San Joaquin Valley
AIR POLLUTION CONTROL DISTRICT

HEALTHY AIR LIVING™

APR 16 2012

Gerardo C. Rios, Chief
Permits Office
Air Division
U.S. EPA - Region IX
75 Hawthorne St
San Francisco, CA 94105

Re: Final – Authority to Construct/Certificate of Conformity (Minor Mod)
Project # S-1111100

Dear Mr. Rios:

The Air Pollution Control Officer has issued Authorities to Construct (S-511-1-15, '-2-16, '-3-19, and '-4-15) with Certificates of Conformity to Sycamore Cogeneration Company. Sycamore appled for Authorities to Construct to administrative include a 12 hour tuning start up period in accordance with District Rule 4703. This facility is located at Kern River oil field near Bakersfield.

Enclosed are copies of the Authorities to Construct and engineering evaluation with attachments. The application and proposal were sent to US EPA Region IX on August 30, 2011. All comments received have been addressed by the District. A summary of the comments and the District's response to each comment is included as an attachment.

Thank you for your cooperation in this matter. If you have any questions, please contact Mr. Leonard Scandura, Permit Services Manager, at (661) 392-5500.

Sincerely,

David Warner
Director of Permit Services

Enclosures
sdd

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

www.valleyair.org www.healthyairliving.com

Printed on recycled paper.

San Joaquin Valley
AIR POLLUTION CONTROL DISTRICT

HEALTHY AIR LIVING™

APR 16 2012

Mr. Neil Burgess
Sycamore Cogeneration Company
PO Box 81617
Bakersfield, CA 93308

Re: Final – Authority to Construct/Certificate of Conformity (Minor Mod)
Project # S-1111100

Dear Mr. Burgess:

The Air Pollution Control Officer has issued Authorities to Construct (S-511-1-15, '-2-16, '-3-19, and '-4-15) with Certificates of Conformity to Sycamore Cogeneration Company. Sycamore appled for Authorities to Construct to administrative include a 12 hour tuning start up period in accordance with District Rule 4703. This facility is located at Kern River oil field near Bakersfield.

Enclosed are the Authorities to Construct, invoice, and engineering evaluation with attachments. The application and proposal were sent to US EPA Region IX on August 30, 2011. All comments received have been addressed by the District. A summary of the comments and the District's response to each comment is included as an attachment.

Prior to operating with 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.

Thank you for your cooperation in this matter. If you have any questions, please contact Mr. Leonard Scandura, Permit Services Manager, at (661) 392-5500.

Sincerely,

David Warner
Director of Permit Services

Enclosures
sdd

ATC/COC PROJECT CHECKLIST

PROJECT #: S-1111100 FACILITY ID #: S-511

√ √
REQST. COMPL.

√ __ ATC/COC FINAL PUBLIC NOTICE (MINOR MOD)

ENCLOSED DOCUMENTS REQUIRED:

√ __ Stamp current date on all letters and signature page of the evaluation.

√ __ Send email to "OA-PublicNotices" containing the following:
SUBJECT: facility name, facility id#, project #, type of notice (prelim/final)
BODY: project description and why it is being noticed (based on Major Source, Major Modification, Title V Minor Mod, Title V Significant Mod, Initial Title V, Title V renewal, Administrative Amendment, or ATC with COC)

√ __ Email ***FINAL*** notice package to EPA

√ __ Send the following to the applicant:
√ ***FINAL*** notice letter
√ Invoice
√ ***FINAL*** ATC
√ engineering evaluation and attachments

√ __ Send signed copies of ***FINAL*** notice letters, invoice, and engineering evaluation and attachments to the following:
√ Steve Davidson, Permit Services Engineer

√ __ Enter "Mail Date" onto project record.

__ __ Other special instructions:_____
_____
_____
_____

Date completed: ___ By: Steve Davidson

Comments Associated With Sycamore Cogeneration Company
S-511, 1111100

Comment: EPA disagreed that the project was not an NSR modification and an evaluation of the emission increase must be performed, consistent with Rule 2201 to determine if the emission increase results in an emission increase large enough to trigger NSR permit requirements.

Response: The District included and NSR evaluation for the proposed project the proposed modification

Comment: The evaluation states that Kern River is requesting the extended 12 hour period for when combustors are replaced (routine replacement), which then requires an extended tuning startup period. However the proposed new condition containing the definition of a tuning startup does not limit this activity to only after the combustors have been replaced. As written, the condition is open to abuse by the operator in that they could say they are doing the type of testing and optimization listed at any time and therefore are entitled to a 12 hour startup period. The condition must be limited to only allow extended tuning startups after a comubstor unit is replaced.

Response: The conditions was reworded as follows:

"A tuning start-up shall be defined as "the period after a combustor unit replacement in which dynamic performance testing and corresponding operating optimization set point adjustment of the combustion system of the CGT is performed to meet the limits of this permit and Rule 4703". A tuning start-up period shall not exceed a time period of 12 consecutive hours per occurrence. [District Rule 4703, 5.3] Y

San Joaquin Valley
AIR POLLUTION CONTROL DISTRICT

Due Date	Amount Due
6/12/2012	$ 1,918.50

Amount Enclosed

ATCFEE S1111100
511 S99702 4/13/2012

RETURN THIS TOP PORTION ONLY, WITH REMITTANCE TO:

SYCAMORE COGENERATION CO
PO BOX 80598
BAKERSFIELD, CA 93380

SJVAPCD
34946 Flyover Court
Bakersfield, CA 93308

Thank You!

San Joaquin Valley
AIR POLLUTION CONTROL DISTRICT

Facility ID	Invoice Date	Invoice Number
S511	4/13/2012	S99702

Invoice Type
Project: S1111100

SJVAPCD Tax ID: 77-0262563

SYCAMORE COGENERATION CO
HEAVY OIL CENTRAL
CA

PROJECT NUMBER: 1111100

APPLICATION FILING FEES	$ 284.00
ENGINEERING TIME FEES	$ 1,994.50
TOTAL FEES	$ 2,278.50
LESS PREVIOUSLY PAID PROJECT FEES APPLIED TO THIS INVOICE	($ 360.00)
PROJECT FEES DUE (Enclosed is a detailed statement outlining the fees for each item.)	**$ 1,918.50**

Late Payment (see Rule 3010, Section 11.0 Late Fees)	
Postmarked	Total Due
After 6/12/2012 through 6/22/2012	$ 2,110.35
After 6/22/2012	$ 2,877.75
After 7/12/2012	Permits To Operate MAY BE SUSPENDED

San Joaquin Valley Air Pollution Control District
34946 Flyover Court, Bakersfield, CA 93308, (661) 392-5500, Fax (661) 392-5585

Printed on Recycled Paper

San Joaquin Valley Air Pollution Control District

Invoice Detail

Facility ID: S511

SYCAMORE COGENERATION CO
HEAVY OIL CENTRAL
CA

Invoice Nbr: S99702
Invoice Date: 4/13/2012
Page: 1

Application Filing Fees

Project Nbr	Permit Number	Description	Application Fee
S1111100	S-511-1-15	MODIFICATION OF 75 MW GENERAL ELECTRIC MODEL 7EA NATURAL GAS-FIRED COMBUSTION TURBINE COGENERATION UNIT WITH GE ENHANCED DRY LOW NOX DLN1+ COMBUSTOR TECHNOLOGY DISCHARGING TO ATMOSPHERE THROUGH A BYPASS STACK WHEN OPERATED IN SIMPLE CYCLE MODE OR THROUGH UNFIRED 450,000 LB/HR HEAT RECOVERY STEAM GENERATOR WHEN OPERATED IN COGENERATION MODE (SYCAMORE UNIT #1): ALLOW 12 HOUR TUNING START UP PERIOD	$ 71.00
S1111100	S-511-2-16	MODIFICATION OF 75 MW GENERAL ELECTRIC MODEL 7EA NATURAL GAS-FIRED COMBUSTION TURBINE COGENERATION UNIT WITH GE ENHANCED DRY LOW NOX DLN1+ COMBUSTORS DISCHARGING TO ATMOSPHERE THROUGH A BYPASS STACK WHEN OPERATED IN SIMPLE CYCLE MODE OR THROUGH UNFIRED 450,000 LB/HR HEAT RECOVERY STEAM GENERATOR WHEN OPERATED IN COGENERATION MODE (SYCAMORE UNIT #2): ALLOW 12 HOUR TUNING START UP PERIOD	$ 71.00
S1111100	S-511-3-16	MODIFICATION OF 75 MW GENERAL ELECTRIC MODEL 7EA NATURAL GAS-FIRED COMBUSTION TURBINE COGENERATION UNIT WITH GE ENHANCED DRY LOW NOX DLN1+ COMBUSTOR TECHNOLOGY DISCHARGING TO ATMOSPHERE THROUGH A BYPASS STACK WHEN OPERATED IN SIMPLE CYCLE MODE OR THROUGH UNFIRED 450,000 LB/HR HEAT RECOVERY STEAM GENERATOR WHEN OPERATED IN COGENERATION MODE (SYCAMORE UNIT #3): ALLOW 12 HOUR TUNING START UP PERIOD	$ 71.00
S1111100	S-511-4-15	MODIFICATION OF 75 MW GENERAL ELECTRIC MODEL 7EA NATURAL GAS-FIRED COMBUSTION TURBINE COGENERATION UNIT WITH GE ENHANCED DRY LOW NOX DLN1+ COMBUSTORS AND INDIVIDUAL NOX, CO AND DILUENT (CO2 OR O2) CEMS ANALYZERS DISCHARGING TO ATMOSPHERE THROUGH A BYPASS STACK WHEN OPERATED IN SIMPLE CYCLE MODE OR THROUGH UNFIRED 450,000 LB/HR HEAT RECOVERY STEAM GENERATOR WHEN OPERATED IN COGENERATION MODE (SYCAMORE UNIT #4): ALLOW 12 HOUR TUNING START UP PERIOD	$ 71.00
		Total Application Filing Fees:	**$ 284.00**

Engineering Time Fees

Project Nbr	Quantity	Rate	Description	Fee
S1111100	21.7 hours	$ 105.00 /h	Standard Engineering Time	$ 2,278.50
			Less Credit For Application Filing Fees	($ 284.00)
			Standard Engineering Time SubTotal	$ 1,994.50
			Total Engineering Time Fees:	**$ 1,994.50**

San Joaquin Valley
AIR POLLUTION CONTROL DISTRICT

HEALTHY AIR LIVING™

AUTHORITY TO CONSTRUCT

PERMIT NO: S-511-1-15 **ISSUANCE DATE:** 04/13/2012

LEGAL OWNER OR OPERATOR: SYCAMORE COGENERATION CO
MAILING ADDRESS: PO BOX 80598
BAKERSFIELD, CA 93380

LOCATION: HEAVY OIL CENTRAL
CA

SECTION: 31 **TOWNSHIP:** 28S **RANGE:** 28E

EQUIPMENT DESCRIPTION:
MODIFICATION OF 75 MW GENERAL ELECTRIC MODEL 7EA NATURAL GAS-FIRED COMBUSTION TURBINE COGENERATION UNIT WITH GE ENHANCED DRY LOW NOX DLN1+ COMBUSTOR TECHNOLOGY DISCHARGING TO ATMOSPHERE THROUGH A BYPASS STACK WHEN OPERATED IN SIMPLE CYCLE MODE OR THROUGH UNFIRED 450,000 LB/HR HEAT RECOVERY STEAM GENERATOR WHEN OPERATED IN COGENERATION MODE (SYCAMORE UNIT #1): ALLOW 12 HOUR TUNING START UP PERIOD

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. Excess emissions indicated by the CEM system shall be considered violations of the applicable emission limit for the purposes of this permit. [PSD SJ 85-09] Federally Enforceable Through Title V Permit
4. The CGT combustors shall be a dry low NOx design capable of achieving 3 ppm or lower at 15% O2. [PSD SJ 85-09, X.B] Federally Enforceable Through Title V Permit
5. Sulfur compound emissions shall not exceed 0.015% by volume, 150 ppmv, on a dry basis averaged over 15 consecutive minutes. [40 CFR 60.333(a) and Kern County Rule 407] Federally Enforceable Through Title V Permit

CONDITIONS CONTINUE ON NEXT PAGE

YOU MUST NOTIFY THE DISTRICT COMPLIANCE DIVISION AT (661) 392-5500 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

DAVID WARNER, Director of Permit Services
S-511-1-15 : Apr 13 2012 9:45AM -- DAVIDSOS : Joint Inspection NOT Required

6. Exhaust gas particulate matter concentration shall not exceed 0.0072 gr/scf calculated at 12% CO2. [District NSR Rule] Federally Enforceable Through Title V Permit

7. Emission rates from CGT shall not exceed any of the following: PM10 - 5.0 lb/hr, SOx (as SO2) - 0.9 lb/hr, or VOC - 2.5 lb/hr. [District Rule 2201] Federally Enforceable Through Title V Permit

