------|----------------------------|
| Pollutant         | SSPE1<br>(lb/year) | SSPE2<br>(lb/year) | Offset<br>Threshold | Public Notice<br>Required? |
| NO <sub>x</sub>   | 0                  | 337                | 20,000 lb/year      | Yes                        |
| SO <sub>x</sub>   | 0                  | 0                  | 54,750 lb/year      | No                         |
| PM <sub>10</sub>  | 0                  | 6                  | 29,200 lb/year      | No                         |
| CO                | 0                  | 101                | 200,000 lb/year     | No                         |
| VOC               | 0                  | 6                  | 20,000 lb/year      | No                         |

As detailed above, there were no thresholds surpassed with this project; therefore public noticing is not required for offset purposes.

- d. Any project with a Stationary Source Project Increase in Permitted Emissions (SSIPE) greater than 20,000 lb/year for any pollutant

For this project, the proposed engine is the only emissions unit that will generate an increase in Potential to Emit. Since the proposed engine emissions are well below 20,000 lb/year for all pollutants (See Section VII.C.2), the SSIPE for this project will be below the public notice threshold.

- e. Any project which results in a Title V significant permit modification

Since this facility does not have a Title V operating permit, this change is not a Title V significant Modification, and therefore public noticing is not required.

## 2. Public Notice Action

As demonstrated above, this project will require public noticing. Therefore, public notice documents will be submitted to the California Air Resources Board (CARB) and a public notice will be published in a local newspaper of general circulation prior to the issuance of the ATC for this equipment.

## D. Daily Emissions Limits

Daily Emissions Limitations (DELs) and other enforceable conditions are required by Rule 2201 to restrict a unit's maximum daily emissions, to a level at or below the emissions associated with the maximum design capacity. 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. Therefore, the following conditions will be listed on the ATC as a mechanism to ensure compliance:

- {4771} Emissions from this IC engine shall not exceed any of the following limits: 4.01 g-NO<sub>x</sub>/bhp-hr, 1.2 g-CO/bhp-hr, or 0.07 g-VOC/bhp-hr. [District Rule 2201 and 17 CCR 93115]
- {4772} Emissions from this IC engine shall not exceed 0.07 g-PM<sub>10</sub>/bhp-hr based on USEPA certification using ISO 8178 test procedure. [District Rules 2201 and 4102, and 17 CCR 93115]
- {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]

## **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 District Rule 2201.

### **2. Monitoring**

No monitoring is required to demonstrate compliance with District Rule 2201.

### **3. Recordkeeping**

Recordkeeping requirements, in accordance with District Rule 4702, will be discussed in Section VIII, District Rule 4702, of this evaluation.

### **4. Reporting**

No reporting is required to ensure compliance with District 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 D of this document for the AAQA summary sheet.

The proposed location is in an attainment area for NO<sub>x</sub>, CO, and SO<sub>x</sub>. As shown by the AAQA summary sheet the proposed equipment will not cause a violation of an air quality standard for NO<sub>x</sub>, CO, or SO<sub>x</sub>.

The proposed location is in a non-attainment area for the state's PM<sub>10</sub> as well as federal and state PM<sub>2.5</sub> thresholds. As shown by the AAQA summary sheet the

proposed equipment will not cause a violation of an air quality standard for PM<sub>10</sub> and PM<sub>2.5</sub>.

#### **Rule 2410 Prevention of Significant Deterioration**

As shown in Section VII.C.9 above, this project does not result in a new PSD major source or PSD major modification. No further discussion is required.

#### **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**

The District has not been delegated the authority to implement Subpart IIII requirements for non-Major Sources; therefore, no requirements shall be included on the permit.

#### **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)**

The District has not been delegated the authority to implement NESHAP regulations for Area Source requirements for non-Major Sources; therefore, no requirements shall be included on the permit.

#### **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 as a mechanism 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 as a mechanism 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* 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.

