Chris Huy
Phillips 66 Pipeline LLC
3900 Kilroy Airport Way, Ste 210
Long Beach, CA 90806

RE: Notice of Final Action - Authority to Construct
Facility Number: C-1301
Project Number: C-1193227

Dear Mr. Huy:

The Air Pollution Control Officer has issued the Authority to Construct permits to Phillips 66 Pipeline LLC for an IC engine, at 34960 Amador Ave, near Coalinga. Enclosed are the Authority to Construct permits and a copy of the notice of final action that has been posted on the District's website (www.valleyair.org).

Notice of the District's preliminary decision to issue the Authority to Construct permits was posted on January 30, 2020. The District's analysis of the proposal was also sent to CARB on January 30, 2020. No comments were received following the District's preliminary decision on this project.

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

Samir Sheikh
Executive Director/Air Pollution Control Officer

Northern Region
4800 Enterprise Way
Modesto, CA 95356-6718
Tel: (209) 557-6400 FAX: (209) 557-6475

Central Region (Main Office)
1990 E. Gettysburg Avenue
Fresno, CA 93726-0244
Tel: (559) 239-6000 FAX: (559) 239-6081

Southern Region
34948 Fiyever Court
Bakersfield, CA 93308-9725
Tel: 661-392-5500 FAX: 661-392-5585

www.valleyair.org www.healthyairliving.com
Thank you for your cooperation in this matter. If you have any questions, please contact Mr. Leonard Scandura at (661) 392-5500.

Sincerely,

[Signature]

Arnaud Marjollet
Director of Permit Services

AM:dk

Enclosures

cc: Courtney Graham, CARB (w/ enclosure) via email
AUTHORITY TO CONSTRUCT (ATC)

QUICK START GUIDE

1. Pay Invoice: Please pay enclosed invoice before due date.

2. Fully Understand ATC: Make sure you understand ALL conditions in the ATC prior to construction, modification and/or operation.

3. Follow ATC: You must construct, modify and/or operate your equipment as specified on the ATC. Any unspecified changes may require a new ATC.

4. Notify District: You must notify the District's Compliance Department, at the telephone numbers below, upon start-up and/or operation under the ATC. Please record the date construction or modification commenced and the date the equipment began operation under the ATC. You may NOT operate your equipment until you have notified the District's Compliance Department. A startup inspection may be required prior to receiving your Permit to Operate.

5. Source Test: Schedule and perform any required source testing. See http://www.valleyair.org/busind/comply/source_testing.htm for source testing resources.

6. Maintain Records: Maintain all records required by ATC. Records are reviewed during every inspection (or upon request) and must be retained for at least 5 years. Sample record keeping forms can be found at http://www.valleyair.org/busind/comply/compliance_forms.htm.

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

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

Samir Shuikht
Executive Director/Air Pollution Control Officer

Northern Region
4000 Enterprise Way
Modesto, CA 95356-8718
Tel: (209) 557-6400 FAX: (209) 557-6475

Central Region (Main Office)
1980 E. Gettysburg Avenue
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Tel: (559) 230-6000 FAX: (559) 230-6051

Southern Region
34946 Flyover Court
Bakersfield, CA 93308-9725
Tel: 861-392-5500 FAX: 861-392-5585

www.valleyair.org www.healthyairliving.com
AUTHORITY TO CONSTRUCT

PERMIT NO: C-1301-15-0

LEGAL OWNER OR OPERATOR: PHILLIPS 66 PIPELINE LLC
MAILING ADDRESS: PO BOX 1133
                  COALINGA, CA 93210

LOCATION: COALINGA PUMP STATION
          34960 AMADOR AVE
          COALINGA, CA 93210

EQUIPMENT DESCRIPTION:
1,150 BHP GE WAUKESHA L5794GSI NATURAL GAS-FIRED (BACKUP LPG) IC ENGINE WITH CATALYTIC CONVERTER (OR EQUIVALENT) POWERING A CRUDE OIL PIPELINE PUMP

CONDITIONS

1. PTO C-1301-3 shall be canceled upon implementation of this ATC. [District Rule 2201]

2. 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]

3. 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].