8. Emission rates from CGT shall not exceed any of the following: PM10 - 120.0 lb/day, SOx (as SO2) - 21.6 lb/day, NOx (as NO2) - 552.8 lb/day, VOC - 60.0 lb/day, or CO - 1056.0 lb/day. [District Rule 2201 and PSD SJ 85-09, X.E] Federally Enforceable Through Title V Permit

9. Emission rates from CGT, except during startup, shutdown, tuning start-up, and/or reduced load periods, shall not exceed any of the following: NOx (as NO2) - 3 ppmvd @ 15% O2, 12.4 lb/hr on a 3-hr avg, or CO - 25 ppmvd @ 15% O2, 44.0 lb/hr on a 3-hr avg. [District Rules 2201 and 4703, 5.1.2 & 5.2; and PSD SJ 85-09, X.E] Federally Enforceable Through Title V Permit

10. NO2 and CO daily emissions during days of startup/shutdown shall be calculated from natural gas combustion rates and CEM results. [District Rule 1080] Federally Enforceable Through Title V Permit

11. During startup, shutdown, and tuning start-up, emissions shall not exceed any of the following: 140.0 lb/hr of NOx on a 2-hr avg, 140 lb/hr of CO on a 2-hr avg, or 200 lb/hr of CO on a 1-hr avg. [District Rule 2201] Federally Enforceable Through Title V Permit

12. Startup shall be defined as the period of time during which a unit is brought from a shutdown status to its operating temperature and pressure, including the time required by the unit's emission control system to reach full operations. Shutdown shall be defined as the period of time during which a unit is taken from an operational to a non-operational status as the fuel supply to the unit is completely turned off. [District Rule 4703, 3.29 and 3.26] Federally Enforceable Through Title V Permit

13. A tuning start-up shall be defined as "the period after a combustor unit replacement in which dynamic performance testing and corresponding operating optimization set point adjustment of the combustion system of the CGT is performed to meet the limits of this permit and Rule 4703". A tuning start-up period shall not exceed a time period of 12 consecutive hours per occurrence. [District Rule 4703, 5.3] Federally Enforceable Through Title V Permit

14. The duration of each startup or each shut down time shall not exceed two hours. Startup and shutdown emissions shall be counted toward all applicable emission limits. [District Rule 4703, 5.3.1] Federally Enforceable Through Title V Permit

15. Operations during periods of startup, shutdown, and tuning startup shall not constitute representative conditions for the purpose of a NOx performance test nor shall NOx emissions in excess of the level of the emission limit shown in this permit during periods of startup and shutdown be considered a violation of the applicable emission limit unless otherwise specified in the applicable standard. [40 CFR 60.8(c)] Federally Enforceable Through Title V Permit

16. Each CGT shall have a maximum heat input rate of 1020 MMBTU/hr on an LHV basis. Firing rate can be increased upon District witnessed emission sampling demonstration that compliance with emission sampling limits can be achieved at higher fuel rates. [District NSR Rule] Federally Enforceable Through Title V Permit

17. Permit unit shall include one unfired heat recovery steam generator (HRSG) for gas turbine engine assembly with rated steam output of 450,000 lb/hr at 80% quality steam production. [District NSR Rule] Federally Enforceable Through Title V Permit

18. CGT may exhaust either through unfired 450,000 lb/hr heat recovery steam generator or through bypass stack. [District NSR Rule] Federally Enforceable Through Title V Permit

19. When operating in cogeneration mode, exhaust gas ducting from CGT's through HRSG's to the atmosphere shall be gas-tight. [District NSR Rule] Federally Enforceable Through Title V Permit

20. Bypass stack valve preceding each HRSG shall be designed to be gas-tight to the atmosphere when exhaust is discharged through HRSG and shall be designed to be gas-tight to the HRSG when exhaust is discharged through the bypass stack. [District NSR Rule] Federally Enforceable Through Title V Permit

CONDITIONS CONTINUE ON NEXT PAGE

21. At such times as specified by the USEPA, permittee shall conduct or cause to be conducted performance tests (as described in 40 CFR 60.8) for CO on the exhaust stack gases and furnish the District, the California ARB and the USEPA a written report of the results of such tests. All performance tests shall be conducted on an annual basis and at the maximum operating capacity of the emissions unit being tested. Upon written request from permittee, and adequate justification, USEPA may waive a specific annual test and/or allow for testing to be done at less than maximum operating capacity. [PSD SJ 85- 09] Federally Enforceable Through Title V Permit

22. All continuous monitoring systems and monitoring devices shall be installed and operational prior to conducting performance tests. Verification of operational status shall, as a minimum, include completion of the manufacturer's written requirements or recommendations for installation, operation, and calibration of the device. [40 CFR 60.13(b)] Federally Enforceable Through Title V Permit

23. The USEPA shall be notified in writing at least 30 days in advance of such test to allow time for development of an approvable performance test plan and to arrange for an observer to be present at the test. Such prior approval shall minimize the possibility of USEPA rejection of test results for procedural deficiencies. In lieu of the above mentioned test methods, equivalent methods may be used with prior written approval from the USEPA. [PSD SJ 85-09] Federally Enforceable Through Title V Permit

24. Annual compliance tests shall be conducted by an independent laboratory in accordance with EPA guidelines, witnessed or authorized by the District. Results shall be submitted to the District within 60 days. [District Rule 1081] Federally Enforceable Through Title V Permit

25. Operator shall conform with the compliance testing procedures described in District Rule 1081. [District Rule 1081] Federally Enforceable Through Title V Permit

26. For performance test purposes, sampling ports, platforms, and access shall be provided by the facility on the emission unit exhaust system in accordance with 40 CFR 60.8(e). [PSD SJ 85-09] Federally Enforceable Through Title V Permit

27. Source testing to determine NOx and CO emissions and fuel gas sulfur content shall be conducted annually. [District Rule 1081] Federally Enforceable Through Title V Permit

28. The owner or operator shall provide source test information annually regarding the exhaust gas NOx and CO concentration corrected to 15% O2 (dry). EPA Methods 7E or 20 shall be used for NOx emissions. EPA Methods 10 or 10B shall be used for CO emissions. EPA Methods 3, 3A, or 20 shall be used for Oxygen content of the exhaust gas. [40 CFR 60.8(a), 40 CFR 60.335(b) and District Rule 4703, 5.1, 6.3.1, 6.4.1, 6.4.2, and 6.4.3] Federally Enforceable Through Title V Permit

29. Performance tests for the emissions of CO shall be conducted and results reported in accordance with the test methods set forth in 40 CFR 60.8 and 40 CFR 60, Appendix A. The performance tests for the emissions of CO shall be conducted using EPA Methods 1 through 4 and 10. [PSD SJ 85-09] Federally Enforceable Through Title V Permit

30. The owner or operator shall provide source test information annually regarding the demonstrated percent efficiency (EFF) as defined in District Rule 4703 (as amended 9/20/07), 5.1.1 and 6.4.6. [40 CFR 60.332(a) and (b) and District Rule 4703, 5.1.1 and 6.4.6] Federally Enforceable Through Title V Permit

31. The operator shall perform source testing for PM10 concentration and emission rate once per permit term using EPA Method 5. [40 CFR 60.8 (b) and (c)] Federally Enforceable Through Title V Permit

32. Audits of continuous emission monitoring system shall be conducted in accordance with EPA guidelines, witnessed at the District's discretion, and reports shall be submitted to the District within 60 days of such an audit. [District Rule 1080 and PSD SJ 85-09, X.D.3] Federally Enforceable Through Title V Permit

33. The Relative Accuracy Audit shall be conducted by an independent laboratory in accordance with EPA guidelines, witnessed or authorized by the District. Results shall be submitted to the District within 60 days. [District Rule 1080 and PSD SJ 85-09, X.D.3] Federally Enforceable Through Title V Permit

34. Results of continuous emissions monitoring must be reduced according to the procedure established in 40 CFR, Part 51, Appendix P, paragraphs 5.0 through 5.1.3, or by other methods deemed equivalent by mutual agreement with the District, the ARB, and the EPA. [District Rule 1080, 7.2] Federally Enforceable Through Title V Permit

CONDITIONS CONTINUE ON NEXT PAGE

35. Continuous emission monitoring system for NOx as NO2 and continuous monitoring system for CO & CO2 shall serve each CGT flue gas stream, shall conform to SJVUAPCD Rule 1080 specifications, shall meet EPA monitoring performance specifications, & shall be operational whenever the turbine is in operation. [District Rule 1080 and PSD SJ 85-09, X.D.1 and .2] Federally Enforceable Through Title V Permit

36. The continuous NOx and O2 monitoring system shall meet the performance specification requirements in 40 CFR 60, Appendix F, 40 CFR 51, Appendix P, and Part 60, Appendix B, or shall meet equivalent specifications established by mutual agreement of the District, the ARB, and the EPA. [District Rule 1080, 6.3, 6.5, 6.6 and 7.2] Federally Enforceable Through Title V Permit

37. All continuous emissions monitoring systems shall be calibrated and operated according to EPA guidelines as specified in 40 CFR 60, Appendix B and 40 CFR 52, Appendix E. CEM ppm and lb/hr shall be calculated as a three-hour and a 1-hour average. [District Rule 1080 and PSD SJ 85-09 X.D.2] Federally Enforceable Through Title V Permit

38. Results of the CEM system shall be averaged over a three hour period, using consecutive 15-minute sampling periods in accordance with either EPA Method 7E or EPA Method 20 for NOx, EPA Test Methods 10 or 10B for CO, or EPA Methods 3, 3A, or 20 for O2, or, if continuous emission monitors are used, all applicable requirements of CFR 60.13. [40 CFR 60.13 and District Rule 4703, 5.1, 6.4] Federally Enforceable Through Title V Permit

39. Each 1-hour period in a 1, 2 or 3-hour average will commence on the hour. The 3-hour average will be compiled from the three most recent 1-hour periods. The 2-hour average will be compiled from the two most recent 1-hour periods. [District Rule 1080] Federally Enforceable Through Title V Permit

40. CEM cycling times shall be those specified in 40 CFR, Part 51, Appendix P, Sections 3.4 and 3.4.2, or shall meet equivalent specifications established by mutual agreement of the District, the ARB and the EPA. [District Rule 1080, 6.4] Federally Enforceable Through Title V Permit

41. Operator shall operate and maintain in calibration a system which continuously measures and records the following: control system operating parameters, elapsed time of operation, the exhaust gas NOx and O2 or CO2 concentration . [40 CFR 60.334(b),(c) and District Rules 2520, 9.4.2 and 4703, 6.2.1] Federally Enforceable Through Title V Permit

42. The owner or operator shall maintain records that contain the following: the occurrence and duration of any start-up, shutdown, tuning start-up, or malfunction, performance testing, evaluations, calibrations, checks, adjustments, any periods during which a continuous monitoring system or monitoring device is inoperative, maintenance of any CEM system that has been installed pursuant to District Rule 1080 (as amended 12/17/92), and emission measurements. [40 CFR 60.7(b) and District Rule 1080, 7.3] Federally Enforceable Through Title V Permit

43. The owner or operator of a stationary gas turbine system shall maintain all records of required monitoring data and support information for inspection at any time for a period of five years. [District Rules 2520, 9.4.2 and 4703, 6.2.4] Federally Enforceable Through Title V Permit

44. Daily records of NO2 and CO emission calculations during days of gas turbine startup/shutdown shall be maintained and such records shall be made readily available for District inspection upon request for a period of five years. [District Rule 1080] Federally Enforceable Through Title V Permit

45. The emission control systems shall be in operation and emissions shall be minimized insofar as technologically feasible during startup and shutdown. [District Rule 4703, 5.3.2] Federally Enforceable Through Title V Permit

46. Operator shall maintain a stationary gas turbine operating log that includes, on a daily basis the following: the actual local start-up and stop time, length and reason for reduced load periods, total hours of operation and quantity of fuel used. [40 CFR 60.332(b); District Rules 2520, 9.4.2 and 4703, 6.2.6; PSD SJ 85-09, X.D.1] Federally Enforceable Through Title V Permit

47. Reduced Load Period shall be defined as the time during which a gas turbine is operated at less than rated capacity in order to change the exhaust gas diverter gate not exceeding one hour. [District Rule 4703, 3.23] Federally Enforceable Through Title V Permit

48. The operator performing start-up or shutdown of this unit shall keep records of the duration of start-up or shutdown. [District Rule 4703, 6.2.8] Federally Enforceable Through Title V Permit

CONDITIONS CONTINUE ON NEXT PAGE

49. APCO or an authorized representative shall be allowed to inspect, as he or she determines to be necessary, the monitoring devices required by this rule to ensure that such devices are functioning properly. [District Rule 1080, 11.0] Federally Enforceable Through Title V Permit

50. The owner or operator shall, upon written notice from the APCO, provide a summary of the data obtained from the CEM systems. This summary of data shall be in the form and the manner prescribed by the APCO. [District Rule 1080, 7.1] Federally Enforceable Through Title V Permit

51. Each exhaust stack shall be equipped with permanent stack sampling provisions consistent with District Rule 1081, EPA reference Methods 5 and 8 and OSHA requirements. [District Rule 1081] Federally Enforceable Through Title V Permit