An HRA is not required for a project with a total facility prioritization score of less than one. According to the Technical Services Memo for this project (Appendix D), the total facility prioritization score including this project was greater than one. Therefore, an HRA was required to determine the short-term acute and long-term chronic exposure from this project.

| RMR Summary                    |  |                                |                 |                 |
|--------------------------------|--|--------------------------------|-----------------|-----------------|
| Categories                     |  | Emergency IC Engine (Unit 1-0) | Project Totals  | Facility Totals |
| Prioritization Score           |  | NA <sup>1</sup>                | NA <sup>1</sup> | NA <sup>1</sup> |
| Acute Hazard Index             |  | NA <sup>2</sup>                | NA <sup>2</sup> | NA <sup>2</sup> |
| Chronic Hazard Index           |  | 0.00                           | 0.00            | 0.00            |
| Maximum Individual Cancer Risk |  | 1.65E-8                        | 1.65E-8         | 1.65E-8         |
| T-BACT Required?               |  | No                             |                 |                 |
| Special Permit Conditions?     |  | Yes                            |                 |                 |

<sup>1</sup>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.

<sup>2</sup>Acute Hazard Index was not calculated since there is no risk factor or the risk factor is so low that it has been determined to be significant for this type of unit.

## Discussion of T-BACT

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

District policy APR 1905 also specifies that the increase in emissions associated with a proposed new source or modification not have acute or chronic indices, or a cancer risk greater than the District's significance levels (i.e. acute and/or chronic indices greater than 1 and a cancer risk greater than 20 in a million). As outlined by the Technical Services Memo in Appendix D of this report, the emissions increases for this project were determined to be less than significant.

The following conditions will be listed on the ATC as a mechanism to ensure compliance with the RMR:

- {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]
- {4772} Emissions from this IC engine shall not exceed 0.07 g-PM<sub>10</sub>/bhp-hr based on USEPA certification using ISO 8178 test procedure. [District Rules 2201 and 4102, and 17 CCR 93115]
- {4920} 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]

#### Rule 4201 Particulate Matter Concentration

Rule 4201 limits particulate matter emissions from any single source operation to 0.1 g/dscf, which, as calculated below, is equivalent to a PM<sub>10</sub> emission factor of 0.4 g-PM<sub>10</sub>/bhp-hr.

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

The new engine has a PM<sub>10</sub> emission factor less than 0.4 g/bhp-hr. Therefore, compliance is expected and the following condition will be listed on the ATC as a mechanism to ensure compliance:

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

#### Rule 4701 Internal Combustion Engines - Phase 1

The purpose of this rule is to limit the emissions of nitrogen oxides (NO<sub>x</sub>), carbon monoxide (CO), and volatile organic compounds (VOC) from internal combustion

engines. Except as provided in Section 4.0, the provisions of this rule apply to any internal combustion engine, rated greater than 50 bhp, that requires a PTO.

The proposed engine is also subject to District Rule 4702, Internal Combustion Engines. Since emissions limits of District Rule 4702 and all other requirements are equivalent or more stringent than District Rule 4701 requirements for emergency engines, compliance with District Rule 4702 requirements will satisfy requirements of District Rule 4701.

### **Rule 4702 Internal Combustion Engines**

Emergency standby engines are subject to District Rule 4702 requirements. Emergency standby engines are defined in Section 3.0 of District Rule 4702 as follows:

*3.15 Emergency Standby Engine: an internal combustion engine which operates as a temporary replacement for primary mechanical or electrical power during an unscheduled outage caused by sudden and reasonably unforeseen natural disasters or sudden and reasonably unforeseen events beyond the control of the operator. An engine shall be considered to be an emergency standby engine if it is used only for the following purposes: (1) periodic maintenance, periodic readiness testing, or readiness testing during and after repair work; (2) unscheduled outages, or to supply power while maintenance is performed or repairs are made to the primary power supply; and (3) if it is limited to operate 100 hours or less per calendar year for non-emergency purposes. An engine shall not be considered to be an emergency standby engine if it is used: (1) to reduce the demand for electrical power when normal electrical power line service has not failed, or (2) to produce power for the utility electrical distribution system, or (3) in conjunction with a voluntary utility demand reduction program or interruptible power contract.*

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. The following conditions will be included on the permit:

- {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 and 17 CCR 93115]
- {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 and 17 CCR 93115]



The 100 hour requirement is less stringent than the Air Toxic Control Measure operating limitations for emergency standby engines. Therefore, compliance with the applicable Air Toxic Control Measure requirements ensures compliance with the 100 hour requirement.

