

November 23, 2021

Jordan Bottorff
Tesla, Inc.
700 D'Arcy Parkway
Lathrop, CA 95330

RE: Notice of Final Action - Authority to Construct
Facility Number: N-10031
Project Number: N-1212584

Dear Ms. Bottorff:

The Air Pollution Control Officer has issued the Authority to Construct permits to Tesla, Inc. for an energy storage products manufacturing operation, at 700 D'Arcy Parkway in Lathrop. 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 October 21, 2021. The District's analysis of the proposal was also sent to CARB on October 21, 2021. 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 95356-8718
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

Ms. Jordan Bottorff
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Thank you for your cooperation in this matter. If you have any questions, please contact Mr. Nick Peirce at (209) 557-6400.

Sincerely,

A handwritten signature in black ink, appearing to read "Brian Clements". The signature is fluid and cursive, with a prominent initial "B".

Brian Clements
Director of Permit Services

BC:kp

Enclosures

cc: Courtney Graham, CARB (w/ enclosure) via email

Facility # N-10031
TESLA, INC.
700 D'ARCY PARKWAY
LATHROP, CA 95330

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 Sheikh

Executive Director/Air Pollution Control Officer

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

AUTHORITY TO CONSTRUCT

PERMIT NO: N-10031-1-0

ISSUANCE DATE: 11/23/2021

LEGAL OWNER OR OPERATOR: TESLA, INC.
MAILING ADDRESS: 700 D'ARCY PARKWAY
LATHROP, CA 95330

LOCATION: 700 D'ARCY PARKWAY
LATHROP, CA 95330

EQUIPMENT DESCRIPTION:

37 MMBTU/HR POWDER COATING SYSTEM CONSISTING OF ONE (1) 10.5 MMBTU/HR FOUR-STAGE PRETREATMENT WASHER WITH A 0.4 MMBTU/HR ZERO DISCHARGE SYSTEM BURNER, ONE (1) 10.5 MMBTU/HR DRY OFF OVEN, ONE (1) 7.0 MMBTU/HR PRIMER CURE OVEN, ONE (1) 7.0 MMBTU/HR TOPCOAT CURE OVEN AND ONE (1) 1.6 MMBTU/HR BURN OFF OVEN

CONDITIONS

1. No air contaminant shall be released into the atmosphere which causes a public nuisance. [District Rule 4102]
2. Particulate matter emissions shall not exceed 0.1 grains/dscf in concentration. [District Rule 4201]
3. 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]
4. 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]
5. The unit shall only be fired on PUC quality natural gas. [District Rules 2201 and 4309]
6. Emission rates from each of the powder coating system burners shall not exceed any of the following limits: NO_x - 0.048 lb/MMBtu; VOC - 0.0055 lb/MMBtu; CO - 0.286 lb/MMBtu; PM₁₀ - 0.003 lb/MMBtu; or SO_x - 0.00286 lb/MMBtu [District Rule 2201]
7. Emissions from the powder coating application shall not exceed 28.0 pounds of VOC on any given day. [District Rule 2201]
8. Emissions from the powder coating application shall not exceed 0.1 pounds of PM₁₀ on any given day and 7 pounds of PM₁₀ in a year. [District Rule 2201]

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



Brian Clements, Director of Permit Services
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9. Source testing to measure NO_x and CO emissions from the ovens and burners rated less than 5 MMBtu/hr shall be conducted within 60 days of initial start-up. [District Rule 2201]
10. Source testing to measure NO_x and CO emissions from the ovens and washers rated at 5 MMBtu/hr or greater shall be conducted within 60 days of initial start-up and at least once every 24 months thereafter. [District Rules 2201 and 4309]
11. All test results for NO_x and CO shall be reported in ppmv @ 19% O₂ (or no correction if measured above 19% O₂), corrected to dry stack conditions. [District Rule 4309]
12. 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]
13. The results of each source test shall be submitted to the District within 60 days thereafter. [District Rule 1081]
14. 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. [District Rule 4309]
15. NO_x emissions for source test purposes shall be determined using EPA Method 7E or ARB Method 100 on a ppmv basis. [District Rule 4309]
16. CO emissions for source test purposes shall be determined using EPA Method 10 or ARB Method 100. [District Rule 4309]
17. Stack gas oxygen (O₂) shall be determined using EPA Method 3 or 3A or ARB Method 100. [District Rule 4309]
18. For each of the ovens and washers rated at 5 MMBtu/hr or greater, the permittee shall monitor and record the stack concentration of NO_x, CO, and O₂ at least once every month (in which a source test is not performed) using a portable emission monitor that meets District specifications. Monitoring shall not be required if the unit is not in operation, i.e. the unit need not be started solely to perform monitoring. Monitoring shall be performed within 5 days of restarting the unit unless monitoring has been performed within the last month. [District Rule 4309]
19. If either the NO_x or CO concentrations corrected to 19% O₂ (or no correction if measured above 19% O₂), as measured by the portable analyzer, exceed the allowable emissions concentration, the permittee shall return the emissions to within the acceptable range as soon as possible, but no longer than 1 hour of operation after detection. If the portable analyzer readings continue to exceed the allowable emissions concentration after 1 hour of operation after detection, 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 Rule 4309]
20. All emissions measurements shall be made with the unit operating either at conditions representative of normal operations or conditions specified in the Permit to Operate. No determination of compliance shall be established within two hours after a continuous period in which fuel flow to the unit is shut off for 30 minutes or longer, or within 30 minutes after a re-ignition as defined in Section 3.0 of District Rule 4309. [District Rule 4309]
21. 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 Rule 4309]
22. The permittee shall maintain records of: (1) the date and time of NO_x, CO, and O₂ measurements, (2) the O₂ concentration in percent and the measured NO_x and CO concentrations corrected to 19% O₂ (or no correction if measured above 19% 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 4309]

