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**PERMIT TO CONSTRUCT EVALUATION**

<b>Applicant's Name</b>	NORTHROP GRUMANN
<b>Company ID</b>	800409
<b>Mailing Address</b>	ONE SPACE PARK, REDONDO BEACH, CA 90278
<b>Equipment Address</b>	ONE SPACE PARK, REDONDO BEACH, CA 90278

**EQUIPMENT DESCRIPTION:**

**A/N 556057**

TITLE V/RECLAIM FACILITY PERMIT AMENDMENT

<b>Equipment</b>	<b>ID No.</b>	<b>Connected To</b>	<b>RECLAIM Source Type/ Monitoring Unit</b>	<b>Emissions and Requirements</b>	<b>Conditions</b>
<b>PROCESS 8: INTERNAL COMBUSTION</b>					
<b>SYSTEM 1: ICE</b>					
INTERNAL COMBUSTION ENGINE, CUMMINS, EMERGENCY ELECTRICAL GENERATION, MODEL NO. QSX15-G9, DIESEL-FUELED, 6 CYLINDERS, TURBOCHARGED, AFTERCOOLED, 755 BHP, WITH A A/N 556051	D351	C355	NOx Process Unit	CO: 2.6 GM/BHP-HR (4) [RULE 1303 (a) (1)- BACT, 5-10-96]; [RULE 1470, 05-04-2012]; (8) [40CFR60, SUBPART III, 06-28-2011]  NOX: 142 LBS/1000 GAL DIESEL (1) [RULE 2012, 5-6-2005]; NOX + ROG: 4.8 GM/BHP-HR (4) [RULE 2005, 6-3-2011; RULE 1303 (a) (1)- BACT, 5-10-96]; [RULE 1470, 05-04-2012]; (8) [40CFR60, SUBPART III, 06-28-2011]  PM (9) [404, 2-7-1986];  PM: 0.15 GM/BHP-	B61.4, C1.3, C1.20, D12.4, E116.1, E448.6, H23.12, I297.1, K67.6
DIESEL PARTICULATE FILTER, OXIDIZING CATALYST, JOHNSON MATTHEY, MODEL NO. CRT, AND A DATA LOGGING AND ALARM SYSTEM. A/N 556051	C355				

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<b>PROCESS 8: INTERNAL COMBUSTION SYSTEM 1: ICE</b>					
INTERNAL COMBUSTION ENGINE, CUMMINS, EMERGENCY ELECTRICAL GENERATION, MODEL NO. QSX15-G9, DIESEL-FUELED, 6 CYLINDERS, TURBOCHARGED, AFTERCOOLED, 755 BHP, WITH A A/N 556054	D352	C356		HR (8) [40CFR60, SUBPART III, 06-28-2011]  HAP (10) [40CFR63, SUBPART ZZZZ, 03-09-2011]  CO: 2.6 GM/BHP-HR (4) [RULE 1303 (a) (1)- BACT, 5-10-96]; [RULE 1470, 05-04-2012]; (8) [40CFR60, SUBPART III, 06-28-2011]  NOX: 142 LBS/1000 GAL DIESEL (1) [RULE 2012, 5-6-2005]; NOX + ROG: 4.8 GM/BHP-HR (4) [RULE 2005, 6-3-2011; RULE 1303 (a) (1)- BACT, 5-10-96]; [RULE 1470, 05-04-2012]; (8) [40CFR60, SUBPART III, 06-28-2011]  PM (9) [404, 2-7-1986];  PM: 0.15 GM/BHP-HR (8) [40CFR60, SUBPART III, 06-28-2011]  HAP (10) [40CFR63, SUBPART ZZZZ, 03-09-2011]	B61.4, C1.3, C1.20, D12.4, E116.1, E448.6, H23.12, I297.1, K67.6
DIESEL PARTICULATE FILTER, OXIDIZING CATALYST, JOHNSON MATTHEY, MODEL NO. CRT, AND A DATA LOGGING AND ALARM SYSTEM. A/N 556054	C356				