Operation of emergency standby engines are limited to 100 hours or less per calendar year for non-emergency purposes. The Air Toxic Control Measure for Stationary Compression Ignition Engines (Stationary ATCM) limits this engine's maintenance and testing to 50 hours/year; therefore, compliance is expected. The following conditions will be included on the permit:

- {4920} 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]

The following exemption in Section 4.2 of District Rule 4702 applies to emergency standby engines:

*4.2 Except for the requirements of Section 5.9 and Section 6.2.3, the requirements of this rule shall not apply to:*

*4.2.1 An emergency standby engine as defined in Section 3.0 of this rule, and provided that it is operated with a nonresettable elapsed operating time meter. In lieu of a nonresettable time meter, the owner of an emergency engine may use an alternative device, method, or technique, in determining operating time provided that the alternative is approved by the APCO. The owner of the engine shall properly maintain and operate the time meter or alternative device in accordance with the manufacturer's instructions.*

Pursuant to the exemption in Section 4.2, the following requirements of Section 5.9 are applicable to emergency standby engines

Section 5.9 requires the owner to:

*5.9.2 Properly operate and maintain each engine as recommended by the engine manufacturer or emission control system supplier.*

*5.9.3 Monitor the operational characteristics of each engine as recommended by the engine manufacturer or emission control system supplier.*

*5.9.4 Install and operate a nonresettable elapsed operating time meter. In lieu of installing a nonresettable time meter, the owner of an engine may use an alternative device, method, or technique, in determining operating time provided that the alternative is approved by the APCO and is allowed by Permit-to-Operate or Permit-Exempt Equipment Registration condition. The owner of the engine*

*shall properly maintain and operate the time meter or alternative device in accordance with the manufacturer's instructions.*

Properly operate and maintain each engine as recommended by the engine manufacturer or emission control system supplier. The following condition will be included on the permit:

- {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]

Monitor the operational characteristics of each engine as recommended by the engine manufacturer or emission control system supplier. The following condition will be included on the permit:

- {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]

Install and operate a nonresettable elapsed time meter. In lieu of installing a nonresettable elapsed time meter, the operator may use an alternative device, method, or technique, in determining operating time provided that the alternative is approved by the APCO and EPA and is allowed by Permit-to-Operate condition. The operator shall properly maintain and operate the nonresettable elapsed time meter or alternative device in accordance with the manufacturer's instructions. The following condition will be included on the permit:

- {4749} This engine shall be equipped with a non-resettable hour meter with a minimum display capability of 9,999 hours, unless the District determines that a non-resettable hour meter with a different minimum display capability is appropriate in consideration of the historical use of the engine and the owner or operator's compliance history. [District Rule 4702 and 17 CCR 93115]

The exemption in Rule 4702 Section 4.2 for emergency standby engines requires the engines to comply with Section 6.2.3, shown below.

*6.2.3 An owner claiming an exemption under Section 4.2 or Section 4.3 shall maintain annual operating records. This information shall be retained for at least five years, shall be readily available, and provided to the APCO upon request. The records shall include, but are not limited to, the following:*

- 6.2.3.1 *Total hours of operation,*
- 6.2.3.2 *The type of fuel used,*
- 6.2.3.3 *The purpose for operating the engine,*
- 6.2.3.4 *For emergency standby engines, all hours of non-emergency and emergency operation shall be reported, and*
- 6.2.3.5 *Other support documentation necessary to demonstrate claim to the exemption.*

Records of the total hours of operation, type of fuel used, purpose for operating the engine, all hours of non-emergency and emergency operation, and other 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. The following conditions will be included on the permit:

- {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]
- {4263} 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 (5) years, and shall be made available for District inspection upon request. [District Rule 4702 and 17 CCR 93115]

#### **Rule 4801 Sulfur Compounds**

Rule 4801 requires that sulfur compound emissions (as SO<sub>2</sub>) 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 SO<sub>2</sub>

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

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

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

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

- {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]

### California Health & Safety Code 42301.6 (School Notice)

The District has verified that this engine 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 requirements apply to new engines (those installed after 1/1/05):