4. Alternate equipment shall be of the same class and category of source as the equipment authorized by the Authority to Construct. [District Rule 2201]

5. 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]

6. No air contaminant shall be released into the atmosphere which causes a public nuisance. [District Rule 4102]

7. Particulate matter emissions shall not exceed 0.1 grains/dscf in concentration. [District Rule 4201]

CONDITIONS CONTINUE ON NEXT PAGE

YOU MUST NOTIFY THE DISTRICT COMPLIANCE DIVISION AT (559) 230-6550 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

Central Regional Office • 1950 E. Gettysburg Ave. • Fresno, CA 93726 • (559) 230-5900 • Fax (559) 230-6061
8. 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]

9. This unit shall be fired on Public Utility Commission (PUC) regulated natural gas as the primary fuel. During periods of natural gas curtailment this unit can be fired on Liquefied Petroleum Gas (LPG). [District Rules 2201, 4702 and 4801]

10. During the commissioning period, the operator shall perform expeditious completion of commissioning activities, and shall use good work practice standards to minimize emissions. [District Rule 2201] Federally Enforceable Through Title V Permit

11. Commissioning period shall be performed between the times of 6 am and 8 pm. [District Rule 4102]

12. Except during the commissioning period emissions from this IC engine shall not exceed any of the following limits: 5 ppmvd NOx @ 15% O2 or 0.07 g-NOx/bhp-hr, 0.012 g-SOx/bhp-hr, 0.03 g-PM10/bhp-hr, 56 ppmvd CO @ 15% O2 or 0.45 g-CO/bhp-hr, or 12 ppmvd VOC @ 15% O2 or 0.55 g-VOC/bhp-hr. [District Rules 2201, 4701, and 4702]

13. During the commissioning period not to exceed 40 cumulative hours emissions from this IC engine shall not exceed 3.3 g-NOx/bhp-hr, 0.013 g-SOx/bhp-hr, 0.03 g-PM10/bhp-hr or 10.10 g-CO/bhp-hr, 0.30 g-VOC/bhp-hr. [District Rule 2201]

14. During the commissioning period permittee shall monitor and record the stack concentration of NOx, CO, and O2 at least once daily using a portable emission monitor that meets District specifications. If either the NOx or CO concentrations corrected to 15% O2, as measured by the portable analyzer, exceed the allowable emission concentration for commissioning, NSCR catalyst unit(s) shall be added and/or replaced as necessary to bring the unit back into compliance. [District Rule 2201]

15. Source testing to measure natural gas-combustion NOx, CO, and VOC emissions from this unit shall be conducted within 60 days of initial start-up and at least once every 24 months. [District Rules 2201 and 4702]

16. Emissions source testing shall be conducted with the engine operating either at conditions representative of normal operations or conditions specified in the Permit to Operate. [District Rules 4701 and 4702]

17. For emissions source testing, the arithmetic average of three 30-consecutive-minute test runs shall apply. If two of three runs are above an applicable limit, the test cannot be used to demonstrate compliance with an applicable limit. VOC emissions shall be reported as methane. VOC, NOx, and CO concentrations shall be reported in ppmv, corrected to 15% oxygen. [District Rules 4701 and 4702]

18. The following test methods shall be used: NOx (ppmv) - EPA Method 7E or ARB Method 100, CO (ppmv) - EPA Method 10 or ARB Method 100, stack gas oxygen - EPA Method 3 or 3A or ARB Method 100, and VOC (ppmv) - EPA Method 18, 25A or 25B, or ARB Method 100. [District Rules 1081, 4701, and 4702]

19. Source testing shall be conducted using the methods and procedures approved by the District. The District must be notified at least 30 days prior to any compliance source test, and a source test plan must be submitted for approval at least 15 days prior to testing. [District Rule 1081]

20. The results of each source test shall be submitted to the District within 60 days after the test. [District Rule 1081]

21. This engine shall be operated within the ranges that the source testing has shown result in pollution concentrations within the emissions limits as specified on this permit. [District Rules 4701 and 4702]

