



OCT 15 2013

Mr. Paul Bement
The Wine Group, LLC
17000 E. Highway 120
Ripon, CA 95366

**Re: Proposed Authority to Construct/Certificate of Conformity (Minor Mod)
District Facility # N-956
Project # N-1132826**

Dear Mr. Bement:

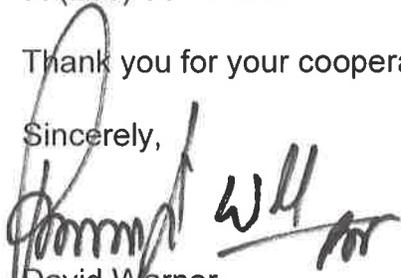
Enclosed for your review is the District's analysis of an application for Authority to Construct for the facility identified above. You requested that a Certificate of Conformity with the procedural requirements of 40 CFR Part 70 be issued with this project. The proposed project includes permit for two existing wine storage tanks.

After addressing all comments made during the 45-day EPA comment period, the District intends to issue the Authority to Construct with a Certificate of Conformity. Prior to operating with modifications authorized by the Authority to Construct, the facility must submit an application to modify the Title V permit as an administrative amendment, in accordance with District Rule 2520, Section 11.5.

If you have any questions, please contact Mr. Rupi Gill, Permit Services Manager, at (209) 557-6400.

Thank you for your cooperation in this matter.

Sincerely,



David Warner
Director of Permit Services

Enclosures

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

Seyed Sadredin
Executive Director/Air Pollution Control Officer

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

Central Region (Main Office)
1990 E. Gettysburg Avenue
Fresno, CA 93726-0244
Tel: (559) 230-8000 FAX: (559) 230-6061

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

California Code of Regulations, Title 14, Division 6, Chapter 3, Sections 15000-15387: CEQA Guidelines

III. PROJECT LOCATION

The facility is located at 17000 E. Highway 120, Ripon, California. There is no increase in hazardous air pollutants from this project. Therefore, the public notice requirements of California Health & Safety Code 42301.6 are not applicable.

IV. PROCESS DESCRIPTION

The Wine Group Inc operates a wine fermentation and storage facility. During the 'crush season', which typically lasts from August through November, both red and white grapes are received by truck and delivered to a crusher-stemmer that crushes the grapes and removes the stems. For red wines, the resultant juice, called "must", is pumped to red wine fermentation tanks for fermentation, a batch process. The red wine fermentation tanks are specifically designed to ferment the must and to allow the separation of the skins and seeds from the wine after fermentation. For white wines, the must is sent to screens and presses for separation of grape skins and seeds prior to entering the fermentation tank. Since the skins and seed have been separated, white wine fermentation is carried out in a tank that doesn't include design provisions for solids separation.

After transfer of the must (red or white) to the fermentation tank, the must is inoculated with yeast. This initiates the fermentation reactions. The yeast metabolizes the sugars in the must, converting the sugars to ethanol and carbon dioxide (CO₂). This process is an exothermic process, thus temperature must be controlled throughout the process. Refrigeration is used to maintain a temperature of 45-65°F for white wine fermentation and 70-95°F for red wine fermentation. The sugar content of the fermenting wine is measured in °Brix (weight %) and is typically 22-26° for unfermented wine, dropping to 4° or less by the end of fermentation process. For the wines produced at this facility, the final ethanol concentration is no greater than 20%. Batch fermentation requires 5 days per batch of red wine and 1-2 weeks per batch of white wine. VOCs are emitted during the fermentation process, along with CO₂. The VOCs are comprised primarily of ethanol along with some trace fermentation byproducts.

For white wine, the wine is directly transferred into storage tanks after completion of the fermentation process. For red wine, the grape skins are separated from the wine and sent to a press. The press crushes residual wine from grape skins. Both red and white wines are stored in refrigerated tanks year-round for bottling. Further VOC emissions occur as a result of the storage tank operation.