| Title 17 CCR Section 93115<br>Requirements for New Emergency IC<br>Engines Powering Electrical<br>Generators   | Proposed Method of Compliance with<br>Title 17 CCR Section 93115 Requirements  |
|--|--|
| Emergency engine(s) must be fired on CARB diesel fuel, or an approved alternative diesel fuel.   | <p>The applicant has proposed the use of CARB certified diesel fuel. The proposed permit condition, requiring the use of CARB certified diesel fuel, is included on the permit.</p> <ul style="list-style-type: none"> <li>• {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]</li> </ul> |
| The engine(s) must meet the emission standards in Table 1 of the ATCM for the specific power rating and model year of the proposed engine.   | The applicant has proposed the use of an engine that is certified to the latest EPA Tier Certification standards for the applicable horsepower range, guaranteeing compliance with the emission standards of the ATCM. 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 unless the PM emissions are $\leq$ 0.01 g/bhp-hr, then the engine is allowed 100 hours per year. Emissions from this engine are certified at 0.07 g/bhp- | <p>The following conditions will be included on the permit:</p> <ul style="list-style-type: none"> <li>• {4772} Emissions from this IC engine shall not exceed 0.07 g-PM10/bhp-hr based on USEPA certification using ISO 8178 test procedure. [District Rules 2201 and 4102, and 17 CCR 93115]</li> </ul>  |

|   |  |
|---|--|
| <p>hr, therefore the engine is allowed 50 hours.</p>  | <ul style="list-style-type: none"> <li>• {4920} 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]</li> </ul>  |
| <p>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</p>   | <p>The District has verified that this engine is not located within 500' of a school.</p>  |
| <p>A non-resettable hour meter with a minimum display capability of 9,999 hours shall be installed upon engine installation, or by no later than January 1, 2005, on all engines subject to all or part of the requirements of sections 93115.6, 93115.7, or 93115.8(a) unless the District determines on a case-by-case basis that a non-resettable hour meter with a different minimum display capability is appropriate in consideration of the historical use of the engine and the owner or operator's compliance history.</p> | <p>The following condition will be included on the permit:</p> <ul style="list-style-type: none"> <li>• {4749} This engine shall be equipped with a non-resettable hour meter with a minimum display capability of 9,999 hours, unless the District determines that a non-resettable hour meter with a different minimum display capability is appropriate in consideration of the historical use of the engine and the owner or operator's compliance history. [District Rule 4702 and 17 CCR 93115]</li> </ul>   |
| <p>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.</p>   | <p>The following condition will be included on the permit:</p> <ul style="list-style-type: none"> <li>• {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]</li> </ul> |

## 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.

The City of Merced (City) is the public agency having principal responsibility for approving the project. As such, the City served as the Lead Agency (CCR §15367). In approving the project, the Lead Agency prepared and adopted a Negative Declaration. The Lead agency filed a Notice of Determination, stating that the environmental document was adopted pursuant to the provisions of CEQA and concluding that the project would not have a significant effect on the environment.

The District is a Responsible Agency for the project because of its discretionary approval power over the project via its Permits Rule (Rule 2010) and New Source Review Rule (Rule 2201), (CCR §15381). As a Responsible Agency the District complies with CEQA by considering the environmental document prepared by the Lead Agency, and by reaching its own conclusion on whether and how to approve the project (CCR §15096).

The District has considered the Lead Agency's environmental document. Furthermore, the District has conducted an engineering evaluation of the project, this document, which demonstrates that Stationary Source emissions from the project would be below the District's thresholds of significance for criteria pollutants. Thus, the District finds that through a combination of project design elements, compliance with applicable District rules and regulations, and compliance with District air permit conditions, project specific stationary source emissions will have a less than significant impact on air quality. The District does not have authority over any of the other project impacts and has, therefore, determined that no additional findings are required (CEQA Guidelines §15096(h)).

### **Indemnification Agreement/Letter of Credit Determination**

According to District Policy APR 2010 (CEQA Implementation Policy), when the District is the Lead or Responsible Agency for CEQA purposes, an indemnification agreement and/or a letter of credit may be required. The decision to require an indemnity agreement and/or a letter of credit is based on a case-by-case analysis of a particular project's potential for litigation risk, which in turn may be based on a project's potential to generate public concern, its potential for significant impacts, and the project proponent's ability to pay for the costs of litigation without a letter of credit, among other factors.

The criteria pollutant emissions and toxic air contaminant emissions associated with the proposed project are not significant, and there is minimal potential for public concern for this particular type of facility/operation. Therefore, an Indemnification Agreement and/or Letter of Credit will not be required for this project in the absence of expressed public concern.

### **IX. Recommendation**

Pending a successful NSR public noticing period, issue Authority to Construct N-9533-1-0 subject to the permit conditions on the attached draft ATC in Appendix A.

