



SEP 08 2016

Mr. Michael Kandris
Pacific Ethanol Madera LLC
31470 Avenue 12
Madera, CA 93638

Re: Final - Authority to Construct / Certificate of Conformity (Significant Mod)
District Facility # C-4261
Project # C-1161841

Dear Mr. Kandris:

The Air Pollution Control Officer has issued an Authority to Construct (ATC C-4261-44-2) with a Certificate of Conformity to Pacific Ethanol Madera LLC at 31470 Avenue 12, Madera. This project authorizes the solar drying of wet distillers cake and loadout into trucks. Enclosed are the Authority to Construct and a copy of the notice of final action to be published approximately three days from the date of this letter.

Notice of the District's preliminary decision to issue the Authority to Construct permit was published on August 2, 2016. The District's analysis of the proposal was also sent to CARB and US EPA Region IX on July 28, 2016. No comments were received following the District's preliminary decision on this project.

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

Prior to operating with the modifications authorized by the Authority to Construct, you must submit an application to modify the Title V permit as an administrative amendment in accordance with District Rule 2520, Section 11.5. Application forms have been enclosed for your use. These forms may also be found on the District's website at www.valleyair.org.

Seyed Sadredin
Executive Director/Air Pollution Control Officer

Northern Region
4800 Enterprise Way
Modesto, CA 95356-8718
Tel: (209) 557-6400 FAX: (209) 557-6475

Central Region (Main Office)
1990 E. Gettysburg Avenue
Fresno, CA 93726-0244
Tel: (559) 230-6000 FAX: (559) 230-6061

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

Mr. Michael Kandris
Page 2

Thank you for your cooperation in this matter. If you have any questions, please contact Mr. Errol Villegas, Permit Services Manager, at (559) 230-5900.

Sincerely,

A handwritten signature in black ink, appearing to read "Arnaud Marjollet", written over a horizontal line.

Arnaud Marjollet
Director of Permit Services

Enclosures

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



Facility # C-4261
PACIFIC ETHANOL MADERA LLC
400 CAPITOL MALL, SUITE 2060
SACRAMENTO, CA 95814

AUTHORITY TO CONSTRUCT (ATC)

QUICK START GUIDE

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

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

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

Seyed Sadredin
Executive Director/Air Pollution Control Officer

Northern Region
4800 Enterprise Way
Modesto, CA 95356-8718
Tel: (209) 557-6400 FAX: (209) 557-6475

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





AUTHORITY TO CONSTRUCT

PERMIT NO: C-4261-44-2

ISSUANCE DATE: 09/07/2016

LEGAL OWNER OR OPERATOR: PACIFIC ETHANOL MADERA LLC
MAILING ADDRESS: 400 CAPITOL MALL, SUITE 2060
SACRAMENTO, CA 95814

LOCATION: 31470 AVENUE 12
MADERA, CA 93637

EQUIPMENT DESCRIPTION:

MODIFICATION OF WET CAKE STORAGE AND TRUCK LOADOUT OPERATION WITH MECHANICAL CONVEYORS:
INSTALL A WET DISTILLERS CAKE DRYING AND LOADOUT OPERATION AND DECREASE THE THROUGHPUT FOR
LOADOUT FROM THE STORAGE AND TRUCK LOADOUT OPERATION TO FROM 400,000 TONS-WET CAKE/YEAR
TO 260,000 TONS-WET CAKE/YEAR


CONDITIONS

1. This Authority to Construct serves as a written certificate of conformity with the procedural requirements of 40 CFR 70.7 and 70.8 and with the compliance requirements of 40 CFR 70.6(c). [District Rule 2201] Federally Enforceable Through Title V Permit
2. Prior to operating with modifications authorized by this Authority to Construct, the facility shall submit an application to modify the Title V permit with an administrative amendment in accordance with District Rule 2520 Section 5.3.4. [District Rule 2520, 5.3.4] Federally Enforceable Through Title V Permit
3. Prior to operating equipment under this Authority to Construct, permittee shall surrender VOC emission reduction credits for the following quantity of emissions: 1st quarter - 1,163 lb, 2nd quarter - 1,163 lb, 3rd quarter - 1,163 lb, and 4th quarter - 1,163 lb. These amounts include the applicable offset ratio specified in Rule 2201 Section 4.8 (as amended 2/18/16) for the ERC specified below. [District Rule 2201] Federally Enforceable Through Title V Permit
4. ERC Certificate Number S-4438-1 (or a certificate split from this certificate) shall be used to supply the required offsets, unless a revised offsetting proposal is received and approved by the District, upon which this Authority to Construct shall be reissued, administratively specifying the new offsetting proposal. Original public noticing requirements, if any, shall be duplicated prior to reissuance of this Authority to Construct. [District Rule 2201] Federally Enforceable Through Title V Permit