V. EQUIPMENT LISTING

Permit	Equipment Description
N-956-333-0	128,157 GALLON STAINLESS STEEL WINE STORAGE TANK #301 WITH PRESSURE/VACUUM VALVE AND INSULATION
N-956-334-0	60,361 GALLON STAINLESS STEEL WINE STORAGE TANK #302 WITH PRESSURE/VACUUM VALVE AND INSULATION

VI. EMISSION CONTROL TECHNOLOGY EVALUATION

VOCs (ethanol) are emitted from the wine storage tanks as a result of both working losses (which occur when the liquid level in the tank changes) and breathing losses (expansion and contraction effects due to temperature variations). The tanks in this project are equipped with pressure/vacuum valves for control of VOC emissions.

VII. GENERAL CALCULATIONS

A. Assumptions

- VOC is the only pollutant emitted by the tanks.
- The wine processed in the proposed tanks contains a maximum of 23.9% alcohol by volume.
- The maximum daily tank throughput is not greater than twice the tank capacity.
- Each tank is assumed to have 8 turnovers per year when operated in a wine storage mode.
- Other assumptions will be stated as they are made during the evaluation.

B. Emission Factors (EF)

1. Pre-Project Emission Factors (EF1)

As stated earlier, these tanks will be treated as existing units for Rule 2201 purpose. Therefore, pre-project emissions factors are presented for the tanks.

N-956-333-0, '-334-0:

Operation	EF1 (lb-VOC/1,000 gal of wine)		Source
	Daily	Annual	
Wine storage (Red/White)	0.350	0.204	District FYI -114 (6/13/11)

2. Post-Project Emission Factors (EF2)

N-956-333-0, '-334-0:

EF2 will be same as EF1.

C. Calculations

1. Pre-Project Potential to Emit (PE1)

The wine tanks will be subject to the facility-wide SLC of 581,212 pounds of VOC per year. The daily and annual potential emissions from individual tanks are determined for the purpose of determining whether BACT is triggered and for inclusion of the emissions in the permits database.

The following equations will be used to calculate the potential emissions from wine storage operation.

$$\begin{aligned} \text{PE1 (lb/day)} &= (0.350 \text{ lb/1,000gal})(\text{Tank Capacity, gal})(2 \text{ turnovers/day}) \\ \text{PE1 (lb/yr)} &= (0.204 \text{ lb/1,000gal})(\text{Tank Capacity, gal})(8 \text{ turnovers/yr}) \end{aligned}$$

Permit #	Tank Capacity (gal)	PE1 (lb/day)	PE1 (lb/yr)
N-956-333-0	128,157	89.7	209
N-956-334-0	60,361	42.3	99

2. Post Project Potential to Emit (PE2)

The applicant is not proposing any changes to the existing tanks. Therefore, PE2 will be same as PE1.

3. Quarterly Emissions Changes

This calculation is required for application's emission profile, which is used for the District's internal tracking purposes. The emissions will be evenly distributed throughout the year as follows:

$$\text{QEC} = (\text{PE2} - \text{PE1}) \text{ lb/year} \div 4 \text{ quarters/year}$$

Since PE2 is equal to PE1 for each permit unit, QEC will be zero for each permit unit.

4. Adjusted Increase in Permitted Emissions (AIPE)

AIPE is used to determine if BACT is required for emission units that are being modified. AIPE is calculated using the equations mentioned in Section 4.3 and 4.4 of Rule 2201.

$$AIPE = PE2 - \left(\frac{EF2}{EF1} \right) (PE1)$$

$$\frac{N-956-333-0, '-334-0}{PE2 = PE1, EF2 = EF1}$$

Therefore, AIPE = 0.0 lb-VOC/day

D. Facility Emissions

1. Pre-Project Stationary Source Potential to Emit (SSPE1)

Pursuant to Section 4.9 of District Rule 2201, the Pre-Project Stationary Source Potential to Emit (SSPE1) is the Potential to Emit (PE) from all units with valid ATCs or PTOs at the Stationary Source and the quantity of Emission Reduction Credits (ERCs) which have been banked since September 19, 1991 for Actual Emissions Reductions that have occurred at the source, and which have not been used on-site.