CONDITIONS CONTINUE ON NEXT PAGE

23. Permittee shall maintain records which demonstrate the unit is fired exclusively on PUC quality natural gas. [District Rule 4309]
24. Records of monthly natural gas consumption shall be maintained, retained on-site for a period of at least five years and made available for District inspection upon request. [District Rule 4309]
25. The permittee shall maintain records sufficient to demonstrate compliance with the daily and annual emission limits. These records shall contain each calculated emission quantity as well as each process variable used in the respective calculations. [District Rules 1070 and 2201]
26. All records shall be retained for a minimum of five years, and shall be made available for District inspection upon request. [District Rules 2201 and 4309]

AUTHORITY TO CONSTRUCT

PERMIT NO: N-10031-2-0

ISSUANCE DATE: 11/23/2021

LEGAL OWNER OR OPERATOR: TESLA, INC.
MAILING ADDRESS: 700 D'ARCY PARKWAY
LATHROP, CA 95330

LOCATION: 700 D'ARCY PARKWAY
LATHROP, CA 95330

EQUIPMENT DESCRIPTION:
BATTERY MODULES ASSEMBLY OPERATION EQUIPPED WITH ADHESIVE, SEALANT, AND PRETREATMENT CHEMICAL APPLICATION EQUIPMENT

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 adhesives, sealants and pretreatment chemicals shall not exceed 18.8 pounds of VOC on any given day. [District Rule 2201]
4. VOC Content of the adhesives and sealants applied shall not exceed 250 g/L (2.086 lb/gal). [District Rule 4653]
5. Adhesives and sealants shall be applied only utilizing hand application methods, sponge application, brush or equivalent application. [District Rule 4653]
6. The operator shall comply with the following work practice standards: 1) store and dispose all VOC-containing coatings, thinners, cleaning materials, adhesive products, sealant products, catalysts, thinners, fresh or spent solvents, and waste materials in closed non-absorbent and non-leaking containers, keeping the containers closed at all times except when specifically in use; 2) close mixing vessels that contain VOC coatings, adhesive products and sealant products and other materials, except when specifically in use; 3) minimize spills of any VOC-containing materials and clean up spills immediately; and 4) convey VOC-containing materials in closed containers or pipes. [District Rule 4653]
7. Only solvents containing no Volatile Organic Compounds (VOCs) shall be utilized [District Rules 2201 & 4653]

CONDITIONS CONTINUE ON NEXT PAGE

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Samir Sheikh, Executive Director / APCO



Brian Clements, Director of Permit Services

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8. Each container of adhesive product shall display a statement of the manufacturer's recommendations regarding thinning, reducing, or mixing of the adhesive product with any other VOC containing material. Mixing recommendations shall specify a ratio which results in a compliant, as applied, adhesive product, or sealant product. [District Rule 4653]
9. Each container of adhesive product shall display the maximum VOC content of the adhesive product as applied in grams of VOC per liter of adhesive product, excluding water and exempt compounds, or grams of VOC per liter of material for low-solids adhesive products. Each container of solvent subject to this rule shall display the maximum VOC content in grams of VOC per liter of material as supplied. [District Rule 4653]
10. Daily usage of adhesives, sealants and pretreatment chemicals shall be recorded, in gallons. Permittee shall keep a corresponding safety data sheet for each solvent and adhesive stored at the site, stating the VOC content in grams-VOC/liter. [District Rule 4653]
11. The permittee shall maintain records sufficient to demonstrate compliance with the daily emission limit. These records shall contain each calculated emission quantity as well as each process variable used in the respective calculations. [District Rule 2201]
12. VOC emissions shall be calculated for each product as follows: Daily Emissions (pounds per day) = VOC Content (pounds per gallon) x Daily Usage (gallons per day) [District Rule 2201]
13. All records shall be retained for a minimum of five years, and shall be made available for District inspection upon request. [District Rules 2201 and 4653]