### **X. Billing Information**

| <b>Billing Schedule</b> |                     |                        |                   |
|-------------------------|---------------------|------------------------|-------------------|
| <b>Permit Number</b>    | <b>Fee Schedule</b> | <b>Fee Description</b> | <b>Fee Amount</b> |
| N-9533-1-0              | 3020-10-D           | 762 bhp IC engine      | \$551             |

### **Appendixes**

- A. Draft ATC
- B. BACT Guideline and BACT Analysis
- C. Emissions Data Sheet and/or ARB/EPA Certification
- D. RMR and AAQA
- E. QNEC Calculations

## Appendix A

### Draft ATC



San Joaquin Valley  
Air Pollution Control District

**AUTHORITY TO CONSTRUCT**

**PERMIT NO:** N-9533-1-0

**ISSUANCE DATE:** DRAFT

**LEGAL OWNER OR OPERATOR:** PACIFIC GAS & ELECTRIC COMPANY  
**MAILING ADDRESS:** 4165 E CHILDS AVENUE  
MERCED, CA 94120

**LOCATION:** 4165 E CHILDS AVENUE  
MERCED, CA 94120

**EQUIPMENT DESCRIPTION:**  
762 BHP (INTERMITTENT) PERKINS MODEL 2506C-E15TAG3 TIER 2 CERTIFIED DIESEL-FIRED EMERGENCY  
STANDBY IC ENGINE POWERING AN ELECTRICAL GENERATOR

**CONDITIONS**

1. No air contaminant shall be released into the atmosphere which causes a public nuisance. [District Rule 4102]
2. 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. Emissions from this IC engine shall not exceed any of the following limits: 4.01 g-NOx/bhp-hr, 1.2 g-CO/bhp-hr, or 0.07 g-VOC/bhp-hr. [District Rule 2201 and 17 CCR 93115]
4. Emissions from this IC engine shall not exceed 0.07 g-PM10/bhp-hr based on USEPA certification using ISO 8178 test procedure. [District Rules 2201 and 4102, and 17 CCR 93115]
5. Particulate matter emissions shall not exceed 0.1 grains/dscf in concentration. [District Rule 4201]
6. 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. 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]
8. 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]

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.

Samir Sheikh, Executive Director / APCO

Arnaud Marjolle, Director of Permit Services  
N-9533-1-0 Oct 28 2016 9:17AM -- KIMY Joint Inspection NOT Required

9. 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 and 17 CCR 93115]
10. 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 and 17 CCR 93115]
11. 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]
12. 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]
13. This engine shall be equipped with a non-resettable hour meter with a minimum display capability of 9,999 hours, unless the District determines that a non-resettable hour meter with a different minimum display capability is appropriate in consideration of the historical use of the engine and the owner or operator's compliance history. [District Rule 4702 and 17 CCR 93115]
14. 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]
15. The permittee shall maintain monthly records of the type of fuel purchased. [District Rule 4702 and 17 CCR 93115]
16. 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]

DRAFT

## Appendix B

### 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**

| <b>Pollutant</b> | <b>Achieved in Practice or in the SIP</b>   | <b>Technologically Feasible</b> | <b>Alternate Basic Equipment</b> |
|------------------|---|---------------------------------|----------------------------------|
| CO               | Latest EPA Tier Certification level for applicable horsepower range*  |                                 |                                  |
| NOX              | Latest EPA Tier Certification level for applicable horsepower range*  |                                 |                                  |
| PM10             | 0.15 g/bhp-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: The certification requirements are as follows: for emergency engines  $50 \leq \text{bhp} < 75$  - Tier 4 Interim; for emergency engines  $75 \leq \text{bhp} < 750$  - Tier 3; for emergency engines  $\geq 750$  bhp - Tier 2.

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 the Emergency IC Engine

BACT Guideline 3.1.1 (September 10, 2013) 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<sub>x</sub> 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 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 applies 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 (next page).