The units in this project only emit VOCs. Facility-wide VOC emissions are limited to 581,212 lb-VOC/year.

$$SSPE1 = 581,212 \text{ lb-VOC/year}$$

2. Post Project Stationary Source Potential to Emit (SSPE2)

Pursuant to Section 4.10 of District Rule 2201, the Post Project Stationary Source Potential to Emit (SSPE2) is the Potential to Emit (PE) from all units with valid ATCs or PTOs, except for emissions units proposed to be shut down as part of the Stationary Project, at the Stationary Source and the quantity of Emission Reduction Credits (ERCs) which have been banked since September 19, 1991 for Actual Emissions Reductions that have occurred at the source, and which have not been used on-site.

The units in this project only emit VOCs. Facility-wide VOC emissions will continue to be limited to 581,212 lb-VOC/year.

$$SSPE2 = 581,212 \text{ lb-VOC/year}$$

3. Major Source Determination

Rule 2201 Major Source Determination

Pursuant to District Rule 2201, a Major Source is a stationary source with a SSPE2 equal to or exceeding one or more of the following threshold values.

For the purposes of determining major source status the following shall not be included:

- Any ERCs associated with the stationary source
- Emissions from non-road IC engines (i.e. IC engines at a particular site at the facility for less than 12 months)
- Fugitive emissions, except for the specific source categories specified in 40 CFR 51.165.

This source is an existing Major Source for VOC emissions and will remain a Major Source for VOC. No change in other pollutants are proposed or expected as a result of this project.

Rule 2410 Major Source Determination

The facility or the equipment evaluated under this project is not listed as one of the categories specified in 40 CFR 52.21 (b)(1)(i). Therefore, the following PSD Major Source thresholds are applicable.

PSD Major Source Determination (tons/year)	
Category	VOC
Estimated Facility PE before Project Increase	290.6
PSD Major Source Thresholds	250
PSD Major Source ? (Y/N)	Yes

From the above table, the facility is an existing major source for PSD.

4. Stationary Source Increase in Potential Emissions (SSIPE)

It is District practice to define SSIPE as the difference of SSPE2 and SSPE1. SSPE2 is equal to SSPE1 for VOC emissions. Therefore, SSIPE will be zero due to the proposed project.

5. SB-288 Major Modification

The purpose of Major Modification calculations is to determine the following:

- A. If Best Available Control Technology (BACT) is triggered for a new or modified emission unit that results in a Major Modification (District Rule 2201, §4.1.3); and
- B. If a public notification is triggered (District Rule 2201, §5.4.1).

Per section VII.D.3 of this document, this facility is a Major Source for VOC emissions. To determine whether a Major Modification can be triggered, first

net emissions increase (NEI) is determined, and then NEI is compared with the Major Modification threshold limit of 50,000 lb/year for VOC.

NEI can be calculated as the sum of the difference of post-project potential emissions (PE2) and historical emissions (HE) for the emissions units involved in this project.

The potential VOC emissions from both tanks are 308 pounds per year. This amount is less than the major modification threshold of 50,000 pounds per year for VOC. Therefore, the proposed project will not trigger an SB-288 major modification.

6. Federal Major Modification

This facility is a Major Source for VOC emissions. Since the tanks are existing units, they will be treated as modified units for the purposes of determining whether a Federal Major Modification is triggered.

The District draft policy "Implementation of Rule 2201 (as amended on 12/18/08 and approved by EPA on 6/10/10) for SB 288 Major Modifications and Federal Major Modifications (9/28/10)" is referenced to determine the emissions increase. Case 2 in the draft policy states "If the proposed modification does not result in an increase in design capacity or potential to emit, and it does not impact the ability of the emission unit to operate at a higher utilization rate, then the unused baseline capacity emissions can also be excluded from the net emission increase (NEI). Therefore, the NEI is calculated as follows:

NEI = PAE – BAE – unused baseline capacity, where

PAE = post-project projected actual emissions

BAE = pre-project baseline actual emissions

Unused baseline capacity = PE1 – BAE

The proposed project will not affect the design, the capacity, or the utilization rate of the tanks in this project. Thus,

$$\begin{aligned} \text{NEI} &= \text{PE2} - \text{BAE} - (\text{PE1} - \text{BAE}) \\ &= \text{PE2} - \text{BAE} - \text{PE1} + \text{BAE} \\ &= \text{PE2} - \text{PE1} \\ &= 0 \text{ (because PE2 = PE1)} \end{aligned}$$

Since the emissions increase is not above zero pounds per year, the proposed project is not a Federal Major Modification.

VIII. COMPLIANCE

Rule 2201 New and Modified Stationary Source Review Rule

1. Best Available Control Technology (BACT)

BACT requirements shall be triggered on a pollutant-by-pollutant basis and on an emissions unit-by-emissions unit basis. Unless exempted pursuant to Section 4.2, BACT shall be required for the following actions:

- Any new emissions unit or relocation from one Stationary Source to another of an existing emissions unit with a Potential to Emit (PE2) exceeding 2.0 pounds in any one day;
- Modifications to an existing emissions unit with a valid Permit to Operate resulting in an Adjusted Increase in Permitted Emissions (AIPE) exceeding 2.0 pounds in any one day;
- Any new or modified emissions unit, in a stationary source project, which results in a Major Modification, as defined in this rule.

N-956-333-0, '-334-0

Per section VII.C.4 of this document, AIPE is not greater than 2.0 pounds per day for VOC emissions. Furthermore, per section VII.D.5 and VII.D.6 of this document, the project is not a Major Modification (SB-288 or Federal). Thus, this project did not trigger BACT for VOC emissions from the tanks under this project.

2. Offsets

This facility's total VOC emissions are above the offset threshold level of 20,000 pounds per year. Therefore, offset calculations are required for this project.

Section 4.7.1 states that for pollutants with SSPE1 greater than the emission offset threshold levels, emission offsets shall be provided for all increases in Stationary Source emissions, calculated as the differences of post-project Potential to Emit (PE2) and the Baseline Emissions (BE) of all new and modified emissions units, plus all increases in Cargo Carrier emissions. Thus,

$EOQ = \Sigma(PE2 - BE) + ICCE$, where

PE2 = Post-Project Potential to Emit (lb/yr)

BE = Baseline Emissions (lb/yr)

ICCE = Increase in Cargo Carrier emissions (lb/yr)

There is no increase in Cargo Carrier emissions from this project. Thus,

$$EOQ = \Sigma(PE2 - BE)$$

Per section 3.8 of Rule 2201, BE shall be equal to the sum of PE1 for any clean emission unit, located at a Major Source, provided that if the unit has a specific limiting condition (SLC), all units under the SLC also qualify as clean emission units.

This facility has an SLC of 581,212 pounds per year for VOC emissions from wine fermentation and storage operations. The existing units under this SLC are clean emission units as they comply with the achieved-in-practice BACT standards for fermentation as well as storage operations. Therefore, BE is set equal to PE1.

$$\begin{aligned} EOQ &= \Sigma(PE2 - PE1) \\ &= 581,212 \text{ lb-VOC/yr} - 581,212 \text{ lb-VOC/yr} \\ &= 0 \text{ lb-VOC/yr} \end{aligned}$$

Therefore, no offsets are required for this project.

3. Public Notification

District Rule 2201, section 5.4, requires a public notification for the affected pollutants from the following types of projects:

- New Major Sources
- Federal Major Modifications
- SB 288 Major Modifications
- New emission units with a PE > 100 lb/day of any one pollutant
- Modifications with SSPE1 below an Offset threshold and SSPE2 above an Offset threshold on a pollutant-by-pollutant basis
- New stationary sources with SSPE2 exceeding Offset thresholds
- Any permitting action with a SSIPE exceeding 20,000 lb/yr for any one pollutant

Per section VII of this document, the proposed project does not exceed the thresholds in any of the above items. Therefore, public notice is not required.