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<b>PROCESS 8: INTERNAL COMBUSTION SYSTEM 1: ICE</b>					
INTERNAL COMBUSTION ENGINE, CUMMINS, EMERGENCY ELECTRICAL GENERATION, MODEL NO. QSX15-G9, DIESEL-FUELED, 6 CYLINDERS, TURBOCHARGED, AFTERCOOLED, 755 BHP, WITH A A/N 556055	D353	C357		CO: 2.6 GM/BHP-HR (4) [RULE 1303 (a) (1)- BACT, 5-10-96]; [RULE 1470, 05-04-2012]; (8) [40CFR60, SUBPART III, 06-28-2011]  NOX: 142 LBS/1000 GAL DIESEL (1) [RULE 2012, 5-6-2005]; NOX + ROG: 4.8 GM/BHP-HR (4) [RULE 2005, 6-3-2011; RULE 1303 (a) (1)- BACT, 5-10-96]; [RULE 1470, 05-04-2012]; (8) [40CFR60, SUBPART III, 06-28-2011]  PM (9) [404, 2-7-1986];  PM: 0.15 GM/BHP-HR (8) [40CFR60, SUBPART III, 06-28-2011]  HAP (10) [40CFR63, SUBPART ZZZZ, 03-09-2011]	B61.4, C1.3, C1.20, D12.4, E116.1, E448.6, H23.12, I297.1, K67.6
DIESEL PARTICULATE FILTER, OXIDIZING CATALYST, JOHNSON MATTHEY, MODEL NO. CRT, AND A DATA LOGGING AND ALARM SYSTEM. A/N 556055	C357				
INTERNAL COMBUSTION ENGINE, CUMMINS, EMERGENCY ELECTRICAL GENERATION, MODEL NO. QSX15-G9, DIESEL-FUELED, 6 CYLINDERS, TURBOCHARGED, AFTERCOOLED, 755	D354	C358		CO: 2.6 GM/BHP-HR (4) [RULE 1303 (a) (1)- BACT, 5-10-96]; [RULE 1470, 05-04-2012]; (8) [40CFR60, SUBPART III, 06-28-2011]  NOX: 142 LBS/1000 GAL DIESEL (1) [RULE 2012, 5-6-2005]; NOX + ROG:	B61.4, C1.3, C1.20, D12.4, E116.1, E448.6, H23.12, I297.1, K67.6

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<b>Equipment</b>	<b>ID No.</b>	<b>Connected To</b>	<b>RECLAIM Source Type/ Monitoring Unit</b>	<b>Emissions and Requirements</b>	<b>Conditions</b>
<b>PROCESS 8: INTERNAL COMBUSTION SYSTEM 1: ICE</b>					
BHP, WITH A A/N 556056  DIESEL PARTICULATE FILTER, OXIDIZING CATALYST JOHNSON MATTHEY, MODEL NO. CRT, AND A DATA LOGGING AND ALARM SYSTEM. A/N 556056	C358			4.8 GM/BHP-HR (4) [RULE 2005, 6-3- 2011; RULE 1303 (a) (1)- BACT, 5-10-96]; [RULE 1470, 05-04- 2012]; (8) [40CFR60, SUBPART III, 06- 28-2011]  PM (9) [404, 2-7- 1986];  PM: 0.15 GM/BHP- HR (8) [40CFR60, SUBPART III, 06- 28-2011]  HAP (10) [40CFR63, SUBPART ZZZZ, 03- 09-2011]	

**BACKGROUND:**

Northrop Grumman submitted the above permit applications as Class I (New Construction) on 09/11/13 for Permits to Construct four identical internal combustion engines driving emergency generators. This is an existing facility operating under district's RECLAIM/Title V Facility permit.

The applicant requested the applications be processed under district's expedited permit processing program per Rule 301 (v).

This is a RECLAIM Cycle 2 and title V facility. The proposed project is considered as a "de minimis significant permit revision to this facility title V permit.

There are no records of nuisance complaints recorded against the facility in last two years. A Notice to Comply (E11077) was issued in October 2011 to the company to correct the horsepower rating on an existing 96 BHP engine operating under PERP. The facility corrected the rating the same month the notice was issued and is currently operating in compliance with the permit conditions and applicable rules.