| <b>Table 1: Emission Standards for New Stationary Emergency Standby Diesel-Fueled CI Engines g/bhp-hr (g/kW-hr)</b> |             |                      |             |                            |           |
|---|-------------|----------------------|-------------|----------------------------|-----------|
| <b>Maximum Engine Power</b>   | <b>Tier</b> | <b>Model Year(s)</b> | <b>PM</b>   | <b>NMHC+NO<sub>x</sub></b> | <b>CO</b> |
| 50 ≤ HP < 75<br>(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<br>(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<br>(75 ≤ kW < 130)   | 3           | 2007                 | 0.15 (0.20) | 3.0 (4.0)                  | 3.7 (5.0) |
|   |             | 2008+                |             |                            |           |
| 175 ≤ HP < 300<br>(130 ≤ kW < 225)  | 3           | 2007                 | 0.15 (0.20) | 3.0 (4.0)                  | 2.6 (3.5) |
|   |             | 2008+                |             |                            |           |
| 300 ≤ HP < 600<br>(225 ≤ kW < 450)  | 3           | 2007                 | 0.15 (0.20) | 3.0 (4.0)                  | 2.6 (3.5) |
|   |             | 2008+                |             |                            |           |
| 600 ≤ HP ≤ 750<br>(450 ≤ kW ≤ 560)  | 3           | 2007                 | 0.15 (0.20) | 3.0 (4.0)                  | 2.6 (3.5) |
|   |             | 2008+                |             |                            |           |
| HP > 750<br>(kW > 560)  | 2           | 2007                 | 0.15 (0.20) | 4.8 (6.4)                  | 2.6 (3.5) |
|   |             | 2008+                |             |                            |           |

Therefore, the most stringent applicable emission standards are those listed in the CARB ATCM (Table 1).

For IC engines rated greater than or equal to 50 hp and less than 75 hp, the highest Tier required is Tier 4i. For IC engines rated greater than or equal to 75 hp and less than 750 hp, the highest Tier required is Tier 3. For engines rated equal to or greater than 750 hp, the highest 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 762 hp. 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**

No ranking needs to be done because 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 NO<sub>x</sub> and VOC will be the use of an EPA Tier 762 certified engine. The applicant is proposing such a unit. Therefore, BACT will be satisfied.

## **2. BACT Analysis for PM<sub>10</sub> 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 2. Refer to the Top-Down BACT analysis for NO<sub>x</sub> for a discussion regarding the determination of the EPA Tier level to be considered.

Please note Tier 2, 3, or 4i IC engines do not have a PM emission standard that is more stringent than 0.15 g/hp-hr. Additionally, the ATCM requires a PM emission standard of 0.15 g/hp-hr for all new emergency diesel IC engines.

Therefore, a PM/PM<sub>10</sub> emission standard of 0.15 g/hp-hr is required as BACT.

### **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**

No ranking needs to be done because 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 PM<sub>10</sub> is emissions of 0.15 g/hp-hr or less. The applicant is proposing an engine that meets this requirement. Therefore, BACT will be satisfied.



Appendix C  
Emissions Data Sheet and or ARB/EPA Certification

Please note that as Caterpillar bought Perkins, the Perkins engine listed above is listed as a Caterpillar engine in the EPA Certification form.

The EPA Certification form can be found on the following website address, under "Nonroad Compression Ignition (NRCI) Engines:

<https://www.epa.gov/compliance-and-fuel-economy-data/annual-certification-data-vehicles-engines-and-equipment>

The manufacturer's emission factors for the engine, which are all lower than the emission factors found in the EPA Certification form except for CO, are shown in the next page.

## STATEMENT OF EXHAUST EMISSIONS

### 2018 PERKINS DIESEL FUELED GENERATOR

The measured emissions values provided here are proprietary to Generac and its authorized dealers. This information may only be disseminated upon request, to regulatory governmental bodies for emissions permitting purposes or to specifying organizations as submittal data when expressly required by project specifications, and shall remain confidential and not open to public viewing. This information is not intended for compilation or sales purposes and may not be used as such, nor may it be reproduced without the expressed written permission of Generac Power Systems, Inc. The data provided shall not be meant to include information made public by Generac.

|                             |                   |                             |                               |
|-----------------------------|-------------------|-----------------------------|-------------------------------|
| Generator Model:            | SD/MD500          | EPA Certificate Number:     | JCPXL15.2NZS-007              |
| kW <sub>e</sub> Rating:     | 500               | CARB Certificate Number:    | Not Applicable                |
| Engine Family:              | JCPXL15.2NZS      | SCAQMD CEP Number:          | 545376                        |
| Engine Model:               | 2506C-E15TAG3     | Emission Standard Category: | Tier 2                        |
| Rated Engine Power (BHP)*:  | 762               | Certification Type:         | Stationary Emergency CI       |
| Fuel Consumption (gal/hr)*: | 31.2              |                             | (40 CFR Part 60 Subpart IIII) |
| Aspiration:                 | Turbo/Aftercooled |                             |                               |
| Rated RPM:                  | 1800              |                             |                               |

\*Engine Power and Fuel Consumption are declared by the Engine Manufacturer of Record and the U.S. EPA.