4. Daily Emission Limits (DELs)

The daily emissions limitations (DELs) and other enforceable conditions are required by Section 3.17 to restrict a unit's maximum daily emissions. The following conditions will be included in each permit:

- The ethanol content of wine stored in this tank shall not exceed 23.9 percent by volume. [District Rule 2201]
- Daily tank throughput, in gallons, shall not exceed two times the tank capacity stated in the equipment description. [District Rule 2201]

5. Compliance Assurance

Source Testing

Pursuant to District Policy APR 1705, source testing is not required to demonstrate compliance with Rule 2201.

Monitoring

The applicant is required to monitor the temperature of the wine stored in each tank on daily basis.

Recordkeeping

The facility will be required to keep daily throughput records, including records of filling and emptying operations, the dates of such operations, a unique identifier for each batch, the volume percent ethanol in the batch, and the volume of wine transferred, along with the records of total gallons of wine contained in a tank.

These records are required to be retained on-site for a period of at least five years and made available for District inspection upon request.

Reporting

No reporting is required to demonstrate compliance with Rule 2201.

Compliance is expected with this Rule.

Rule 2410 Prevention of Significant Deterioration

Rule 2410 applies to pollutants for which the District is in attainment or for unclassified, pollutants. The pollutants addressed in the PSD applicability determination are listed as follows:

- NO₂ (as a primary pollutant)
- SO₂ (as a primary pollutant)
- CO
- PM
- PM₁₀
- Greenhouse gases (GHG): CO₂, N₂O, CH₄, HFCs, PFCs, and SF₆

Step 1:

The first step of this PSD evaluation consists of determining whether the facility is an existing PSD Major Source or not. Per section VII.D.3 of this document, this facility is an existing major source for PSD.

Step 2:

The second step of the PSD evaluation is to determine if the project results in a PSD significant increase along with the project location relative to Class 1 area.

I. Project Location Relative to Class 1 Area

This facility is an existing major source for PSD. However, it is not located within 10 km of a Class 1 area, which in this case is "Yosemite National Park". Therefore, modeling of the emission increase is not required to determine if the project is subject to the requirements of Rule 2410.

II. Significance of Project Emission Increase Determination

a. Potential to Emit of attainment/unclassified pollutant for New or Modified Emission Units vs PSD Significant Emission Increase Thresholds

As a screening tool, the potential to emit from all new and modified units is compared to the PSD significant emission increase thresholds, and if total potential to emit from all new and modified units is below this threshold, no further analysis will be needed.

PSD Significant Emission Increase Determination: Potential to Emit (tons/year)						
Category	NO ₂	SO ₂	CO	PM	PM ₁₀	CO _{2e}
N-956-333-0 and '-334-0	0.0	0.0	0.0	0.0	0.0	0.0
PSD Significant Emission Increase Thresholds	40	40	100	25	15	75,000
PSD Significant Emission Increase?	No	No	No	No	No	No

As demonstrated above, because the project has a total potential to emit from all new and modified emission units below the PSD significant emission increase thresholds, this project is not subject to the requirements of Rule 2410 due to a significant emission increase and no further discussion is required.

Rule 2520 Federally Mandated Operating Permits

This facility is a Major Source for VOC emissions, and is operating under Title V permit. Therefore, this facility is subject to the requirements in this rule.

The proposed project is a Minor Modification to the Title V permit per section 3.20 of this rule. The applicant has requested to issue the ATCs with COC. Therefore, the following conditions will be included in each permit:

- 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 NSR Rule]
- 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]

In accordance with Rule 2520, the application meets the procedural requirements of section 11.4 by including:

- A description of the change, the emissions resulting from the change, and any new applicable requirements that will apply if the change occurs and
- The source's suggested draft permit (Appendix I of this document) and
- Certification by a responsible official that the proposed modification meets the criteria for use of minor permit modification procedures and a request that such procedures be used (Appendix II of this document).