52. Each CGT shall have a fuel consumption monitor/recorder. [District NSR Rule and PSD SJ 85-09, X.D.1] Federally Enforceable Through Title V Permit

53. Operational records (including but not limited to: fuel characteristics, etc.) shall be maintained by Sycamore Cogeneration Company. [District NSR Rule] Federally Enforceable Through Title V Permit

54. Accurate records of NOx (as NO2) and carbon monoxide (CO) flue gas concentrations corrected to 15% O2, dry and CGT fuel sulfur content shall be maintained and shall be reported as described by District Rule 1080 and upon request. [District Rule 1080] Federally Enforceable Through Title V Permit

55. Operator shall submit a quarterly report listing any daily period during which the sulfur content of the fuel being fired in the gas turbine exceeds 0.8% by weight. [40 CFR 60.334(i)] Federally Enforceable Through Title V Permit

56. Quarterly continuous emission monitoring system reports shall be submitted to the District, EPA and CEC, as required by EPA regulations as specified in CFR Title 40, Part 58, Appendix B and Part 60 Appendix B. [District Rule 1080 and PSD SJ 85-09, X.D.5] Federally Enforceable Through Title V Permit

57. Operators of CEM's installed at the direction of the APCO shall submit a written report for each calendar quarter to the APCO and EPA. The report is due on the 30th day following the end of the calendar quarter and shall include the following: A. time intervals, data and magnitude of excess emissions (computed in accordance with 40 CFR 60.13(h)), nature and cause of excess (if known), corrective actions taken and preventive measures adopted; B. averaging period used for data reporting corresponding to the averaging period specified in the emission test period used to determine compliance with an emission standard. [40 CFR 60.334 (j)(5); District Rule 1080, 8.0 and PSD SJ 85-09, X.D.3 and X.D.5.a through e] Federally Enforceable Through Title V Permit

58. The written report for each calendar quarter shall also include the following: C. applicable time and date of each period during which the CEM was inoperative (except for zero and span checks) and the nature of system repairs and adjustments; D. a negative declaration when no excess emissions occurred. Excess emissions shall be defined as any 3-hour period during which the average emissions for CO, as measured by the CEM system, exceeds the emission limit set forth in PSD SJ 85-09, X.E. [District Rule 1080, 8.0; PSD SJ 85-09, X.D.3 and X.D.5.a through e] Federally Enforceable Through Title V Permit

59. A violation of NOx emission standards indicated by the NOx CEM shall be reported by the operator to the APCO within 96 hours. [District Rule 1080, 9.0] Federally Enforceable Through Title V Permit

60. The APCO shall be notified no later than one hour after the detection of a breakdown of the CEM. The operator shall inform the APCO of the intent to shut down the CEM at least 24 hours prior to the event. [District Rules 1080, 10.0 and 1100, 6.1; PSD SJ 85-09, X.D.3] Federally Enforceable Through Title V Permit

61. The Regional Administrator shall be notified by telephone within 48 hours following any failure of air pollution control equipment, process equipment, or of a process to operate in a normal manner which results in an increase in emissions above any allowable emissions limit stated in this permit. In addition, the Regional Administrator shall be notified in writing within 15 days of any such failure. [PSD SJ 85-09] Federally Enforceable Through Title V Permit

62. This notification shall include a description of the malfunctioning equipment or abnormal operation, the date of initial failure, the period of time over which emissions were increased due to the failure, the cause of the failure, the estimated resultant emissions in excess of those allowed under the conditions of this permit, and the methods utilized to restore normal operations. Compliance with this malfunction notification provision shall not excuse or otherwise constitute a defense to any violations of this permit or of any law or regulations which such malfunction may cause. [PSD SJ 85-09] Federally Enforceable Through Title V Permit

CONDITIONS CONTINUE ON NEXT PAGE

63. CGT shall be fired on natural gas only. There shall be no provisions for oil firing. Natural gas used as fuel shall be pipeline quality with sulfur content of 0.3 gr/100 scf or less (0.001% sulfur by weight). [District NSR Rule; Kern County Rule 407] Federally Enforceable Through Title V Permit

64. The HHV and LHV of the gaseous fuel shall be determined using ASTM D3588, ASTM 1826, or ASTM 1945. [District Rule 4703, 6.4.5] Federally Enforceable Through Title V Permit

65. If the turbine is fired on PUC-regulated natural gas, then maintain on file copies of natural gas bills. [District Rule 2520, 9.3.2] Federally Enforceable Through Title V Permit

66. If the turbine is not fired on PUC-regulated natural gas, then the sulfur content of the natural gas being fired in the turbine shall be determined using ASTM method D 1072, D 3246, D4468 or D6667. [40 CFR 60.335(b)(10)] Federally Enforceable Through Title V Permit

67. If the turbine is not fired on PUC-regulated natural gas, the sulfur content of each fuel source shall be tested in accordance with the requirements of 40 CFR 60.334 (h) and 40 CFR 60.334(i). [40 CFR 60.334 (h) and 40 CFR 60.334(i)] Federally Enforceable Through Title V Permit

68. All equipment, facilities, and systems installed or used to achieve compliance with the terms and conditions of this permit shall at all times be maintained in good working order and be operated as efficiently as possible so as to minimize air pollutant emissions. [PSD SJ 85-09] Federally Enforceable Through Title V Permit

69. The owner and operator of the proposed project shall construct and operate the proposed stationary source in compliance with all other applicable provisions of 40 CFR Parts 52, 60 and 61 and all other applicable Federal, State and local air quality regulations. [PSD SJ 85-09] Federally Enforceable Through Title V Permit

70. The cogeneration facility is subject to the federal regulations entitled Standards of Performance for New Stationary Sources (40 CFR 60). The owner or operator shall meet all applicable requirements of Subparts A and GG of this regulation. [PSD SJ 85- 09] Federally Enforceable Through Title V Permit

71. All correspondence as required by this permit shall be forwarded to: a) Director, Enforcement Div (Attn: A-5), EPA Region IX, 75 Hawthorne Street, San Francisco, CA, 94105; b) Chief, Stationary Source Control Division, California Air Resource Board, P.O. Box 2815, Sacramento, CA, 95814; c) Director, SJVUAPCD, 1990 East Gettysburg, Fresno, CA, 93726-0244; and d) the California Energy Commission, 1516 Ninth Street, Sacramento, CA, 95814-5512. [PSD SJ 85-09] Federally Enforceable Through Title V Permit

72. Compliance with permit conditions in the Title V permit shall be deem compliance with the Kern County Rule 407. A permit shield is granted from these requirements. [District Rule 2520, 13.2] Federally Enforceable Through Title V Permit

73. Compliance with permit conditions in the Title V permit shall be deemed compliance with the following applicable requirements: 40 CFR 60.332 (a), and (b); 60.333 (a); 60.334 (b), (c), (h), (i) and (j)(5); and 60.335 (b). A permit shield is granted from these requirements. [District Rule 2520, 13.2] Federally Enforceable Through Title V Permit

74. Compliance with permit conditions in the Title V permit shall be deemed compliance with the following applicable requirements: 40 CFR 60.7(b), 60.8, 60.8(d), 60.13, and 60.13(b); District Rules 1080 (as amended 12/17/92), Sections 6.3, 6.4, 6.5, 7.0, 7.1, 7.2, 7.3, 8.0, 9.0, 10.0, and 11.0; and 1081 (as amended 12/16/93) as of the date of permit issuance. A permit shield is granted from these requirements. [District Rule 2520, 13.2] Federally Enforceable Through Title V Permit

San Joaquin Valley
AIR POLLUTION CONTROL DISTRICT

HEALTHY AIR LIVING™

AUTHORITY TO CONSTRUCT

PERMIT NO: S-511-2-16 **ISSUANCE DATE:** 04/13/2012

LEGAL OWNER OR OPERATOR: SYCAMORE COGENERATION CO
MAILING ADDRESS: PO BOX 80598
BAKERSFIELD, CA 93380

LOCATION: HEAVY OIL CENTRAL
CA

SECTION: 31 **TOWNSHIP:** 28S **RANGE:** 28E

EQUIPMENT DESCRIPTION:
MODIFICATION OF 75 MW GENERAL ELECTRIC MODEL 7EA NATURAL GAS-FIRED COMBUSTION TURBINE COGENERATION UNIT WITH GE ENHANCED DRY LOW NOX DLN1+ COMBUSTORS DISCHARGING TO ATMOSPHERE THROUGH A BYPASS STACK WHEN OPERATED IN SIMPLE CYCLE MODE OR THROUGH UNFIRED 450,000 LB/HR HEAT RECOVERY STEAM GENERATOR WHEN OPERATED IN COGENERATION MODE (SYCAMORE UNIT #2): ALLOW 12 HOUR TUNING START UP PERIOD

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. Excess emissions indicated by the CEM system shall be considered violations of the applicable emission limit for the purposes of this permit. [PSD SJ 85-09] Federally Enforceable Through Title V Permit
4. The CGT combustors shall be a dry low NOx design capable of achieving 3 ppm or lower at 15% O2. [PSD SJ 85-09, X.B] Federally Enforceable Through Title V Permit
5. Sulfur compound emissions shall not exceed 0.015% by volume, 150 ppmv, on a dry basis averaged over 15 consecutive minutes. [40 CFR 60.333(a) and Kern County Rule 407] Federally Enforceable Through Title V Permit

CONDITIONS CONTINUE ON NEXT PAGE

YOU MUST NOTIFY THE DISTRICT COMPLIANCE DIVISION AT (661) 392-5500 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

DAVID WARNER, Director of Permit Services
S-511-2-16 : Apr 13 2012 9:45AM – DAVIDSOS : Joint Inspection NOT Required

6. Exhaust gas particulate matter concentration shall not exceed 0.0072 gr/scf calculated at 12% CO2. [District NSR Rule] Federally Enforceable Through Title V Permit

7. Emission rates from CGT shall not exceed any of the following: PM10 - 5.0 lb/hr, SOx (as SO2) - 0.9 lb/hr, or VOC - 2.5 lb/hr. [District Rule 2201] Federally Enforceable Through Title V Permit

8. Emission rates from CGT shall not exceed any of the following: PM10 - 120.0 lb/day, SOx (as SO2) - 21.6 lb/day, NOx (as NO2) - 552.8 lb/day, VOC - 60.0 lb/day, or CO - 1056.0 lb/day. [District Rule 2201 and PSD SJ 85-09, X.E] Federally Enforceable Through Title V Permit

9. Emission rates from CGT, except during startup, shutdown, tuning start-up, and/or reduced load periods, shall not exceed any of the following: NOx (as NO2) - 3 ppmvd @ 15% O2, 12.4 lb/hr on a 3-hr avg, or CO - 25 ppmvd @ 15% O2, 44.0 lb/hr on a 3-hr avg. [District Rules 2201 and 4703, 5.1.2 & 5.2; and PSD SJ 85-09, X.E] Federally Enforceable Through Title V Permit

10. NO2 and CO daily emissions during days of startup/shutdown shall be calculated from natural gas combustion rates and CEM results. [District Rule 1080] Federally Enforceable Through Title V Permit

11. During startup, shutdown, and tuning start-up, emissions shall not exceed any of the following: 140.0 lb/hr of NOx on a 2-hr avg, 140 lb/hr of CO on a 2-hr avg, or 200 lb/hr of CO on a 1-hr avg. [District Rule 2201] Federally Enforceable Through Title V Permit

12. Startup shall be defined as the period of time during which a unit is brought from a shutdown status to its operating temperature and pressure, including the time required by the unit's emission control system to reach full operations. Shutdown shall be defined as the period of time during which a unit is taken from an operational to a non-operational status as the fuel supply to the unit is completely turned off. [District Rule 4703, 3.29 and 3.26] Federally Enforceable Through Title V Permit

13. A tuning start-up shall be defined as "the period after a combustor unit replacement in which dynamic performance testing and corresponding operating optimization set point adjustment of the combustion system of the CGT is performed to meet the limits of this permit and Rule 4703". A tuning start-up period shall not exceed a time period of 12 consecutive hours per occurrence. [District Rule 4703, 5.3] Federally Enforceable Through Title V Permit

14. The duration of each startup or each shut down time shall not exceed two hours. Startup and shutdown emissions shall be counted toward all applicable emission limits. [District Rule 4703, 5.3.1] Federally Enforceable Through Title V Permit

15. Operations during periods of startup, shutdown, and tuning startup shall not constitute representative conditions for the purpose of a NOx performance test nor shall NOx emissions in excess of the level of the emission limit shown in this permit during periods of startup and shutdown be considered a violation of the applicable emission limit unless otherwise specified in the applicable standard. [40 CFR 60.8(c)] Federally Enforceable Through Title V Permit

16. Each CGT shall have a maximum heat input rate of 1020 MMBTU/hr on an LHV basis. Firing rate can be increased upon District witnessed emission sampling demonstration that compliance with emission sampling limits can be achieved at higher fuel rates. [District NSR Rule] Federally Enforceable Through Title V Permit