**PROCESS DESCRIPTION:**

The applicant is an Aerospace manufacturing company. The emergency engines provide power to on-site buildings in case of utility power outage. The normal operating hours for testing and maintenance are 1 hr/day, 1 day/week, and 50 weeks/yr.

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The engines are equipped with a Johnson Matthey (JM) CRT Diesel Particulate Filter/Oxidizing Catalyst system. The system consists of an oxidizing catalyst followed by a particulate filter. The filter primarily traps the carbon particulates coming from the engine exhaust. The catalyst is positioned before the filter to convert NO to NO2. The NO2 then oxidizes the soot that is collected on the filter to regenerate the filter. The NO2 is more effective than oxygen in combusting the soot and at a much lower temperature than is normally required so no supplemental heat is necessary. Regeneration will occur when the engine exhaust temperature is at least 240 degrees Centigrade (or 464 degrees Fahrenheit). The filter has been approved by CARB to remove at least 85% of PM emissions.

The oxidizing catalyst controls the hydrocarbons and Carbon Monoxide emissions. The oxidization catalyst is guaranteed by the manufacturer to reduce CO emissions by 80% and hydrocarbon emissions by 70%. The catalyst converts CO and HC into CO2 and water.

The CARB verification requires that this JM CRT PM Filter system be installed with a Data Logging and Alarm System. This system allows for the continuous monitoring of exhaust temperature and backpressure. The CARB verification for this filter system also included limitations on operation of the engine in idle mode, minimum temperature requirements, and a recommended total hours of operation after which the integrity of the filter should be checked and/or replaced (please see attached copy of CARB verification order). Conditions implementing these CARB requirements will be added to the permit.

**EMISSIONS AND ANALYSIS:**

The proposed engines are EPA Certified Tier 2 engines. These engines are pre-certified by the district. The emission factors were taken from the district application files when the manufacturer applied for certified permit.

The emissions are discounted by 85% for PM, 80% for CO, and 70% for VOC. For emission calculations, please refer to attached spreadsheet and are summarized below.

	<b>VOC</b>	<b>NOx</b>	<b>SOx</b>	<b>CO</b>	<b>PM</b>	<b>PM10</b>
Emission factor, g/HP-hr	0.11	4.59	0.0049	0.45	0.075	0.072
With Control	0.033			0.09	0.011	0.011
<b>lb/hr</b>	0.05	7.63	0.01	0.15	0.0183	0.0176
<b>lb/day Max.</b>	0	8	0	0	0	0
<b>lb/day Avg.</b>	0	1.07	0	0	0	0
<b>lb/yr</b>	2.80	389.28	0.42	7.63	0.93	0.90

Note: The above calaculations are for one engine.

**GREENHOUSE GASES CALCULATIONS**

Please refer to attached calculations worksheet and are summarized below:

CO2 = 1.1288 lb/hp-hr x 755 hp = 852.3 lb/hr

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CH4= 0.000022 lb/hp-hr x 755 hp = 0.02 lb/hr

N2O= 0.000015 lb/hp-hr x 755 hp = 0.01 lb/hr

Note: The above calaculations are for one engine.

**RULES:**

Rule 212(c)(1): This section requires a public notice for all new or modified permit units that may emit air contaminants located within 1,000 feet from the outer boundary of a school. Since there are no schools within 1,000 feet of the facility, a public notice will not be required per this section.

Rule 212(c)(2) & (g): These sections require a public notice for all new or modified facilities which have on-site emission increases for the equipment or the facility exceeding any of the daily maximums as specified in subdivision (g). Since the daily emissions are less than specified in section (g), public notice will not be required by this section.

Rule 212(c) (3): The MICR is less than 1 in-a million resulting from the use of emergency ICEs. Therefore, a public notice will not be required per this section.

Rule 401 With the installation of the PM filter and maintenance of this equipment, the visible emissions from the engines are not likely to violate requirements of this rule.

Rule 402 Operation of equipment is not expected to create a nuisance.