Section 5.3.4 of this rule requires the permittee shall file an application for administrative permit amendments prior to implementing the requested change except when allowed by the operational flexibility provisions of section 6.4 of this rule. The applicant is expected to notify the District by filing TV Form-008 upon implementing the ATCs. The District Compliance Division is expected to submit a change order to implement these ATCs into PTOs.

Compliance is expected with this Rule.

Rule 4001 New Source Performance Standards (NSPS)

This rule incorporates NSPS from Part 60, Chapter 1, Title 40, Code of Federal Regulations (CFR); and applies to all new sources of air pollution and modifications of existing sources of air pollution listed in 40 CFR Part 60. However, no subparts of 40 CFR Part 60 apply to wine storage operation.

Rule 4002 National Emission Standards for Hazardous Air Pollutants (NESHAPs)

No subparts of 40 CFR Part 61 or 40 CFR Part 63 applies to wine storage tank operations.

Rule 4102 Nuisance

Section 4.0 prohibits discharge of air contaminants, which could cause injury, detriment, nuisance or annoyance to the public. The following condition will be placed on each permit:

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

California Health & Safety Code 41700 - Health Risk Assessment

District Policy APR 1905 - Risk Management Policy for Permitting New and Modified Sources specifies that for an increase in emissions associated with a proposed new source or modification, the District perform an analysis to determine the possible impact to the nearest resident or worksite.

The VOC emissions from these tanks are primarily ethanol. Ethanol is not HAP as defined by Section 44321 of the California Health and Safety Code. Therefore, health risk assessment is not necessary.

Compliance is expected with this Rule.

Rule 4694 Wine Fermentation and Storage Tanks

The purpose of this rule is to reduce emissions of volatile organic compounds (VOC) from the fermentation and bulk storage of wine, or achieve equivalent reductions from alternative emission sources.

This rule is applicable to all facilities with fermentation emissions in excess of 10 tons-VOC/year. The storage tank provisions of this rule apply to all tanks with capacity in excess of 5,000 gallons.

Section 5.1 requires the winery operator achieve Required Annual Emissions Reductions (RAER) equal to at least 35% of the winery's Baseline Fermentation Emissions (BFE). Per the definition of RAER in Section 3.25 of the Rule, the RAER may be achieved by any combination of Fermentation Emission Reductions (FER), Certified Emission Reductions (CER) or District Obtained Emission Reductions (DOER) as established in the facility's District-approved Rule 4694 Compliance Plan, due every three years on December 1st beginning in 2006. The facility has submitted the required plan to the District and is currently satisfying the required emission reductions in the form of Certified Emission Reductions.

The following condition on the facility-wide permit (unit 0-1) ensures compliance:

- This facility shall annually achieve the Required Annual Emission Reductions (RAER) as specified in the facility's APCO-approved Three-Year Compliance Plan for District Rule 4694. [District Rule 4694]

Section 5.2 places specific restrictions on wine storage tanks with 5,000 gallons or more in capacity when such tanks are not constructed of wood or concrete. Section 5.2.1 requires these tanks to be equipped and operated with a pressure-vacuum relief valve meeting all of the following requirements:

- The pressure-vacuum relief valve shall operate within 10% of the maximum allowable working pressure of the tank,
- The pressure-vacuum relief valve shall operate in accordance with the manufacturer's instructions, and
- The pressure-vacuum relief valve shall be permanently labeled with the operating pressure settings.
- The pressure-vacuum relief valve and storage tank shall remain in a gas-tight condition except when the operating pressure of the tank exceeds the valve set pressure. A gas-tight condition shall be determined by measuring the gas leak in accordance with the procedures in EPA Method 21.

The following conditions will be placed in each permit to ensure compliance with the requirements of Section 5.2.1:

- When used for wine storage, this tank shall be equipped with and operated with a pressure-vacuum relief valve, which shall operate within 10% of the maximum allowable working pressure of the tank, operate in accordance with the manufacturer's instructions, and be permanently labeled with the operating pressure settings. [District Rule 4694, 5.2.1]
- When this tank is used for wine storage, the pressure-vacuum relief valve and storage tank shall remain in a gas-tight condition, except when the operating pressure of the tank exceeds the valve set pressure. A gas-tight condition shall be determined by measuring the gas leak in accordance with the procedures in EPA Method 21. [District Rule 4694, 5.2.1]

Section 5.2.2 requires that the temperature of the stored wine be maintained at or below 75° F.