17. Permit unit shall include one unfired heat recovery steam generator (HRSG) for gas turbine engine assembly with rated steam output of 450,000 lb/hr at 80% quality steam production. [District NSR Rule] Federally Enforceable Through Title V Permit

18. CGT may exhaust either through unfired 450,000 lb/hr heat recovery steam generator or through bypass stack. [District NSR Rule] Federally Enforceable Through Title V Permit

19. When operating in cogeneration mode, exhaust gas ducting from CGT's through HRSG's to the atmosphere shall be gas-tight. [District NSR Rule] Federally Enforceable Through Title V Permit

20. Bypass stack valve preceding each HRSG shall be designed to be gas-tight to the atmosphere when exhaust is discharged through HRSG and shall be designed to be gas-tight to the HRSG when exhaust is discharged through the bypass stack. [District NSR Rule] Federally Enforceable Through Title V Permit

CONDITIONS CONTINUE ON NEXT PAGE

21. At such times as specified by the USEPA, permittee shall conduct or cause to be conducted performance tests (as described in 40 CFR 60.8) for CO on the exhaust stack gases and furnish the District, the California ARB and the USEPA a written report of the results of such tests. All performance tests shall be conducted on an annual basis and at the maximum operating capacity of the emissions unit being tested. Upon written request from permittee, and adequate justification, USEPA may waive a specific annual test and/or allow for testing to be done at less than maximum operating capacity. [PSD SJ 85- 09] Federally Enforceable Through Title V Permit

22. All continuous monitoring systems and monitoring devices shall be installed and operational prior to conducting performance tests. Verification of operational status shall, as a minimum, include completion of the manufacturer's written requirements or recommendations for installation, operation, and calibration of the device. [40 CFR 60.13(b)] Federally Enforceable Through Title V Permit

23. The USEPA shall be notified in writing at least 30 days in advance of such test to allow time for development of an approvable performance test plan and to arrange for an observer to be present at the test. Such prior approval shall minimize the possibility of USEPA rejection of test results for procedural deficiencies. In lieu of the above mentioned test methods, equivalent methods may be used with prior written approval from the USEPA. [PSD SJ 85-09] Federally Enforceable Through Title V Permit

24. Annual compliance tests shall be conducted by an independent laboratory in accordance with EPA guidelines, witnessed or authorized by the District. Results shall be submitted to the District within 60 days. [District Rule 1081] Federally Enforceable Through Title V Permit

25. Operator shall conform with the compliance testing procedures described in District Rule 1081. [District Rule 1081] Federally Enforceable Through Title V Permit

26. For performance test purposes, sampling ports, platforms, and access shall be provided by the facility on the emission unit exhaust system in accordance with 40 CFR 60.8(e). [PSD SJ 85-09] Federally Enforceable Through Title V Permit

27. Source testing to determine NOx and CO emissions and fuel gas sulfur content shall be conducted annually. [District Rule 1081] Federally Enforceable Through Title V Permit

28. The owner or operator shall provide source test information annually regarding the exhaust gas NOx and CO concentration corrected to 15% O2 (dry). EPA Methods 7E or 20 shall be used for NOx emissions. EPA Methods 10 or 10B shall be used for CO emissions. EPA Methods 3, 3A, or 20 shall be used for Oxygen content of the exhaust gas. [40 CFR 60.8(a), 40 CFR 60.335(b) and District Rule 4703, 5.1, 6.3.1, 6.4.1, 6.4.2, and 6.4.3] Federally Enforceable Through Title V Permit

29. Performance tests for the emissions of CO shall be conducted and results reported in accordance with the test methods set forth in 40 CFR 60.8 and 40 CFR 60, Appendix A. The performance tests for the emissions of CO shall be conducted using EPA Methods 1 through 4 and 10. [PSD SJ 85-09] Federally Enforceable Through Title V Permit

30. The owner or operator shall provide source test information annually regarding the demonstrated percent efficiency (EFF) as defined in District Rule 4703 (as amended 9/20/07), 5.1.1 and 6.4.6. [40 CFR 60.332(a) and (b) and District Rule 4703, 5.1.1 and 6.4.6] Federally Enforceable Through Title V Permit

31. The operator shall perform source testing for PM10 concentration and emission rate once per permit term using EPA Method 5. [40 CFR 60.8 (b) and (c)] Federally Enforceable Through Title V Permit

32. Audits of continuous emission monitoring system shall be conducted in accordance with EPA guidelines, witnessed at the District's discretion, and reports shall be submitted to the District within 60 days of such an audit. [District Rule 1080 and PSD SJ 85-09, X.D.3] Federally Enforceable Through Title V Permit

33. The Relative Accuracy Audit shall be conducted by an independent laboratory in accordance with EPA guidelines, witnessed or authorized by the District. Results shall be submitted to the District within 60 days. [District Rule 1080 and PSD SJ 85-09, X.D.3] Federally Enforceable Through Title V Permit

34. Results of continuous emissions monitoring must be reduced according to the procedure established in 40 CFR, Part 51, Appendix P, paragraphs 5.0 through 5.1.3, or by other methods deemed equivalent by mutual agreement with the District, the ARB, and the EPA. [District Rule 1080, 7.2] Federally Enforceable Through Title V Permit

CONDITIONS CONTINUE ON NEXT PAGE

35. Continuous emission monitoring system for NOx as NO2 and continuous monitoring system for CO & CO2 shall serve each CGT flue gas stream, shall conform to SJVUAPCD Rule 1080 specifications, shall meet EPA monitoring performance specifications, & shall be operational whenever the turbine is in operation. [District Rule 1080 and PSD SJ 85-09, X.D.1 and .2] Federally Enforceable Through Title V Permit

36. The continuous NOx and O2 monitoring system shall meet the performance specification requirements in 40 CFR 60, Appendix F, 40 CFR 51, Appendix P, and Part 60, Appendix B, or shall meet equivalent specifications established by mutual agreement of the District, the ARB, and the EPA. [District Rule 1080, 6.3, 6.5, 6.6 and 7.2] Federally Enforceable Through Title V Permit

37. All continuous emissions monitoring systems shall be calibrated and operated according to EPA guidelines as specified in 40 CFR 60, Appendix B and 40 CFR 52, Appendix E. CEM ppm and lb/hr shall be calculated as a three-hour and a 1-hour average. [District Rule 1080 and PSD SJ 85-09 X.D.2] Federally Enforceable Through Title V Permit

38. Results of the CEM system shall be averaged over a three hour period, using consecutive 15-minute sampling periods in accordance with either EPA Method 7E or EPA Method 20 for NOx, EPA Test Methods 10 or 10B for CO, or EPA Methods 3, 3A, or 20 for O2, or, if continuous emission monitors are used, all applicable requirements of CFR 60.13. [40 CFR 60.13 and District Rule 4703, 5.1, 6.4] Federally Enforceable Through Title V Permit

39. Each 1-hour period in a 1, 2 or 3-hour average will commence on the hour. The 3-hour average will be compiled from the three most recent 1-hour periods. The 2-hour average will be compiled from the two most recent 1-hour periods. [District Rule 1080] Federally Enforceable Through Title V Permit

40. CEM cycling times shall be those specified in 40 CFR, Part 51, Appendix P, Sections 3.4 and 3.4.2, or shall meet equivalent specifications established by mutual agreement of the District, the ARB and the EPA. [District Rule 1080, 6.4] Federally Enforceable Through Title V Permit

41. Operator shall operate and maintain in calibration a system which continuously measures and records the following: control system operating parameters, elapsed time of operation, the exhaust gas NOx and O2 or CO2 concentration . [40 CFR 60.334(b),(c) and District Rules 2520, 9.4.2 and 4703, 6.2.1] Federally Enforceable Through Title V Permit

42. The owner or operator shall maintain records that contain the following: the occurrence and duration of any start-up, shutdown, tuning start-up, or malfunction, performance testing, evaluations, calibrations, checks, adjustments, any periods during which a continuous monitoring system or monitoring device is inoperative, maintenance of any CEM system that has been installed pursuant to District Rule 1080 (as amended 12/17/92), and emission measurements. [40 CFR 60.7(b) and District Rule 1080, 7.3] Federally Enforceable Through Title V Permit

43. The owner or operator of a stationary gas turbine system shall maintain all records of required monitoring data and support information for inspection at any time for a period of five years. [District Rules 2520, 9.4.2 and 4703, 6.2.4] Federally Enforceable Through Title V Permit

44. Daily records of NO2 and CO emission calculations during days of gas turbine startup/shutdown shall be maintained and such records shall be made readily available for District inspection upon request for a period of five years. [District Rule 1080] Federally Enforceable Through Title V Permit

45. The emission control systems shall be in operation and emissions shall be minimized insofar as technologically feasible during startup and shutdown. [District Rule 4703, 5.3.2] Federally Enforceable Through Title V Permit

46. Operator shall maintain a stationary gas turbine operating log that includes, on a daily basis the following: the actual local start-up and stop time, length and reason for reduced load periods, total hours of operation and quantity of fuel used. [40 CFR 60.332(b); District Rules 2520, 9.4.2 and 4703, 6.2.6; PSD SJ 85-09, X.D.1] Federally Enforceable Through Title V Permit

47. Reduced Load Period shall be defined as the time during which a gas turbine is operated at less than rated capacity in order to change the exhaust gas diverter gate not exceeding one hour. [District Rule 4703, 3.23] Federally Enforceable Through Title V Permit

48. The operator performing start-up or shutdown of this unit shall keep records of the duration of start-up or shutdown. [District Rule 4703, 6.2.8] Federally Enforceable Through Title V Permit

CONDITIONS CONTINUE ON NEXT PAGE

49. APCO or an authorized representative shall be allowed to inspect, as he or she determines to be necessary, the monitoring devices required by this rule to ensure that such devices are functioning properly. [District Rule 1080, 11.0] Federally Enforceable Through Title V Permit

50. The owner or operator shall, upon written notice from the APCO, provide a summary of the data obtained from the CEM systems. This summary of data shall be in the form and the manner prescribed by the APCO. [District Rule 1080, 7.1] Federally Enforceable Through Title V Permit

51. When CGT exhausts to bypass stack, the CEM probe located in the transition section shall be used to measure exhaust gas NOx, CO and O2 or CO2 concentration. [District Rule 2201] Federally Enforceable Through Title V Permit

52. Each exhaust stack shall be equipped with permanent stack sampling provisions consistent with District Rule 1081, EPA reference Methods 5 and 8 and OSHA requirements. [District Rule 1081] Federally Enforceable Through Title V Permit

53. Each CGT shall have a fuel consumption monitor/recorder. [District NSR Rule and PSD SJ 85-09, X.D.1] Federally Enforceable Through Title V Permit

54. Operational records (including but not limited to: fuel characteristics, etc.) shall be maintained by Sycamore Cogeneration Company. [District NSR Rule] Federally Enforceable Through Title V Permit

55. Accurate records of NOx (as NO2) and carbon monoxide (CO) flue gas concentrations corrected to 15% O2, dry and CGT fuel sulfur content shall be maintained and shall be reported as described by District Rule 1080 and upon request. [District Rule 1080] Federally Enforceable Through Title V Permit

56. Operator shall submit a quarterly report listing any daily period during which the sulfur content of the fuel being fired in the gas turbine exceeds 0.8% by weight. [40 CFR 60.334(i)] Federally Enforceable Through Title V Permit

57. Quarterly continuous emission monitoring system reports shall be submitted to the District, EPA and CEC, as required by EPA regulations as specified in CFR Title 40, Part 58, Appendix B and Part 60 Appendix B. [District Rule 1080 and PSD SJ 85-09, X.D.5] Federally Enforceable Through Title V Permit

58. Operators of CEM's installed at the direction of the APCO shall submit a written report for each calendar quarter to the APCO and EPA. The report is due on the 30th day following the end of the calendar quarter and shall include the following: A. time intervals, data and magnitude of excess emissions (computed in accordance with 40 CFR 60.13(h)), nature and cause of excess (if known), corrective actions taken and preventive measures adopted; B. averaging period used for data reporting corresponding to the averaging period specified in the emission test period used to determine compliance with an emission standard. [40 CFR 60.334 (j)(5); District Rule 1080, 8.0 and PSD SJ 85-09, X.D.3 and X.D.5.a through e] Federally Enforceable Through Title V Permit

59. The written report for each calendar quarter shall also include the following: C. applicable time and date of each period during which the CEM was inoperative (except for zero and span checks) and the nature of system repairs and adjustments; D. a negative declaration when no excess emissions occurred. Excess emissions shall be defined as any 3-hour period during which the average emissions for CO, as measured by the CEM system, exceeds the emission limit set forth in PSD SJ 85-09, X.E. [District Rule 1080, 8.0; PSD SJ 85-09, X.D.3 and X.D.5.a through e] Federally Enforceable Through Title V Permit

60. A violation of NOx emission standards indicated by the NOx CEM shall be reported by the operator to the APCO within 96 hours. [District Rule 1080, 9.0] Federally Enforceable Through Title V Permit