Rule 431.2 The engines will use diesel fuel that will comply with the requirements of this rule (15 PPM sulfur content by weight). Compliance is expected.

Rule 1110.2 Emergency engines are exempt from requirements of this rule.

REG. XIII The proposed engines are tier 2, as certified by EPA and CARB, which is BACT for emergency diesel engines rated at this capacity as indicated in the table below. In addition, since the facility is a major source, a diesel particulate filter approved by CARB is required to satisfy LAER requirements.

**BACT REQUIREMENTS (TIER 2 ENGINES)**

	<b>NO<sub>x</sub> + ROG (Gm/bhp- hr)</b>	<b>CO (Gm/bhp-hr)</b>	<b>PM (Gm/bhp-hr)</b>
Required	4.8	2.6	PM Filter
Actual	4.62	0.09	Installed
Compliance	Yes	Yes	Yes

In addition Emergency engines are exempt from Modeling and Offset requirements per section 1304 (a) (4) of Reg. XIII.

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Rule 1401: Emergency engines are exempt from the requirements of this rule as per section (g)(1)(F).

Rule 1470: The engine is meeting NO<sub>x</sub>+ROG and CO emissions standards specified in Table 2 of paragraph (c) (2)(C) (viii) of the rule is summarized below:

	<b>NO<sub>x</sub> + ROG (Gm/bhp-hr)</b>	<b>CO (Gm/bhp-hr)</b>
Required	4.8	2.6
Actual	4.62	0.09
Compliance	Yes	Yes

For PM emissions limit compliance, the engine is expected to emit 0.011 gm/bhp-hr which is lower than required 0.15 gm/bhp-hr in paragraph (c) (2)(C) (iii) of the rule. Therefore, compliance with this rule is expected.

Rule 1472: The facility has more than 3 emergency engines on site. A R1472 compliance plan filed under a/no. 494612 was approved for the facility on December 19, 2011. The PM emissions from the proposed engines are less than 0.15 gm/bhp-hr (0.018 lb/hr) and will not significantly increase the Engine Index (0.065). Thus compliance is expected with this rule and a new plan application is not required.

40 CFR, Part 60, Subpart III: Section d of this subpart requires the engines < 3000 BHP manufactured after 2007 meet appropriate Tier 2 or Tier 3 standards as applicable based on the horsepower. Since this engine is >751 BHP, Tier 2 standards apply and are summarized below:

**TIER 2 ENGINES**

	<b>NO<sub>x</sub> + ROG (Gm/bhp-hr)</b>	<b>CO (Gm/bhp-hr)</b>	<b>PM (Gm/bhp-hr)</b>
Required	4.8	2.6	0.15
Actual	4.62	0.09	PM Filter Installed (0.011 gm/bhp-hr)
Compliance	Yes	Yes	Yes

**Other Requirements in the NSPS for New CI Emergency Engines**

	<b>NSPS Requirement</b>	<b>Proposed Equipment</b>	<b>Compliance</b>
New Engine	Manufactured after 7/1/2006	Manufactured 2013	Yes
Emission Standards Post 2007 model year	Tier 2 standards	The engine meets Tier 2 standards.	Yes
Fuel Requirement	Ultra low sulfur diesel (15 ppmw)	Included in permit condition	Yes
Monitoring/Recordkeeping/Reporting	Non-resettable hour meters and records of operation	Included in permit condition	Yes

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Reporting	None	None	Not applicable
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40 CFR, Part 60, Subpart JJJJ      The requirements of this subpart are not applicable to Compression Ignition engines.

40 CFR, Part 63, Subpart ZZZZ      The facility is an Area Source for HAPs. The requirements of this Subpart are therefore applicable. The engines were purchased post June 12, 2006 and therefore are considered new engines.