22. During non-commissioning operation the permittee shall monitor and record the stack concentration of NOx, CO, and O2 at least once every calendar quarter (in which a source test is not performed) using a portable emission monitor that meets District specifications. Monitoring shall be performed not less than once every month for 12 months if 2 consecutive deviations are observed during quarterly monitoring. Monitoring shall not be required if the engine is not in operation, i.e. the engine need not be started solely to perform monitoring. Monitoring shall be performed within 5 days of restarting the engine unless monitoring has been performed within the last month if on a monthly monitoring schedule, or within the last quarter if on a quarterly monitoring schedule. Records must be maintained of the dates of non-operation to validate extended monitoring frequencies. [District Rules 4701 and 4702]
23. During non-commissioning operation, if either the NOx or CO concentrations corrected to 15% O2, as measured by the portable analyzer, exceed the allowable emission concentration, the permittee shall return the emissions to within the acceptable range as soon as possible, but no longer than 8 hours after detection. If the portable analyzer readings continue to exceed the allowable emissions concentration after 8 hours, the permittee shall notify the District within the following 1 hour, and conduct a certified source test within 60 days of the first exceedance. In lieu of conducting a source test, the permittee may stipulate a violation has occurred, subject to enforcement action. The permittee must then correct the violation, show compliance has been re-established, and resume monitoring procedures. If the deviations are the result of a qualifying breakdown condition pursuant to Rule 1100, the permittee may fully comply with Rule 1100 in lieu of performing the notification and testing required by this condition. [District Rules 4701 and 4702]

24. During non-commissioning operation, all alternate monitoring parameter emission readings shall be taken with the unit operating either at conditions representative of normal operations or conditions specified in the permit-to-operate. The analyzer shall be calibrated, maintained, and operated in accordance with the manufacturer's specifications and recommendations or a protocol approved by the APCO. Emission readings taken shall be averaged over a 15 consecutive-minute period by either taking a cumulative 15 consecutive-minute sample reading or by taking at least five (5) readings, evenly spaced out over the 15 consecutive-minute period. [District Rules 4701 and 4702]

25. During both commissioning and non-commissioning operation, the permittee shall maintain records of: (1) the date and time of NOx, CO, and O2 measurements, (2) the O2 concentration in percent and the measured NOx and CO concentrations corrected to 15% O2, (3) make and model of exhaust gas analyzer, (4) exhaust gas analyzer calibration records, and (5) a description of any corrective action taken to maintain the emissions within the acceptable range. [District Rule 4702] Federally Enforceable Through Title V Permit

26. This engine shall be equipped with an operational nonresettable elapsed time meter or other APCO approved alternative. [District Rule 4702]

27. This engine shall be operated and maintained in proper operating condition per the manufacturer's requirements as specified on the Inspection and Maintenance (I&M) plan submitted to the District. [District Rule 4702]

28. The permittee shall update the I&M plan for this engine prior to any planned change in operation. The permittee must notify the District no later than seven days after changing the I&M plan and must submit an updated I&M plan to the APCO no later than 14 days after the change for approval. The date and time of the change to the I&M plan shall be recorded in the engine's operating log. For modifications, the revised I&M plan shall be submitted to and approved by the APCO prior to issuance of the Permit to Operate. The permittee may request a change to the I&M plan at any time. [District Rule 4702]

29. The permittee shall maintain an engine operating log to demonstrate compliance. The engine operating log shall include, the total duration of the commissioning period; on a monthly basis, the following information: total hours of operation, type of fuel used, maintenance or modifications performed, monitoring data, compliance source test results, and any other information necessary to demonstrate compliance. [District Rule 2201, 4701 and 4702]

30. The permittee shall maintain records of: (1) the date and time of NOx, CO, and O2 measurements, (2) the O2 concentration in percent and the measured NOx and CO concentrations corrected to 15% O2, (3) make and model of exhaust gas analyzer, (4) exhaust gas analyzer calibration records, and (5) a description of any corrective action taken to maintain the emissions within the acceptable range. [District Rules 4701 and 4702]

31. The permittee shall maintain on file copies of natural gas and LPG bills. [District Rule 2201]

32. 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 4701 and 4702]