61. The APCO shall be notified no later than one hour after the detection of a breakdown of the CEM. The operator shall inform the APCO of the intent to shut down the CEM at least 24 hours prior to the event. [District Rules 1080, 10.0 and 1100, 6.1; PSD SJ 85-09, X.D.3] Federally Enforceable Through Title V Permit

62. The Regional Administrator shall be notified by telephone within 48 hours following any failure of air pollution control equipment, process equipment, or of a process to operate in a normal manner which results in an increase in emissions above any allowable emissions limit stated in this permit. In addition, the Regional Administrator shall be notified in writing within 15 days of any such failure. [PSD SJ 85-09] Federally Enforceable Through Title V Permit

CONDITIONS CONTINUE ON NEXT PAGE

63. This notification shall include a description of the malfunctioning equipment or abnormal operation, the date of initial failure, the period of time over which emissions were increased due to the failure, the cause of the failure, the estimated resultant emissions in excess of those allowed under the conditions of this permit, and the methods utilized to restore normal operations. Compliance with this malfunction notification provision shall not excuse or otherwise constitute a defense to any violations of this permit or of any law or regulations which such malfunction may cause. [PSD SJ 85-09] Federally Enforceable Through Title V Permit

64. CGT shall be fired on natural gas only. There shall be no provisions for oil firing. Natural gas used as fuel shall be pipeline quality with sulfur content of 0.3 gr/100 scf or less (0.001% sulfur by weight). [District NSR Rule; Kern County Rule 407] Federally Enforceable Through Title V Permit

65. The HHV and LHV of the gaseous fuel shall be determined using ASTM D3588, ASTM 1826, or ASTM 1945. [District Rule 4703, 6.4.5] Federally Enforceable Through Title V Permit

66. If the turbine is fired on PUC-regulated natural gas, then maintain on file copies of natural gas bills. [District Rule 2520, 9.3.2] Federally Enforceable Through Title V Permit

67. If the turbine is not fired on PUC-regulated natural gas, then the sulfur content of the natural gas being fired in the turbine shall be determined using ASTM method D 1072, D 3246, D4468 or D6667. [40 CFR 60.335(b)(10)] Federally Enforceable Through Title V Permit

68. If the turbine is not fired on PUC-regulated natural gas, the sulfur content of each fuel source shall be tested in accordance with the requirements of 40 CFR 60.334 (h) and 40 CFR 60.334(i). [40 CFR 60.334 (h) and 40 CFR 60.334(i)] Federally Enforceable Through Title V Permit

69. All equipment, facilities, and systems installed or used to achieve compliance with the terms and conditions of this permit shall at all times be maintained in good working order and be operated as efficiently as possible so as to minimize air pollutant emissions. [PSD SJ 85-09] Federally Enforceable Through Title V Permit

70. The owner and operator of the proposed project shall construct and operate the proposed stationary source in compliance with all other applicable provisions of 40 CFR Parts 52, 60 and 61 and all other applicable Federal, State and local air quality regulations. [PSD SJ 85-09] Federally Enforceable Through Title V Permit

71. The cogeneration facility is subject to the federal regulations entitled Standards of Performance for New Stationary Sources (40 CFR 60). The owner or operator shall meet all applicable requirements of Subparts A and GG of this regulation. [PSD SJ 85- 09] Federally Enforceable Through Title V Permit

72. All correspondence as required by this permit shall be forwarded to: a) Director, Enforcement Div (Attn: A-5), EPA Region IX, 75 Hawthorne Street, San Francisco, CA, 94105; b) Chief, Stationary Source Control Division, California Air Resource Board, P.O. Box 2815, Sacramento, CA, 95814; c) Director, SJVUAPCD, 1990 East Gettysburg, Fresno, CA, 93726-0244; and d) the California Energy Commission, 1516 Ninth Street, Sacramento, CA, 95814-5512. [PSD SJ 85-09] Federally Enforceable Through Title V Permit

73. Compliance with permit conditions in the Title V permit shall be deem compliance with the Kern County Rule 407. A permit shield is granted from these requirements. [District Rule 2520, 13.2] Federally Enforceable Through Title V Permit

74. Compliance with permit conditions in the Title V permit shall be deemed compliance with the following applicable requirements: 40 CFR 60.332 (a), and (b); 60.333 (a); 60.334 (b), (c), (h), (i) and (j)(5); and 60.335 (b). A permit shield is granted from these requirements. [District Rule 2520, 13.2] Federally Enforceable Through Title V Permit

75. Compliance with permit conditions in the Title V permit shall be deemed compliance with the following applicable requirements: 40 CFR 60.7(b), 60.8, 60.8(d), 60.13, and 60.13(b); District Rules 1080 (as amended 12/17/92), Sections 6.3, 6.4, 6.5, 7.0, 7.1, 7.2, 7.3, 8.0, 9.0, 10.0, and 11.0; and 1081 (as amended 12/16/93) as of the date of permit issuance. A permit shield is granted from these requirements. [District Rule 2520, 13.2] Federally Enforceable Through Title V Permit

San Joaquin Valley
AIR POLLUTION CONTROL DISTRICT

HEALTHY AIR LIVING™

AUTHORITY TO CONSTRUCT

PERMIT NO: S-511-3-16 **ISSUANCE DATE:** 04/13/2012

LEGAL OWNER OR OPERATOR: SYCAMORE COGENERATION CO
MAILING ADDRESS: PO BOX 80598
BAKERSFIELD, CA 93380

LOCATION: HEAVY OIL CENTRAL
CA

SECTION: NW30 **TOWNSHIP:** 28S **RANGE:** 28E

EQUIPMENT DESCRIPTION:
MODIFICATION OF 75 MW GENERAL ELECTRIC MODEL 7EA NATURAL GAS-FIRED COMBUSTION TURBINE COGENERATION UNIT WITH GE ENHANCED DRY LOW NOX DLN1+ COMBUSTOR TECHNOLOGY DISCHARGING TO ATMOSPHERE THROUGH A BYPASS STACK WHEN OPERATED IN SIMPLE CYCLE MODE OR THROUGH UNFIRED 450,000 LB/HR HEAT RECOVERY STEAM GENERATOR WHEN OPERATED IN COGENERATION MODE (SYCAMORE UNIT #3): ALLOW 12 HOUR TUNING START UP PERIOD

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. Excess emissions indicated by the CEM system shall be considered violations of the applicable emission limit for the purposes of this permit. [PSD SJ 85-09] Federally Enforceable Through Title V Permit
4. The CGT combustors shall be a dry low NOx design capable of achieving 3 ppm or lower at 15% O2. [PSD SJ 85-09, X.B] Federally Enforceable Through Title V Permit
5. Sulfur compound emissions shall not exceed 0.015% by volume, 150 ppmv, on a dry basis averaged over 15 consecutive minutes. [40 CFR 60.333(a) and Kern County Rule 407] Federally Enforceable Through Title V Permit

CONDITIONS CONTINUE ON NEXT PAGE

YOU MUST NOTIFY THE DISTRICT COMPLIANCE DIVISION AT (661) 392-5500 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

DAVID WARNER, Director of Permit Services
S-511-3-16: Apr 13 2012 9:45AM – DAVIDSOS : Joint Inspection NOT Required

6. Exhaust gas particulate matter concentration shall not exceed 0.0072 gr/scf calculated at 12% CO2. [District NSR Rule] Federally Enforceable Through Title V Permit

7. Emission rates from CGT shall not exceed any of the following: PM10 - 5.0 lb/hr, SOx (as SO2) - 0.9 lb/hr, or VOC - 2.5 lb/hr. [District Rule 2201] Federally Enforceable Through Title V Permit

8. Emission rates from CGT shall not exceed any of the following: PM10 - 120.0 lb/day, SOx (as SO2) - 21.6 lb/day, NOx (as NO2) - 552.8 lb/day, VOC - 60.0 lb/day, or CO - 1056.0 lb/day. [District Rule 2201] Federally Enforceable Through Title V Permit

9. Emission rates from CGT, except during startup, shutdown, tuning start-up, and/or reduced load periods, shall not exceed any of the following: NOx (as NO2) - 3 ppmvd @ 15% O2, 12.4 lb/hr on a 3-hr avg, or CO - 25 ppmvd @ 15% O2, 44.0 lb/hr on a 3-hr avg. [District Rules 2201 and 4703, 5.1.2 & 5.2; and PSD SJ 85-09, X.E] Federally Enforceable Through Title V Permit

10. During startup, shutdown, and tuning start-up, emissions shall not exceed any of the following: 140.0 lb/hr of NOx on a 2-hr avg, 140 lb/hr of CO on a 2-hr avg, or 200 lb/hr of CO on a 1-hr avg. [District Rule 2201] Federally Enforceable Through Title V Permit

11. NO2 and CO daily emissions during days of startup/shutdown shall be calculated from natural gas combustion rates and CEM results. [District Rule 1080] Federally Enforceable Through Title V Permit

12. Startup shall be defined as the period of time during which a unit is brought from a shutdown status to its operating temperature and pressure, including the time required by the unit's emission control system to reach full operations. Shutdown shall be defined as the period of time during which a unit is taken from an operational to a non-operational status as the fuel supply to the unit is completely turned off. [District Rule 4703, 3.29 and 3.26] Federally Enforceable Through Title V Permit

13. A tuning start-up shall be defined as "the period after a combustor unit replacement in which dynamic performance testing and corresponding operating optimization set point adjustment of the combustion system of the CGT is performed to meet the limits of this permit and Rule 4703". A tuning start-up period shall not exceed a time period of 12 consecutive hours per occurrence. [District Rule 4703, 5.3] Federally Enforceable Through Title V Permit

14. The duration of each startup or each shut down time shall not exceed two hours. Startup and shutdown emissions shall be counted toward all applicable emission limits. [District Rule 4703, 5.3.1] Federally Enforceable Through Title V Permit

15. Operations during periods of startup, shutdown, and tuning startup shall not constitute representative conditions for the purpose of a NOx performance test nor shall NOx emissions in excess of the level of the emission limit shown in this permit during periods of startup and shutdown be considered a violation of the applicable emission limit unless otherwise specified in the applicable standard. [40 CFR 60.8(c)] Federally Enforceable Through Title V Permit

16. Each CGT shall have a maximum heat input rate of 1020 MMBTU/hr on an LHV basis. Firing rate can be increased upon District witnessed emission sampling demonstration that compliance with emission sampling limits can be achieved at higher fuel rates. [District NSR Rule] Federally Enforceable Through Title V Permit

17. Permit unit shall include one unfired heat recovery steam generator (HRSG) for gas turbine engine assembly with rated steam output of 450,000 lb/hr at 80% quality steam production. [District NSR Rule] Federally Enforceable Through Title V Permit

18. CGT may exhaust either through unfired 450,000 lb/hr heat recovery steam generator or through bypass stack. [District NSR Rule] Federally Enforceable Through Title V Permit

19. When operating in cogeneration mode, exhaust gas ducting from CGT's through HRSG's to the atmosphere shall be gas-tight. [District NSR Rule] Federally Enforceable Through Title V Permit

20. When CGT exhausts to bypass stack, the CEM probe located in the transition section shall be used to measure exhaust gas NOx, CO and O2 or CO2 concentration. [District Rule 2201] Federally Enforceable Through Title V Permit

21. Bypass stack valve preceding each HRSG shall be designed to be gas-tight to the atmosphere when exhaust is discharged through HRSG and shall be designed to be gas-tight to the HRSG when exhaust is discharged through the bypass stack. [District NSR Rule] Federally Enforceable Through Title V Permit

CONDITIONS CONTINUE ON NEXT PAGE

22. At such times as specified by the USEPA, permittee shall conduct or cause to be conducted performance tests (as described in 40 CFR 60.8) for CO on the exhaust stack gases and furnish the District, the California ARB and the USEPA a written report of the results of such tests. All performance tests shall be conducted on an annual basis and at the maximum operating capacity of the emissions unit being tested. Upon written request from permittee, and adequate justification, USEPA may waive a specific annual test and/or allow for testing to be done at less than maximum operating capacity. [PSD SJ 85- 09] Federally Enforceable Through Title V Permit

23. All continuous monitoring systems and monitoring devices shall be installed and operational prior to conducting performance tests. Verification of operational status shall, as a minimum, include completion of the manufacturer's written requirements or recommendations for installation, operation, and calibration of the device. [40 CFR 60.13(b)] Federally Enforceable Through Title V Permit

24. The USEPA shall be notified in writing at least 30 days in advance of such test to allow time for development of an approvable performance test plan and to arrange for an observer to be present at the test. Such prior approval shall minimize the possibility of USEPA rejection of test results for procedural deficiencies. In lieu of the above mentioned test methods, equivalent methods may be used with prior written approval from the USEPA. [PSD SJ 85-09] Federally Enforceable Through Title V Permit

25. Annual compliance tests shall be conducted by an independent laboratory in accordance with EPA guidelines, witnessed or authorized by the District. Results shall be submitted to the District within 60 days. [District Rule 1081] Federally Enforceable Through Title V Permit