#### Emissions based on engine power of specific Engine Model. (These values are actual composite weighted exhaust emissions results over the EPA 5-mode test cycle.)

| CO   | NOx + NMHC | PM   |              |
|------|------------|------|--------------|
| 1.43 | 5.02       | 0.07 | Grams/kW-hr  |
| 1.06 | 3.73       | 0.05 | Grams/bhp-hr |

- The stated values are actual exhaust emission test measurements obtained from an engine representative of the type described above.
- Values based on 5mode testing are official data of record as submitted to regulatory agencies for certification purposes. Testing was conducted in accordance with prevailing EPA protocol, which is typically accepted by SCAQMD and other regional authorities.
- No emissions values provided above are to be construed as guarantees of emission levels for any given Generac generator unit.
- Generac Power Systems, Inc. reserves the right to revise this information without prior notice.
- Consult state and local regulatory agencies for specific permitting requirements.
- The emission performance data supplied by the equipment manufacturer is only one element required toward completion of the permitting and installation process. State and local regulations may vary on a case-by-case basis and local agencies must be consulted by the permit application/equipment owner prior to equipment purchase or installation. The data supplied herein by Generac Power Systems cannot be construed as a guarantee of installability of the generating set.

Appendix D  
Technical Services Memo and AAQA

# San Joaquin Valley Air Pollution Control District

## Risk Management Review

To: Youjin Kim – Permit Services  
From: Georgia Stewart – Technical Services  
Date: October 9, 2018  
Facility Name: Pacific Gas & Electric Company  
Location: 4165 East Childs Avenue, Merced  
Application #(s): N-9533-1-0  
Project #: N-1182998

---

### A. RMR SUMMARY

| RMR Summary                |                      |                    |                      |                                |                  |                              |
|----------------------------|----------------------|--------------------|----------------------|--------------------------------|------------------|------------------------------|
| Units                      | Prioritization Score | Acute Hazard Index | Chronic Hazard Index | Maximum Individual Cancer Risk | T-BACT Required? | Special Permit Requirements? |
| Unit 1-0<br>(762 BHP DICE) | NA <sup>1</sup>      | NA <sup>2</sup>    | 0.00                 | 1.65E-08                       | No               | Yes                          |
| Project Totals             | NA <sup>1</sup>      | NA <sup>2</sup>    | 0.00                 | 1.65E-08                       |                  |                              |
| Facility Totals            | NA <sup>1</sup>      | NA <sup>2</sup>    | 0.00                 | 1.65E-08                       |                  |                              |

<sup>1</sup>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.

<sup>2</sup>Acute Hazard Index was not calculated since there is no risk factor or the risk factor is so low that it has been determined to be insignificant for this type of unit.

### Proposed Permit Requirements

To ensure that human health risks will not exceed District allowable levels; the following shall be included as requirements for:

#### Unit # 1-0

1. The PM10 emissions rate shall not exceed **0.07 g/bhp-hr** based on US EPA certification using ISO 8178 test procedure.
2. 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.
3. 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.

## B. RMR REPORT

### I. Project Description

Technical Services received a request on October 2, 2018, to perform an Ambient Air Quality Analysis and a Risk Management Review for a Perkins Diesel Model 2506C-E15TAG3 diesel-fired emergency IC engine rated at 762 BHP and powering an electrical generator.

### II. Analysis

Toxic emissions for this proposed unit were calculated and provided by the processing engineer for diesel particulate matter, and input into the San Joaquin Valley APCD's Hazard Assessment and Reporting Program (SHARP). 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. Therefore, a refined health risk assessment was required. The AERMOD model was used, with the parameters outlined below and meteorological data for 2013-2017 from Merced to determine the dispersion factors (i.e., the predicted concentration or X divided by the normalized source strength or Q) for a receptor grid. These dispersion factors were input into the SHARP Program, which then used the Air Dispersion Modeling and Risk Tool (ADMRT) of the Hot Spots Analysis and Reporting Program Version 2 (HARP 2) to calculate the chronic and acute hazard indices and the carcinogenic risk for the project.