The following condition will be placed in each permit to ensure compliance with the requirements of Section 5.2.2:

- The temperature of the wine stored in this tank shall be maintained at or below 75 degrees Fahrenheit. The temperature of the stored wine shall be determined and recorded at least once per week. For each batch of wine, the operator shall achieve the storage temperature of 75 degrees Fahrenheit or less within 60 days after completing fermentation, and shall maintain records to show when the required storage temperature of 75 degrees Fahrenheit or less was achieved. [District Rule 4694, 5.2.2]

Every three years, Section 6.1 and 6.2 require the facility to submit a Three-Year Compliance Plan and a Three-Year Compliance Plan Verification respectively. Section 6.3 requires that an Annual Compliance Plan Demonstration be submitted to the District no later than February 1 of each year to show compliance with the applicable requirements of the Rule. Section 6.4.3 requires that all monitoring be performed for any Certified Emission Reductions as identified in the facility's Three-Year Compliance Plan and that the records of all monitoring be maintained.

The following conditions on the facility-wide permit (unit 0-1) ensure compliance:

- A Three-Year Compliance Plan that demonstrates compliance with the requirements of Section 5.1 of District Rule 4694 for each year of the applicable compliance period shall be submitted to the District by no later than December 1, 2006, and every three years thereafter on or before December 1. [District Rule 4694, 6.1]
- A Three-Year Compliance Plan Verification that demonstrates that the Three-Year Compliance Plan elements are in effect shall be submitted to the District by no later than July 1, 2007, and every three years thereafter on or before July 1. [District Rule 4694, 6.2]
- An Annual Compliance Plan Demonstration that shows compliance with the applicable requirements of this rule shall be submitted to the District by no later than February 1, 2008, and every year thereafter on or before February 1. [District Rule 4694, 6.3]
- Operators using CER to mitigate fermentation emissions shall perform all monitoring and recordkeeping, as established in their approved Three-Year Compliance Plan, and shall maintain all records necessary to demonstrate compliance. [District Rule 4694]

Section 6.4.2 requires that weekly records be kept of wine volume and temperature in each storage tank. The following conditions will be placed on the permit for each storage tank to ensure compliance with the requirements of Section 6.4.2:

- When this tank is used for wine storage, the operator shall record, on a weekly basis, the total gallons of wine contained in the tank and the maximum temperature of the stored wine. [District Rule 4694, 6.4.2]

Section 6.4 requires that records required by this rule be maintained, retained on-site for a minimum of five years, and made available to the APCO upon request. The following conditions will be placed on all permits to ensure compliance:

- All records shall be retained on-site for a period of at least five years and made available for District inspection upon request. [District Rules 1070, 2201 and 4694]

Compliance is expected with this Rule.

California Environmental Quality Act (CEQA)

The California Environmental Quality Act (CEQA) requires each public agency to adopt objectives, criteria, and specific procedures consistent with CEQA Statutes and the CEQA Guidelines for administering its responsibilities under CEQA, including the orderly evaluation of projects and preparation of environmental documents. The San Joaquin Valley Unified Air Pollution Control District (District) adopted its *Environmental Review Guidelines* (ERG) in 2001. The basic purposes of CEQA are to:

- Inform governmental decision-makers and the public about the potential, significant environmental effects of proposed activities.
- Identify the ways that environmental damage can be avoided or significantly reduced.
- Prevent significant, avoidable damage to the environment by requiring changes in projects through the use of alternatives or mitigation measures when the governmental agency finds the changes to be feasible.
- Disclose to the public the reasons why a governmental agency approved the project in the manner the agency chose if significant environmental effects are involved.