26. Operator shall conform with the compliance testing procedures described in District Rule 1081. [District Rule 1081] Federally Enforceable Through Title V Permit

27. For performance test purposes, sampling ports, platforms, and access shall be provided by the facility on the emission unit exhaust system in accordance with 40 CFR 60.8(e). [PSD SJ 85-09] Federally Enforceable Through Title V Permit

28. Source testing to determine NOx and CO emissions and fuel gas sulfur content shall be conducted annually. [District Rule 1081] Federally Enforceable Through Title V Permit

29. The owner or operator shall provide source test information annually regarding the exhaust gas NOx and CO concentration corrected to 15% O2 (dry). EPA Methods 7E or 20 shall be used for NOx emissions. EPA Methods 10 or 10B shall be used for CO emissions. EPA Methods 3, 3A, or 20 shall be used for Oxygen content of the exhaust gas. [40 CFR 60.8(a), 40 CFR 60.335(b) and District Rule 4703, 5.1, 6.3.1, 6.4.1, 6.4.2, and 6.4.3] Federally Enforceable Through Title V Permit

30. Performance tests for the emissions of CO shall be conducted and results reported in accordance with the test methods set forth in 40 CFR 60.8 and 40 CFR 60, Appendix A. The performance tests for the emissions of CO shall be conducted using EPA Methods 1 through 4 and 10. [PSD SJ 85-09] Federally Enforceable Through Title V Permit

31. The owner or operator shall provide source test information annually regarding the demonstrated percent efficiency (EFF) as defined in District Rule 4703 (as amended 9/20/07), 5.1.1 and 6.4.6. [40 CFR 60.332(a) and (b) and District Rule 4703, 5.1.1 and 6.4.6] Federally Enforceable Through Title V Permit

32. The operator shall perform source testing for PM10 concentration and emission rate once per permit term using EPA Method 5. [40 CFR 60.8 (b) and (c)] Federally Enforceable Through Title V Permit

33. Audits of continuous emission monitoring system shall be conducted in accordance with EPA guidelines, witnessed at the District's discretion, and reports shall be submitted to the District within 60 days of such an audit. [District Rule 1080 and PSD SJ 85-09, X.D.3] Federally Enforceable Through Title V Permit

34. The Relative Accuracy Audit shall be conducted by an independent laboratory in accordance with EPA guidelines, witnessed or authorized by the District. Results shall be submitted to the District within 60 days. [District Rule 1080 and PSD SJ 85-09, X.D.3] Federally Enforceable Through Title V Permit

35. Results of continuous emissions monitoring must be reduced according to the procedure established in 40 CFR, Part 51, Appendix P, paragraphs 5.0 through 5.1.3, or by other methods deemed equivalent by mutual agreement with the District, the ARB, and the EPA. [District Rule 1080, 7.2] Federally Enforceable Through Title V Permit

CONDITIONS CONTINUE ON NEXT PAGE

36. Continuous emission monitoring system for NOx as NO2 and continuous monitoring system for CO & CO2 shall serve each CGT flue gas stream, shall conform to SJVUAPCD Rule 1080 specifications, shall meet EPA monitoring performance specifications, & shall be operational whenever the turbine is in operation. [District Rule 1080 and PSD SJ 85-09, X.D.1 and .2] Federally Enforceable Through Title V Permit

37. The continuous NOx and O2 monitoring system shall meet the performance specification requirements in 40 CFR 60, Appendix F, 40 CFR 51, Appendix P, and Part 60, Appendix B, or shall meet equivalent specifications established by mutual agreement of the District, the ARB, and the EPA. [District Rule 1080, 6.3, 6.5, 6.6 and 7.2] Federally Enforceable Through Title V Permit

38. All continuous emissions monitoring systems shall be calibrated and operated according to EPA guidelines as specified in 40 CFR 60, Appendix B and 40 CFR 52, Appendix E. CEM ppm and lb/hr shall be calculated as a three-hour and a 1-hour average. [District Rule 1080 and PSD SJ 85-09 X.D.2] Federally Enforceable Through Title V Permit

39. Results of the CEM system shall be averaged over a three hour period, using consecutive 15-minute sampling periods in accordance with either EPA Method 7E or EPA Method 20 for NOx, EPA Test Methods 10 or 10B for CO, or EPA Methods 3, 3A, or 20 for O2, or, if continuous emission monitors are used, all applicable requirements of CFR 60.13. [40 CFR 60.13 and District Rule 4703, 5.1, 6.4] Federally Enforceable Through Title V Permit

40. Each 1-hour period in a 1, 2 or 3-hour average will commence on the hour. The 3-hour average will be compiled from the three most recent 1-hour periods. The 2-hour average will be compiled from the two most recent 1-hour periods. [District Rule 1080] Federally Enforceable Through Title V Permit

41. CEM cycling times shall be those specified in 40 CFR, Part 51, Appendix P, Sections 3.4 and 3.4.2, or shall meet equivalent specifications established by mutual agreement of the District, the ARB and the EPA. [District Rule 1080, 6.4] Federally Enforceable Through Title V Permit

42. Operator shall operate and maintain in calibration a system which continuously measures and records the following: control system operating parameters, elapsed time of operation, the exhaust gas NOx and O2 or CO2 concentration . [40 CFR 60.334(b),(c) and District Rules 2520, 9.4.2 and 4703, 6.2.1] Federally Enforceable Through Title V Permit

43. The owner or operator shall maintain records that contain the following: the occurrence and duration of any start-up, shutdown, tuning start-up, or malfunction, performance testing, evaluations, calibrations, checks, adjustments, any periods during which a continuous monitoring system or monitoring device is inoperative, maintenance of any CEM system that has been installed pursuant to District Rule 1080 (as amended 12/17/92), and emission measurements. [40 CFR 60.7(b) and District Rule 1080, 7.3] Federally Enforceable Through Title V Permit

44. The owner or operator of a stationary gas turbine system shall maintain all records of required monitoring data and support information for inspection at any time for a period of five years. [District Rules 2520, 9.4.2 and 4703, 6.2.4] Federally Enforceable Through Title V Permit

45. Daily records of NO2 and CO emission calculations during days of gas turbine startup/shutdown shall be maintained and such records shall be made readily available for District inspection upon request for a period of five years. [District Rule 1080] Federally Enforceable Through Title V Permit

46. The emission control systems shall be in operation and emissions shall be minimized insofar as technologically feasible during startup and shutdown. [District Rule 4703, 5.3.2] Federally Enforceable Through Title V Permit

47. Operator shall maintain a stationary gas turbine operating log that includes, on a daily basis the following: the actual local start-up and stop time, length and reason for reduced load periods, total hours of operation and quantity of fuel used. [40 CFR 60.332(b); District Rules 2520, 9.4.2 and 4703, 6.2.6; PSD SJ 85-09, X.D.1] Federally Enforceable Through Title V Permit

48. Reduced Load Period shall be defined as the time during which a gas turbine is operated at less than rated capacity in order to change the exhaust gas diverter gate not exceeding one hour. [District Rule 4703, 3.23] Federally Enforceable Through Title V Permit

49. The operator performing start-up or shutdown of this unit shall keep records of the duration of start-up or shutdown. [District Rule 4703, 6.2.8] Federally Enforceable Through Title V Permit

CONDITIONS CONTINUE ON NEXT PAGE

50. APCO or an authorized representative shall be allowed to inspect, as he or she determines to be necessary, the monitoring devices required by this rule to ensure that such devices are functioning properly. [District Rule 1080, 11.0] Federally Enforceable Through Title V Permit

51. The owner or operator shall, upon written notice from the APCO, provide a summary of the data obtained from the CEM systems. This summary of data shall be in the form and the manner prescribed by the APCO. [District Rule 1080, 7.1] Federally Enforceable Through Title V Permit

52. Each exhaust stack shall be equipped with permanent stack sampling provisions consistent with District Rule 1081, EPA reference Methods 5 and 8 and OSHA requirements. [District Rule 1081] Federally Enforceable Through Title V Permit

53. Each CGT shall have a fuel consumption monitor/recorder. [District NSR Rule and PSD SJ 85-09, X.D.1] Federally Enforceable Through Title V Permit

54. Operational records (including but not limited to: fuel characteristics, etc.) shall be maintained by Sycamore Cogeneration Company. [District NSR Rule] Federally Enforceable Through Title V Permit

55. Accurate records of NOx (as NO2) and carbon monoxide (CO) flue gas concentrations corrected to 15% O2, dry and CGT fuel sulfur content shall be maintained and shall be reported as described by District Rule 1080 and upon request. [District Rule 1080] Federally Enforceable Through Title V Permit

56. Operator shall submit a quarterly report listing any daily period during which the sulfur content of the fuel being fired in the gas turbine exceeds 0.8% by weight. [40 CFR 60.334(i)] Federally Enforceable Through Title V Permit

57. Quarterly continuous emission monitoring system reports shall be submitted to the District, EPA and CEC, as required by EPA regulations as specified in CFR Title 40, Part 58, Appendix B and Part 60 Appendix B. [District Rule 1080 and PSD SJ 85-09, X.D.5] Federally Enforceable Through Title V Permit

58. Operators of CEM's installed at the direction of the APCO shall submit a written report for each calendar quarter to the APCO and EPA. The report is due on the 30th day following the end of the calendar quarter and shall include the following: A. time intervals, data and magnitude of excess emissions (computed in accordance with 40 CFR 60.13(h)), nature and cause of excess (if known), corrective actions taken and preventive measures adopted; B. averaging period used for data reporting corresponding to the averaging period specified in the emission test period used to determine compliance with an emission standard. [40 CFR 60.334 (j)(5); District Rule 1080, 8.0 and PSD SJ 85-09, X.D.3 and X.D.5.a through e] Federally Enforceable Through Title V Permit

59. The written report for each calendar quarter shall also include the following: C. applicable time and date of each period during which the CEM was inoperative (except for zero and span checks) and the nature of system repairs and adjustments; D. a negative declaration when no excess emissions occurred. Excess emissions shall be defined as any 3-hour period during which the average emissions for CO, as measured by the CEM system, exceeds the emission limit set forth in PSD SJ 85-09, X.E. [District Rule 1080, 8.0; PSD SJ 85-09, X.D.3 and X.D.5.a through e] Federally Enforceable Through Title V Permit

60. A violation of NOx emission standards indicated by the NOx CEM shall be reported by the operator to the APCO within 96 hours. [District Rule 1080, 9.0] Federally Enforceable Through Title V Permit

61. The APCO shall be notified no later than one hour after the detection of a breakdown of the CEM. The operator shall inform the APCO of the intent to shut down the CEM at least 24 hours prior to the event. [District Rules 1080, 10.0 and 1100, 6.1; PSD SJ 85-09, X.D.3] Federally Enforceable Through Title V Permit

62. The APCO shall be notified no later than eight hours after the detection of a breakdown of the CEM. The operator shall inform the APCO of the intent to shut down the CEM at least 24 hours prior to the event. [PSD SJ 85-09, X.D.3] Federally Enforceable Through Title V Permit

63. The Regional Administrator shall be notified by telephone within 48 hours following any failure of air pollution control equipment, process equipment, or of a process to operate in a normal manner which results in an increase in emissions above any allowable emissions limit stated in this permit. In addition, the Regional Administrator shall be notified in writing within 15 days of any such failure. [PSD SJ 85-09] Federally Enforceable Through Title V Permit

CONDITIONS CONTINUE ON NEXT PAGE

64. This notification shall include a description of the malfunctioning equipment or abnormal operation, the date of initial failure, the period of time over which emissions were increased due to the failure, the cause of the failure, the estimated resultant emissions in excess of those allowed under the conditions of this permit, and the methods utilized to restore normal operations. Compliance with this malfunction notification provision shall not excuse or otherwise constitute a defense to any violations of this permit or of any law or regulations which such malfunction may cause. [PSD SJ 85-09] Federally Enforceable Through Title V Permit

65. CGT shall be fired on natural gas only. There shall be no provisions for oil firing. Natural gas used as fuel shall be pipeline quality with sulfur content of 0.3 gr/100 scf or less (0.001% sulfur by weight). [District NSR Rule; Kern County Rule 407] Federally Enforceable Through Title V Permit

66. The HHV and LHV of the gaseous fuel shall be determined using ASTM D3588, ASTM 1826, or ASTM 1945. [District Rule 4703, 6.4.5] Federally Enforceable Through Title V Permit

67. If the turbine is fired on PUC-regulated natural gas, then maintain on file copies of natural gas bills. [District Rule 2520, 9.3.2] Federally Enforceable Through Title V Permit

68. If the turbine is not fired on PUC-regulated natural gas, then the sulfur content of the natural gas being fired in the turbine shall be determined using ASTM method D 1072, D 3246, D4468 or D6667. [40 CFR 60.335(b)(10)] Federally Enforceable Through Title V Permit