	NESHAP Requirement	Proposed Equipment	Compliance
New Engine	Ordered After June 12, 2006	After June 12, 2006	Yes
Emission Standards	Meet NSPS standards	Yes (Complies with emissions standard in Subpart III)	Yes
Operating Limitations	None	200 hrs/yr Included in permit condition	Yes
Fuel Requirement	None	Ultra low sulfur diesel (15 ppmw) Included in permit condition	Yes
Compliance requirements (Section 60.4211)	No limits on hours for emergency service	200 hours per year included in permit condition	Yes
Compliance requirements (Section 60.4211)	100 hrs/yr for maintenance and testing: 100 Hours can be used for: -Testing & Maintenance - No peak shaving or demand response program -Deviation of Voltage Frequency of 5% or greater below standard voltage of frequency -Up to 50 hours/yr for non-emergency use	50 hrs/yr for maintenance and testing per BACT requirements. No peak shaving or demand response per Rule 1470.	Yes
Notification and Reporting (Section 60.4214)	Beginning 2015, engines over 100 HP are required to file annual reports to include:  - Company Name and address of engine location - Engine Make and Model No. - Hours of operation	Engines are >100 HP and the recordkeeping and reporting requirements are included in the permit.	Yes

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Regulation XX:

**RULE 2005-NEW SOURCE REVIEW FOR RECLAIM**

Northrop is a NOx RECLAIM facility. The new new engines will result in NOx emission increase from the facility.

**RULE 2005(c)(1)(A)-BEST AVAILABLE CONTROL TECHNOLOGY**

The proposed engine is EPA certified Tier 2 engine which constitute BACT for this equipment.

**RULE 2005(c)(1)(B)-MODELING**

Emergency engines are exempt from Modeling requirements per section (k) (5) of rule 2005.

**RULE 2005(c)(2)-RTC**

The engine installation will result in NOx emission increase. The facility holds adequate RTC for year 2013-14. Condition no. I297.1 will be included to enforce this section of the rule. The facility will be required to hold 97 lbs/quarter of RTC's for each engine.

**RULE 2005(g)(1) - ADDITIONAL REQUIREMENTS FOR MAJOR STATIONARY SOURCES**

The facility is a Major Source so the requirements of this section are applicable. The facility has demonstrated compliance with the requirements of this section by certifying that all other major stationary sources in the state which are controlled by the applicant are in compliance with all applicable federal emission limitations or standards. The proposed project is exempt from CEQA requirements. Furthermore, this project is not subject to modeling analysis and the emissions increase from the project are less than 40 tons/year.

**RULE 2012 – REQUIREMENTS FOR MRR FOR NOX EMISSIONS**

The engines are EPA certified Tier 2 engines. The engines are classified as Process Units. The engine is required to be equipped with timer and will be complying with reporting requirements in section (e) (2) of the rule.

**REGULATION XXX:**

This facility is in the RECLAIM program. The proposed project is considered as a “de minimis significant permit revision” for non-RECLAIM pollutants or hazardous air pollutants (HAPs), and a “minor permit revision” for RECLAIM pollutants to the RECLAIM/Title V permit for this facility.

Non-RECLAIM Pollutants or HAPs

Rule 3000(b)(6) defines a “de minimis significant permit revision” as any Title V permit revision where the cumulative emission increases of non-RECLAIM pollutants or HAPs from these permit revisions during the term of the permit are not greater than any of the following emission threshold levels:

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<u>Air Contaminant</u>	<u>Daily Maximum (lbs/day)</u>
HAP	30
VOC	30
NO <sub>x</sub> *	40
PM10	30
SO <sub>x</sub> *	60
CO	220

\* Not applicable if this is a RECLAIM pollutant

To determine if a project is considered as a “de minimis significant permit revision” for non-RECLAIM pollutants or HAPs, emission increases for non-RECLAIM pollutants or HAPs resulting from all permit revisions that are made after the issuance of the Title V renewal permit shall be accumulated and compared to the above threshold levels. This proposed project is the 5<sup>th</sup> permit revision to the Title V renewal permit issued to this facility on June 8, 2010. The following table summarizes the cumulative emission increases resulting from all permit revisions since the Title V renewal permit was issued:

<b>Revision</b>	<b>HAP</b>	<b>VOC</b>	<b>NO<sub>x</sub>*</b>	<b>PM10</b>	<b>Sox</b>	<b>CO</b>
Previous Permit Revision Total Cummulative to date. Title V permit renewed June 8, 2010	0	2	0	1	0	12
5 <sup>th</sup> Permit Revision						
Replace 6.5mmbtu/hr boiler D91 with a new 7.0 mmbtu/hr boiler DXXX	0	0	0	0	0	0
Installation of 4 emergency ICE's	0	0	4	0	0	0
Replacement of 3 existing ICEs	0	0	0	0	0	0
Installation of 4 new emergency ICEs	0	0	4	0	0	0
Cumulative Total	0	2	4*	1	0	12
Maximum Daily	30	30	40*	30	60	220

\* RECLAIM pollutant, not subject to emission accumulation requirements

Since the cumulative emission increases resulting from all permit revisions are not greater than any of the emission threshold levels, this proposed project is considered as a “de minimis significant permit revision” for non-RECLAIM pollutants or HAPs.

#### RECLAIM Pollutants

Rule 3000(b)(12)(A)(v) defines a “minor permit revision” as any Title V permit revision that does not result in an emission increase of RECLAIM pollutants over the facility starting Allocation plus nontradeable Allocations, or higher Allocation amount which has previously undergone a significant permit revision process.

Since NO<sub>x</sub> is a RECLAIM pollutant for this facility, a separate analysis shall be made to determine if the proposed permit revision is considered a “minor permit revision” for RECLAIM pollutants. The addition of the four emergency ICE's will result in a NO<sub>x</sub> emissions increase. However, the additional NO<sub>x</sub> increase from the operation of the four new emergency engines will not cause the facility's NO<sub>x</sub>

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emissions to exceed the starting Allocation plus the non-tradable Allocation. As a result, this proposed project is considered as a “minor permit revision” for RECLAIM pollutants.

**CONCLUSION:**

The proposed project is expected to comply with all applicable District Rules and Regulations. Therefore, a revised RECLAIM permit with the engines listed in section H will be issued to this facility subject to conditions below:

**B61.4**

The operator shall not use diesel fuel containing the following specified compounds:

<u>Compound</u>	<u>Ppm by weight</u>
Sulfur	greater than 15

**C1.3**

The operator shall limit the operating time to no more than 200 hour(s) in any one year.

**C1.20**

The operator shall limit the maintenance testing to no more than 50 hour(s) in any one year.

Operation of engine beyond 50 hours per year allotted for engine maintenance and testing shall be allowed only in the event of a loss of grid power or up to 30 minutes prior to a rotating outage, provided that the electrical grid operator or electric utility has ordered rotating outages in the control area where the engine is located or has indicated that it expects to issue such an order at a certain time, and the engine is located in a utility service block that is subject to the rotating outage.

Engine operation shall be terminated immediately after the utility distribution company advises that a rotating outage is no longer imminent or in effect.

**D12.4**

The operator shall install and maintain a(n) non-resettable elapsed time meter to accurately indicate the elapsed operating time of the engine.

**E116.1**

This engine shall not be used as part of a demand response program using interruptible service contract in which a facility receives a payment or reduced rates in return for reducing its electric load on the grid when requested to do so by the utility or the grid operator.

**E448.6**

The operator shall comply with the following requirements:

- This engine shall not be operated unless its exhaust is vented to a CRT diesel particulate filter system which is in full operation and which is in good operating condition at all times.

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- The CRT diesel particulate filter system installed on this engine shall maintain at least 85% control efficiency for particulate matter emissions.
- The operator shall not operate the CRT diesel particulate filter system without an operational data logging and alarm system.
- A gauge shall be installed to indicate in inches of water, the back pressure of the CRT diesel particulate filter system. In operation, the maximum back pressure of the CRT diesel particulate filter system shall not exceed 34 inches W.C.
- This engine shall not be operated below passive regeneration temperature for more than 720 consecutive minutes.
- The operator shall regenerate the diesel particulate filter after every 24 cold start-ups and 30-minute idle sessions or whenever a warning signal is received from the alarm system. In order to achieve re-generation, the operator shall run the engine until the exhaust temperature exceeds 464 degrees Fahrenheit and the backpressure monitoring system indicates a normal backpressure reading.
- The temperature of the engine exhaust gas at the inlet to the CRT diesel particulate filter system shall be greater than or equal to 240 degrees centigrade (464 degrees Fahrenheit), except during cold engine start-up, not to exceed 10 minutes.
- Removal of the CRT diesel particulate filter system's filter media for cleaning shall only occur under the following conditions:
  - A. The internal combustion engine shall not be operated for maintenance and testing or any other non-emergency use while the CRT diesel particulate filter media is removed; and
  - B. The CRT diesel particulate filter's filter media shall be returned and re-installed within 10 working days from the date of removal;