The following parameters were used for the review:

| Analysis Parameters<br>Unit 1-0 |        |                                  |          |
|---------------------------------|--------|----------------------------------|----------|
| Source Type                     | Point  | Location Type                    | Rural    |
| Stack Height (m)                | 2.667  | Closest Receptor (m)             | 170      |
| Stack Diameter. (m)             | 0.127  | Type of Receptor                 | Business |
| Stack Exit Velocity (m/s)       | 126.67 | Diesel PM10 (lb/hr)              | 0.118    |
| Stack Exit Temp. (°K)           | 823    | Diesel PM10 (lb/yr) <sup>1</sup> | 6        |

<sup>1</sup>Annual rate based on 50 hours of operation per calendar year.

Technical Services performed modeling for criteria pollutants CO, NO<sub>x</sub>, SO<sub>x</sub>, and PM10 with the emission rates below:

| Unit # | NO <sub>x</sub> (Lbs.) |     | SO <sub>x</sub> (Lbs.) |     | CO (Lbs.) |     | PM <sub>10</sub> (Lbs.) |     |
|--------|------------------------|-----|------------------------|-----|-----------|-----|-------------------------|-----|
|        | Hr.                    | Yr. | Hr.                    | Yr. | Hr.       | Yr. | Hr.                     | Yr. |
| 1-0    | 0                      | 337 | 0                      | 0   | 0         | 101 | 0                       | 6   |

<sup>1</sup>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.

The results from the Criteria Pollutant Modeling are as follows:

**Criteria Pollutant Modeling Results\***

|                   | Background Site                    | 1 Hour          | 3 Hours         | 8 Hours         | 24 Hours        | Annual            |
|-------------------|------------------------------------|-----------------|-----------------|-----------------|-----------------|-------------------|
| CO                | Modesto-14 <sup>th</sup> St (2016) | NA <sup>1</sup> | X               | NA <sup>1</sup> | X               | X                 |
| NO <sub>x</sub>   | Merced-Coffee (2016)               | NA <sup>1</sup> | X               | X               | X               | Pass              |
| SO <sub>x</sub>   | Fresno – Garland (2016)            | NA <sup>1</sup> | NA <sup>1</sup> | X               | NA <sup>1</sup> | Pass              |
| PM <sub>10</sub>  | Merced-Coffee (2016)               | X               | X               | X               | NA <sup>1</sup> | Pass <sup>2</sup> |
| PM <sub>2.5</sub> | Merced-Coffee (2016)               | X               | X               | X               | NA <sup>1</sup> | Pass <sup>3</sup> |

\*Results were taken from the attached PSD spreadsheet.

<sup>1</sup>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.

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

<sup>3</sup>The court has vacated EPA's PM<sub>2.5</sub> SILs. Until such time as new SIL values are approved, the District will use the corresponding PM<sub>10</sub> SILs for both PM<sub>10</sub> and PM<sub>2.5</sub> analyses.

### III. Conclusion

The acute and chronic indices are below 1.0 and the cancer risk factor associated with the project is less than 1.0 in a million. **In accordance with the District's Risk Management Policy, the project is approved without Toxic Best Available Control Technology (T-BACT).**

To ensure that human health risks will not exceed District allowable levels; the permit requirements 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.

### IV. Attachments

- A. RMR request from the project engineer
- B. Additional information from the applicant/project engineer
- C. Facility Summary
- D. AAQA Summary

## Appendix E

### 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

Since this is a new unit,  $PE1 = 0$  for all pollutants. Thus,  $QNEC = PE2$  (lb/qtr).

Using the PE2 (lb/yr) values calculated in Section VII.C.2, Quarterly PE2 is calculated as follows:

$$PE2_{\text{quarterly}} = PE2 \text{ (lb/yr)} \div 4 \text{ quarters/year} = QNEC$$

| QNEC             |                      |                           |
|------------------|----------------------|---------------------------|
| Pollutant        | PE2 Total<br>(lb/yr) | Quarterly PE2<br>(lb/qtr) |
| NO <sub>x</sub>  | 337                  | 84.3                      |
| SO <sub>x</sub>  | 0                    | 0.0                       |
| PM <sub>10</sub> | 6                    | 1.5                       |
| CO               | 101                  | 25.3                      |
| VOC              | 6                    | 1.5                       |