69. If the turbine is not fired on PUC-regulated natural gas, the sulfur content of each fuel source shall be tested in accordance with the requirements of 40 CFR 60.334 (h) and 40 CFR 60.334(i). [40 CFR 60.334 (h) and 40 CFR 60.334(i)] Federally Enforceable Through Title V Permit

70. All equipment, facilities, and systems installed or used to achieve compliance with the terms and conditions of this permit shall at all times be maintained in good working order and be operated as efficiently as possible so as to minimize air pollutant emissions. [PSD SJ 85-09] Federally Enforceable Through Title V Permit

71. The owner and operator of the proposed project shall construct and operate the proposed stationary source in compliance with all other applicable provisions of 40 CFR Parts 52, 60 and 61 and all other applicable Federal, State and local air quality regulations. [PSD SJ 85-09] Federally Enforceable Through Title V Permit

72. The cogeneration facility is subject to the federal regulations entitled Standards of Performance for New Stationary Sources (40 CFR 60). The owner or operator shall meet all applicable requirements of Subparts A and GG of this regulation. [PSD SJ 85- 09] Federally Enforceable Through Title V Permit

73. All correspondence as required by this permit shall be forwarded to: a) Director, Enforcement Div (Attn: A-5), EPA Region IX, 75 Hawthorne Street, San Francisco, CA, 94105; b) Chief, Stationary Source Control Division, California Air Resource Board, P.O. Box 2815, Sacramento, CA, 95814; c) Director, SJVUAPCD, 1990 East Gettysburg, Fresno, CA, 93726-0244; and d) the California Energy Commission, 1516 Ninth Street, Sacramento, CA, 95814-5512. [PSD SJ 85-09] Federally Enforceable Through Title V Permit

74. Compliance with permit conditions in the Title V permit shall be deem compliance with the Kern County Rule 407. A permit shield is granted from these requirements. [District Rule 2520, 13.2] Federally Enforceable Through Title V Permit

75. Compliance with permit conditions in the Title V permit shall be deemed compliance with the following applicable requirements: 40 CFR 60.332 (a), and (b); 60.333 (a); 60.334 (b), (c), (h), (i) and (j)(5); and 60.335 (b). A permit shield is granted from these requirements. [District Rule 2520, 13.2] Federally Enforceable Through Title V Permit

76. Compliance with permit conditions in the Title V permit shall be deemed compliance with the following applicable requirements: 40 CFR 60.7(b), 60.8, 60.8(d), 60.13, and 60.13(b); District Rules 1080 (as amended 12/17/92), Sections 6.3, 6.4, 6.5, 7.0, 7.1, 7.2, 7.3, 8.0, 9.0, 10.0, and 11.0; and 1081 (as amended 12/16/93) as of the date of permit issuance. A permit shield is granted from these requirements. [District Rule 2520, 13.2] Federally Enforceable Through Title V Permit

San Joaquin Valley
AIR POLLUTION CONTROL DISTRICT

HEALTHY AIR LIVING™

AUTHORITY TO CONSTRUCT

PERMIT NO: S-511-4-15 **ISSUANCE DATE:** 04/13/2012

LEGAL OWNER OR OPERATOR: SYCAMORE COGENERATION CO
MAILING ADDRESS: PO BOX 80598
BAKERSFIELD, CA 93380

LOCATION: HEAVY OIL CENTRAL
CA

SECTION: NW30 **TOWNSHIP:** 28S **RANGE:** 28E

EQUIPMENT DESCRIPTION:
MODIFICATION OF 75 MW GENERAL ELECTRIC MODEL 7EA NATURAL GAS-FIRED COMBUSTION TURBINE COGENERATION UNIT WITH GE ENHANCED DRY LOW NOX DLN1+ COMBUSTORS AND INDIVIDUAL NOX, CO AND DILUENT (CO2 OR O2) CEMS ANALYZERS DISCHARGING TO ATMOSPHERE THROUGH A BYPASS STACK WHEN OPERATED IN SIMPLE CYCLE MODE OR THROUGH UNFIRED 450,000 LB/HR HEAT RECOVERY STEAM GENERATOR WHEN OPERATED IN COGENERATION MODE (SYCAMORE UNIT #4): ALLOW 12 HOUR TUNING START UP PERIOD

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. Excess emissions indicated by the CEM system shall be considered violations of the applicable emission limit for the purposes of this permit. [PSD SJ 85-09] Federally Enforceable Through Title V Permit
4. The CGT combustors shall be a dry low NOx design capable of achieving 3 ppm or lower at 15% O2. [PSD SJ 85-09, X.B] Federally Enforceable Through Title V Permit
5. Sulfur compound emissions shall not exceed 0.015% by volume, 150 ppmv, on a dry basis averaged over 15 consecutive minutes. [40 CFR 60.333(a) and Kern County Rule 407] Federally Enforceable Through Title V Permit

CONDITIONS CONTINUE ON NEXT PAGE

YOU MUST NOTIFY THE DISTRICT COMPLIANCE DIVISION AT (661) 392-5500 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

DAVID WARNER, Director of Permit Services

S-511-4-15 : Apr 13 2012 9:45AM – DAVIDSOS : Joint Inspection NOT Required

6. Exhaust gas particulate matter concentration shall not exceed 0.0072 gr/scf calculated at 12% CO2. [District NSR Rule] Federally Enforceable Through Title V Permit

7. Emission rates from CGT shall not exceed any of the following: PM10 - 5.0 lb/hr, SOx (as SO2) - 0.9 lb/hr, or VOC - 2.5 lb/hr. [District Rule 2201] Federally Enforceable Through Title V Permit

8. Emission rates from CGT shall not exceed any of the following: PM10 - 120.0 lb/day, SOx (as SO2) - 21.6 lb/day, NOx (as NO2) - 552.8 lb/day, VOC - 60.0 lb/day, or CO - 1056.0 lb/day. [District Rule 2201 and PSD SJ 85-09, X.E] Federally Enforceable Through Title V Permit

9. Emission rates from CGT, except during startup, shutdown, tuning start-up, and/or reduced load periods, shall not exceed any of the following: NOx (as NO2) - 3 ppmvd @ 15% O2, 12.4 lb/hr on a 3-hr avg, or CO - 25 ppmvd @ 15% O2, 44.0 lb/hr on a 3-hr avg. [District Rules 2201 and 4703, 5.1.2 & 5.2; and PSD SJ 85-09, X.E] Federally Enforceable Through Title V Permit

10. NO2 and CO daily emissions during days of startup/shutdown shall be calculated from natural gas combustion rates and CEM results. [District Rule 1080] Federally Enforceable Through Title V Permit

11. During startup, shutdown, and tuning start-up, emissions shall not exceed any of the following: 140.0 lb/hr of NOx on a 2-hr avg, 140 lb/hr of CO on a 2-hr avg, or 200 lb/hr of CO on a 1-hr avg. [District Rule 2201] Federally Enforceable Through Title V Permit

12. Startup shall be defined as the period of time during which a unit is brought from a shutdown status to its operating temperature and pressure, including the time required by the unit's emission control system to reach full operations. Shutdown shall be defined as the period of time during which a unit is taken from an operational to a non-operational status as the fuel supply to the unit is completely turned off. [District Rule 4703, 3.29 and 3.26] Federally Enforceable Through Title V Permit

13. A tuning start-up shall be defined as "the period after a combustor unit replacement in which dynamic performance testing and corresponding operating optimization set point adjustment of the combustion system of the CGT is performed to meet the limits of this permit and Rule 4703". A tuning start-up period shall not exceed a time period of 12 consecutive hours per occurrence. [District Rule 4703, 5.3] Federally Enforceable Through Title V Permit

14. The duration of each startup or each shut down time shall not exceed two hours. Startup and shutdown emissions shall be counted toward all applicable emission limits. [District Rule 4703, 5.3.1] Federally Enforceable Through Title V Permit

15. Operations during periods of startup, shutdown, and tuning startup shall not constitute representative conditions for the purpose of a NOx performance test nor shall NOx emissions in excess of the level of the emission limit shown in this permit during periods of startup and shutdown be considered a violation of the applicable emission limit unless otherwise specified in the applicable standard. [40 CFR 60.8(c)] Federally Enforceable Through Title V Permit

16. Each CGT shall have a maximum heat input rate of 1020 MMBTU/hr on an LHV basis. Firing rate can be increased upon District witnessed emission sampling demonstration that compliance with emission sampling limits can be achieved at higher fuel rates. [District NSR Rule] Federally Enforceable Through Title V Permit

17. Permit unit shall include one unfired heat recovery steam generator (HRSG) for gas turbine engine assembly with rated steam output of 450,000 lb/hr at 80% quality steam production. [District NSR Rule] Federally Enforceable Through Title V Permit

18. CGT may exhaust either through unfired 450,000 lb/hr heat recovery steam generator or through bypass stack. [District NSR Rule] Federally Enforceable Through Title V Permit

19. When operating in cogeneration mode, exhaust gas ducting from CGT's through HRSG's to the atmosphere shall be gas-tight. [District NSR Rule] Federally Enforceable Through Title V Permit

20. Bypass stack valve preceding each HRSG shall be designed to be gas-tight to the atmosphere when exhaust is discharged through HRSG and shall be designed to be gas-tight to the HRSG when exhaust is discharged through the bypass stack. [District NSR Rule] Federally Enforceable Through Title V Permit

CONDITIONS CONTINUE ON NEXT PAGE

21. At such times as specified by the USEPA, permittee shall conduct or cause to be conducted performance tests (as described in 40 CFR 60.8) for CO on the exhaust stack gases and furnish the District, the California ARB and the USEPA a written report of the results of such tests. All performance tests shall be conducted on an annual basis and at the maximum operating capacity of the emissions unit being tested. Upon written request from permittee, and adequate justification, USEPA may waive a specific annual test and/or allow for testing to be done at less than maximum operating capacity. [PSD SJ 85- 09] Federally Enforceable Through Title V Permit

22. All continuous monitoring systems and monitoring devices shall be installed and operational prior to conducting performance tests. Verification of operational status shall, as a minimum, include completion of the manufacturer's written requirements or recommendations for installation, operation, and calibration of the device. [40 CFR 60.13(b)] Federally Enforceable Through Title V Permit

23. The USEPA shall be notified in writing at least 30 days in advance of such test to allow time for development of an approvable performance test plan and to arrange for an observer to be present at the test. Such prior approval shall minimize the possibility of USEPA rejection of test results for procedural deficiencies. In lieu of the above mentioned test methods, equivalent methods may be used with prior written approval from the USEPA. [PSD SJ 85-09] Federally Enforceable Through Title V Permit

24. Annual compliance tests shall be conducted by an independent laboratory in accordance with EPA guidelines, witnessed or authorized by the District. Results shall be submitted to the District within 60 days. [District Rule 1081] Federally Enforceable Through Title V Permit

25. Operator shall conform with the compliance testing procedures described in District Rule 1081. [District Rule 1081] Federally Enforceable Through Title V Permit

26. For performance test purposes, sampling ports, platforms, and access shall be provided by the facility on the emission unit exhaust system in accordance with 40 CFR 60.8(e). [PSD SJ 85-09] Federally Enforceable Through Title V Permit

27. Source testing to determine NOx and CO emissions and fuel gas sulfur content shall be conducted annually. [District Rule 1081] Federally Enforceable Through Title V Permit

28. The owner or operator shall provide source test information annually regarding the exhaust gas NOx and CO concentration corrected to 15% O2 (dry). EPA Methods 7E or 20 shall be used for NOx emissions. EPA Methods 10 or 10B shall be used for CO emissions. EPA Methods 3, 3A, or 20 shall be used for Oxygen content of the exhaust gas. [40 CFR 60.8(a), 40 CFR 60.335(b) and District Rule 4703, 5.1, 6.3.1, 6.4.1, 6.4.2, and 6.4.3] Federally Enforceable Through Title V Permit

29. Performance tests for the emissions of CO shall be conducted and results reported in accordance with the test methods set forth in 40 CFR 60.8 and 40 CFR 60, Appendix A. The performance tests for the emissions of CO shall be conducted using EPA Methods 1 through 4 and 10. [PSD SJ 85-09] Federally Enforceable Through Title V Permit

30. The owner or operator shall provide source test information annually regarding the demonstrated percent efficiency (EFF) as defined in District Rule 4703 (as amended 9/20/07), 5.1.1 and 6.4.6. [40 CFR 60.332(a) and (b) and District Rule 4703, 5.1.1 and 6.4.6] Federally Enforceable Through Title V Permit

31. The operator shall perform source testing for PM10 concentration and emission rate once per permit term using EPA Method 5. [40 CFR 60.8 (b) and (c)] Federally Enforceable Through Title V Permit

32. Audits of continuous emission monitoring system shall be conducted in accordance with EPA guidelines, witnessed at the District's discretion, and reports shall be submitted to the District within 60 days of such an audit. [District Rule 1080 and PSD SJ 85-09, X.D.3] Federally Enforceable Through Title V Permit

33. The Relative Accuracy Audit shall be conducted by an independent laboratory in accordance with EPA guidelines, witnessed or authorized by the District. Results shall be submitted to the District within 60 days. [District Rule 1080 and PSD SJ 85-09, X.D.3] Federally Enforceable Through Title V Permit