The owner or operator shall maintain records indicating the date(s) the CRT diesel particulate filter's filter media was removed for cleaning and the date(s) the filter media was re-installed. Records shall be retained for a minimum period of five years and made available to district personnel upon request.

H23.12

This equipment is subject to the applicable requirements of the following rules or regulations:

PM	DISTRICT RULE	1470
PM	DISTRICT RULE	1472
SOx	DISTRICT RULE	431.2
HAPS	FEDERAL RULE	40CFR63, Subpart ZZZZ
	FEDERAL RULE	40CFR60, Subpart IIII

I297.1

This equipment shall not be operated unless the facility holds 389 pounds of NOx RTCs in its allocation account to offset the annual emissions increase for the first year of operation. RTCs held to satisfy this condition may be transferred only after one year from the initial start of operation. If the hold amount is partially satisfied by holding RTCs that expire midway through the hold period, those RTCs may be transferred upon their respective expiration dates. This hold amount is in addition to any other amount of RTCs required to be held under other condition(s) stated in this permit.

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<b>ENGINEERING AND COMPLIANCE DIVISION</b>	<b>APPL. NO.</b>	See below
<b>APPLICATION PROCESSING AND CALCULATION</b>	<b>PROCESSED BY</b>	HD
	<b>CHECKED BY</b>	
	<b>DATE</b>	10/2/13

In lieu of holding RTCs for the entire duration specified above, RTCs held for the purpose of demonstrating compliance with this condition may be transferred as specified below, provided quarterly emissions do not exceed the corresponding quarterly limit listed in the table below. The amount available for transfer shall be as specified in Rule 2005(f)(3). Such amount may be transferred only after the end of the subject quarter. If the first day of operation does not coincide with the first day of a calendar quarter, the emission limit for that calendar quarter shall be prorated based on the number of days remaining in the calendar quarter as of the first day of operation and the amount available for transfer after that calendar quarter shall be the prorated emission limit minus the actual emissions reportable for that calendar quarter pursuant to RECLAIM Monitoring, Recordkeeping, and Reporting protocols (MRR) and the emission limit for the portion of the first year of operation falling in the fifth calendar quarter shall be prorated based on the number of days of the first year of operation occurring in that calendar quarter and the amount available for transfer after that calendar quarter shall be the prorated emission limit minus the actual emissions reportable for the portion of the first year of operation occurring in that calendar quarter pursuant to RECLAIM MRR. If the quarterly certified emissions for any quarter (or portion of a quarter occurring within the first year of operation) exceed the corresponding quarterly emission limit or prorated quarterly emission limit, as applicable, the facility may only sell RTCs held pursuant to Rule 2005(f) after the first calendar quarter ending at least one year after operation commences.

<u>Calendar Quarter</u>	<u>Emission Limit (Pounds of NOx RTCs)</u>
January 1 through March 31	97
April 1 through June 30	97
July 1 through September 30	97
October 1 through December 31	98

**K67.6**

The operator shall keep records, in a manner approved by the District, for the following parameter(s) or item(s):

- A. emergency use hours of operation.
- B. maintenance and testing hours.
- C. other operating hours (describe the reason for operation).

In addition, each time the engine is started manually, the log shall include the date of operation and the timer reading in hours at the beginning and end of operation. The log shall be kept for a minimum of five calendar years prior to the current year and made available to District personnel upon request. The total hours of operation for the previous calendar year shall be recorded sometime during the first 15 days of January of each year.