CONDITIONS CONTINUE ON NEXT PAGE

YOU MUST NOTIFY THE DISTRICT COMPLIANCE DIVISION AT (559) 230-5950 WHEN CONSTRUCTION IS COMPLETED AND PRIOR TO OPERATING THE EQUIPMENT OR MODIFICATIONS AUTHORIZED BY THIS AUTHORITY TO CONSTRUCT. This is NOT a PERMIT TO OPERATE. Approval or denial of a PERMIT TO OPERATE will be made after an inspection to verify that the equipment has been constructed in accordance with the approved plans, specifications and conditions of this Authority to Construct, and to determine if the equipment can be operated in compliance with all Rules and Regulations of the San Joaquin Valley Unified Air Pollution Control District. Unless construction has commenced pursuant to Rule 2050, this Authority to Construct shall expire and application shall be cancelled two years from the date of issuance. The applicant is responsible for complying with all laws, ordinances and regulations of all other governmental agencies which may pertain to the above equipment.

Seyed Sadredin, Executive Director / APCO


Arnaud Marjollet, Director of Permit Services
C-4261-44-2 Sep 7 2016 9:29AM - GARCIA Joint Inspection NOT Required

5. All equipment shall be maintained in good operating condition and shall be operated in a manner to minimize emissions of air contaminants into the atmosphere. [District Rule 2201] Federally Enforceable Through Title V Permit
6. No air contaminant shall be released into the atmosphere which causes a public nuisance. [District Rule 4102]
7. 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] Federally Enforceable Through Title V Permit
8. The maximum amount of wet cake stored/loaded out shall not exceed either of the following limits: 1,150 ton-wet cake/day or 260,000 ton-wet cake/rolling 12-month period. [District Rule 2201] Federally Enforceable Through Title V Permit
9. VOC emissions rate from the wet cake storage and truck loadout operation shall not exceed 0.0087 lb-VOC/ton-wet cake processed. [District Rule 2201] Federally Enforceable Through Title V Permit
10. The maximum amount of wet cake dried and loaded out shall not exceed either of the following limits: 125 ton-wet cake/day or 28,250 ton-wet cake/rolling 12-month period. [District Rule 2201] Federally Enforceable Through Title V Permit
11. VOC emissions rate from the solar drying of wet cake and loadout operation shall not exceed 0.1529 lb-VOC/ton-wet cake dried. [District Rule 2201] Federally Enforceable Through Title V Permit
12. The permittee shall maintain daily and annual records, in tons, of the quantity of wet cake processed through the storage and truck loadout operation. [District Rules 1070 and 2201] Federally Enforceable Through Title V Permit
13. The permittee shall maintain daily and monthly records, in tons, of the quantity of wet cake processed through the solar drying and loadout operation. [District Rules 1070 and 2201] Federally Enforceable Through Title V Permit
14. On a monthly basis, the rolling 12-consecutive month throughput of wet cake stored/loaded out shall be calculated and recorded by summing the throughput of wet cake stored/loaded out from the previous 12 months. [District Rules 1070 and 2201] Federally Enforceable Through Title V Permit
15. On a monthly basis, the rolling 12-consecutive month throughput of wet cake dried/loaded out shall be calculated and recorded by summing the throughput of wet cake dried/loaded out from the previous 12 months. [District Rules 1070 and 2201] Federally Enforceable Through Title V Permit
16. All records shall be retained on site for a minimum of five (5) years, and shall be made available for District inspection upon request. [District Rules 1070 and 2201] Federally Enforceable Through Title V Permit