34. Results of continuous emissions monitoring must be reduced according to the procedure established in 40 CFR, Part 51, Appendix P, paragraphs 5.0 through 5.1.3, or by other methods deemed equivalent by mutual agreement with the District, the ARB, and the EPA. [District Rule 1080, 7.2] Federally Enforceable Through Title V Permit

CONDITIONS CONTINUE ON NEXT PAGE

35. Continuous emission monitoring system for NOx as NO2 and continuous monitoring system for CO & CO2 shall serve each CGT flue gas stream, shall conform to SJVUAPCD Rule 1080 specifications, shall meet EPA monitoring performance specifications, & shall be operational whenever the turbine is in operation. [District Rule 1080 and PSD SJ 85-09, X.D.1 and .2] Federally Enforceable Through Title V Permit

36. The continuous NOx and O2 monitoring system shall meet the performance specification requirements in 40 CFR 60, Appendix F, 40 CFR 51, Appendix P, and Part 60, Appendix B, or shall meet equivalent specifications established by mutual agreement of the District, the ARB, and the EPA. [District Rule 1080, 6.3, 6.5, 6.6 and 7.2] Federally Enforceable Through Title V Permit

37. All continuous emissions monitoring systems shall be calibrated and operated according to EPA guidelines as specified in 40 CFR 60, Appendix B and 40 CFR 52, Appendix E. CEM ppm and lb/hr shall be calculated as a three-hour and a 1-hour average. [District Rule 1080 and PSD SJ 85-09 X.D.2] Federally Enforceable Through Title V Permit

38. Results of the CEM system shall be averaged over a three hour period, using consecutive 15-minute sampling periods in accordance with either EPA Method 7E or EPA Method 20 for NOx, EPA Test Methods 10 or 10B for CO, or EPA Methods 3, 3A, or 20 for O2, or, if continuous emission monitors are used, all applicable requirements of CFR 60.13. [40 CFR 60.13 and District Rule 4703, 5.1, 6.4] Federally Enforceable Through Title V Permit

39. Each 1-hour period in a 1, 2 or 3-hour average will commence on the hour. The 3-hour average will be compiled from the three most recent 1-hour periods. The 2-hour average will be compiled from the two most recent 1-hour periods. [District Rule 1080] Federally Enforceable Through Title V Permit

40. CEM cycling times shall be those specified in 40 CFR, Part 51, Appendix P, Sections 3.4 and 3.4.2, or shall meet equivalent specifications established by mutual agreement of the District, the ARB and the EPA. [District Rule 1080, 6.4] Federally Enforceable Through Title V Permit

41. Operator shall operate and maintain in calibration a system which continuously measures and records the following: control system operating parameters, elapsed time of operation, the exhaust gas NOx and O2 or CO2 concentration . [40 CFR 60.334(b),(c) and District Rules 2520, 9.4.2 and 4703, 6.2.1] Federally Enforceable Through Title V Permit

42. The owner or operator shall maintain records that contain the following: the occurrence and duration of any start-up, shutdown, tuning start-up, or malfunction, performance testing, evaluations, calibrations, checks, adjustments, any periods during which a continuous monitoring system or monitoring device is inoperative, maintenance of any CEM system that has been installed pursuant to District Rule 1080 (as amended 12/17/92), and emission measurements. [40 CFR 60.7(b) and District Rule 1080, 7.3] Federally Enforceable Through Title V Permit

43. The owner or operator of a stationary gas turbine system shall maintain all records of required monitoring data and support information for inspection at any time for a period of five years. [District Rules 2520, 9.4.2 and 4703, 6.2.4] Federally Enforceable Through Title V Permit

44. Daily records of NO2 and CO emission calculations during days of gas turbine startup/shutdown shall be maintained and such records shall be made readily available for District inspection upon request for a period of five years. [District Rule 1080] Federally Enforceable Through Title V Permit

45. The emission control systems shall be in operation and emissions shall be minimized insofar as technologically feasible during startup and shutdown. [District Rule 4703, 5.3.2] Federally Enforceable Through Title V Permit

46. Operator shall maintain a stationary gas turbine operating log that includes, on a daily basis the following: the actual local start-up and stop time, length and reason for reduced load periods, total hours of operation and quantity of fuel used. [40 CFR 60.332(b); District Rules 2520, 9.4.2 and 4703, 6.2.6; PSD SJ 85-09, X.D.1] Federally Enforceable Through Title V Permit

47. Reduced Load Period shall be defined as the time during which a gas turbine is operated at less than rated capacity in order to change the exhaust gas diverter gate not exceeding one hour. [District Rule 4703, 3.23] Federally Enforceable Through Title V Permit

48. The operator performing start-up or shutdown of this unit shall keep records of the duration of start-up or shutdown. [District Rule 4703, 6.2.8] Federally Enforceable Through Title V Permit

CONDITIONS CONTINUE ON NEXT PAGE

49. APCO or an authorized representative shall be allowed to inspect, as he or she determines to be necessary, the monitoring devices required by this rule to ensure that such devices are functioning properly. [District Rule 1080, 11.0] Federally Enforceable Through Title V Permit

50. The owner or operator shall, upon written notice from the APCO, provide a summary of the data obtained from the CEM systems. This summary of data shall be in the form and the manner prescribed by the APCO. [District Rule 1080, 7.1] Federally Enforceable Through Title V Permit

51. Each exhaust stack shall be equipped with permanent stack sampling provisions consistent with District Rule 1081, EPA reference Methods 5 and 8 and OSHA requirements. [District Rule 1081] Federally Enforceable Through Title V Permit

52. Each CGT shall have a fuel consumption monitor/recorder. [District NSR Rule and PSD SJ 85-09, X.D.1] Federally Enforceable Through Title V Permit

53. Operational records (including but not limited to: fuel characteristics, etc.) shall be maintained by Sycamore Cogeneration Company. [District NSR Rule] Federally Enforceable Through Title V Permit

54. Accurate records of NOx (as NO2) and carbon monoxide (CO) flue gas concentrations corrected to 15% O2, dry and CGT fuel sulfur content shall be maintained and shall be reported as described by District Rule 1080 and upon request. [District Rule 1080] Federally Enforceable Through Title V Permit

55. Operator shall submit a quarterly report listing any daily period during which the sulfur content of the fuel being fired in the gas turbine exceeds 0.8% by weight. [40 CFR 60.334(i)] Federally Enforceable Through Title V Permit

56. Quarterly continuous emission monitoring system reports shall be submitted to the District, EPA and CEC, as required by EPA regulations as specified in CFR Title 40, Part 58, Appendix B and Part 60 Appendix B. [District Rule 1080 and PSD SJ 85-09, X.D.5] Federally Enforceable Through Title V Permit

57. Operators of CEM's installed at the direction of the APCO shall submit a written report for each calendar quarter to the APCO and EPA. The report is due on the 30th day following the end of the calendar quarter and shall include the following: A. time intervals, data and magnitude of excess emissions (computed in accordance with 40 CFR 60.13(h)), nature and cause of excess (if known), corrective actions taken and preventive measures adopted; B. averaging period used for data reporting corresponding to the averaging period specified in the emission test period used to determine compliance with an emission standard. [40 CFR 60.334 (j)(5); District Rule 1080, 8.0 and PSD SJ 85-09, X.D.3 and X.D.5.a through e] Federally Enforceable Through Title V Permit

58. The written report for each calendar quarter shall also include the following: C. applicable time and date of each period during which the CEM was inoperative (except for zero and span checks) and the nature of system repairs and adjustments; D. a negative declaration when no excess emissions occurred. Excess emissions shall be defined as any 3-hour period during which the average emissions for CO, as measured by the CEM system, exceeds the emission limit set forth in PSD SJ 85-09, X.E. [District Rule 1080, 8.0; PSD SJ 85-09, X.D.3 and X.D.5.a through e] Federally Enforceable Through Title V Permit

59. A violation of NOx emission standards indicated by the NOx CEM shall be reported by the operator to the APCO within 96 hours. [District Rule 1080, 9.0] Federally Enforceable Through Title V Permit

60. The APCO shall be notified no later than one hour after the detection of a breakdown of the CEM. The operator shall inform the APCO of the intent to shut down the CEM at least 24 hours prior to the event. [District Rules 1080, 10.0 and 1100, 6.1; PSD SJ 85-09, X.D.3] Federally Enforceable Through Title V Permit

61. The Regional Administrator shall be notified by telephone within 48 hours following any failure of air pollution control equipment, process equipment, or of a process to operate in a normal manner which results in an increase in emissions above any allowable emissions limit stated in this permit. In addition, the Regional Administrator shall be notified in writing within 15 days of any such failure. [PSD SJ 85-09] Federally Enforceable Through Title V Permit

62. This notification shall include a description of the malfunctioning equipment or abnormal operation, the date of initial failure, the period of time over which emissions were increased due to the failure, the cause of the failure, the estimated resultant emissions in excess of those allowed under the conditions of this permit, and the methods utilized to restore normal operations. Compliance with this malfunction notification provision shall not excuse or otherwise constitute a defense to any violations of this permit or of any law or regulations which such malfunction may cause. [PSD SJ 85-09] Federally Enforceable Through Title V Permit

CONDITIONS CONTINUE ON NEXT PAGE

63. CGT shall be fired on natural gas only. There shall be no provisions for oil firing. Natural gas used as fuel shall be pipeline quality with sulfur content of 0.3 gr/100 scf or less (0.001% sulfur by weight). [District NSR Rule; Kern County Rule 407] Federally Enforceable Through Title V Permit

64. The HHV and LHV of the gaseous fuel shall be determined using ASTM D3588, ASTM 1826, or ASTM 1945. [District Rule 4703, 6.4.5] Federally Enforceable Through Title V Permit

65. If the turbine is fired on PUC-regulated natural gas, then maintain on file copies of natural gas bills. [District Rule 2520, 9.3.2] Federally Enforceable Through Title V Permit

66. If the turbine is not fired on PUC-regulated natural gas, then the sulfur content of the natural gas being fired in the turbine shall be determined using ASTM method D 1072, D 3246, D4468 or D6667. [40 CFR 60.335(b)(10)] Federally Enforceable Through Title V Permit

67. If the turbine is not fired on PUC-regulated natural gas, the sulfur content of each fuel source shall be tested in accordance with the requirements of 40 CFR 60.334 (h) and 40 CFR 60.334(i). [40 CFR 60.334 (h) and 40 CFR 60.334(i)] Federally Enforceable Through Title V Permit

68. All equipment, facilities, and systems installed or used to achieve compliance with the terms and conditions of this permit shall at all times be maintained in good working order and be operated as efficiently as possible so as to minimize air pollutant emissions. [PSD SJ 85-09] Federally Enforceable Through Title V Permit

69. The owner and operator of the proposed project shall construct and operate the proposed stationary source in compliance with all other applicable provisions of 40 CFR Parts 52, 60 and 61 and all other applicable Federal, State and local air quality regulations. [PSD SJ 85-09] Federally Enforceable Through Title V Permit

70. The cogeneration facility is subject to the federal regulations entitled Standards of Performance for New Stationary Sources (40 CFR 60). The owner or operator shall meet all applicable requirements of Subparts A and GG of this regulation. [PSD SJ 85- 09] Federally Enforceable Through Title V Permit

71. All correspondence as required by this permit shall be forwarded to: a) Director, Enforcement Div (Attn: A-5), EPA Region IX, 75 Hawthorne Street, San Francisco, CA, 94105; b) Chief, Stationary Source Control Division, California Air Resource Board, P.O. Box 2815, Sacramento, CA, 95814; c) Director, SJVUAPCD, 1990 East Gettysburg, Fresno, CA, 93726-0244; and d) the California Energy Commission, 1516 Ninth Street, Sacramento, CA, 95814-5512. [PSD SJ 85-09] Federally Enforceable Through Title V Permit

72. Compliance with permit conditions in the Title V permit shall be deem compliance with the Kern County Rule 407. A permit shield is granted from these requirements. [District Rule 2520, 13.2] Federally Enforceable Through Title V Permit

73. Compliance with permit conditions in the Title V permit shall be deemed compliance with the following applicable requirements: 40 CFR 60.332 (a), and (b); 60.333 (a); 60.334 (b), (c), (h), (i) and (j)(5); and 60.335 (b). A permit shield is granted from these requirements. [District Rule 2520, 13.2] Federally Enforceable Through Title V Permit

74. Compliance with permit conditions in the Title V permit shall be deemed compliance with the following applicable requirements: 40 CFR 60.7(b), 60.8, 60.8(d), 60.13, and 60.13(b); District Rules 1080 (as amended 12/17/92), Sections 6.3, 6.4, 6.5, 7.0, 7.1, 7.2, 7.3, 8.0, 9.0, 10.0, and 11.0; and 1081 (as amended 12/16/93) as of the date of permit issuance. A permit shield is granted from these requirements. [District Rule 2520, 13.2] Federally Enforceable Through Title V Permit