Greenhouse Gas Significance Determination

The proposed project is not expected to have any increase in GHG emissions. The District therefore concludes that the project would have a less than cumulatively significant impact on global climate change.

District CEQA Findings

The District is the Lead Agency for this project because there is no other agency with broader statutory authority over this project. The District performed an Engineering Evaluation (this document) for the proposed project and determined that the activity will occur at an existing facility and the project involves negligible expansion of the existing use. Furthermore, the District determined that the activity will not have a significant effect on the environment. The District finds that the activity is categorically exempt from the provisions of CEQA pursuant to CEQA Guideline § 15031 (Existing Facilities), and finds that the project is exempt per the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment (CEQA Guidelines §15061(b)(3)).

IX. RECOMMENDATION

Compliance with all applicable regulations is expected. Therefore, issuance of the ATCs is recommended.

X. BILLING INFORMATION

Permit #	Fee Schedule	Fee Description	Previous Fee Schedule
N-956-333-0	3020-05-E	128,157 gal	N/A
N-956-334-0	3020-05-D	60,361 gal	N/A

APPENDICES

- Appendix I: Draft Authority to Construct Permits
- Appendix II: Compliance Certification Form

Appendix I
Draft Authority to Construct Permits

San Joaquin Valley
Air Pollution Control District

AUTHORITY TO CONSTRUCT

ISSUANCE DATE: DRAFT

PERMIT NO: N-956-333-0

LEGAL OWNER OR OPERATOR: THE WINE GROUP, INC.
MAILING ADDRESS: ATTN: A/P 2827

P O BOX 90
TRACY, CA 95378-0090

LOCATION: 17000 E HIGHWAY 120
RIPON, CA 95366

EQUIPMENT DESCRIPTION:

128,157 GALLON STAINLESS STEEL WINE STORAGE TANK #301 WITH PRESSURE/VACUUM VALVE AND INSULATION

CONDITIONS

1. {1830} 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. {1831} 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. When used for wine storage, this tank shall be equipped with and operated with a pressure-vacuum relief valve, which shall operate within 10% of the maximum allowable working pressure of the tank, operate in accordance with the manufacturer's instructions, and be permanently labeled with the operating pressure settings. [District Rule 4694, 5.2.1] Federally Enforceable Through Title V Permit
4. When this tank is used for wine storage, the pressure-vacuum relief valve and storage tank shall remain in a gas-tight condition, except when the operating pressure of the tank exceeds the valve set pressure. A gas-tight condition shall be determined by measuring the gas leak in accordance with the procedures in EPA Method 21. [District Rule 4694, 5.2.1] Federally Enforceable Through Title V Permit

CONDITIONS CONTINUE ON NEXT PAGE

YOU MUST NOTIFY THE DISTRICT COMPLIANCE DIVISION AT (209) 557-6400 WHEN CONSTRUCTION IS COMPLETED AND PRIOR TO OPERATING THE EQUIPMENT OR MODIFICATIONS AUTHORIZED BY THIS AUTHORITY TO CONSTRUCT. This is NOT a PERMIT TO OPERATE. Approval or denial of a PERMIT TO OPERATE will be made after an inspection to verify that the equipment has been constructed in accordance with the approved plans, specifications and conditions of this Authority to Construct, and to determine if the equipment can be operated in compliance with all Rules and Regulations of the San Joaquin Valley Unified Air Pollution Control District. Unless construction has commenced pursuant to Rule 2050, this Authority to Construct shall expire and application shall be cancelled two years from the date of issuance. The applicant is responsible for complying with all laws, ordinances and regulations of all other governmental agencies which may pertain to the above equipment.

Seyed Sadredin, Executive Director, APCO

DAVID WARNER, Director of Permit Services

N-956-333-0 Oct 15 2013 7:59AM - KAHLONU Joint Inspection NOT Required

5. The temperature of the wine stored in this tank shall be maintained at or below 75 degrees Fahrenheit. The temperature of the stored wine shall be determined and recorded at least once per week. For each batch of wine, the operator shall achieve the storage temperature of 75 degrees Fahrenheit or less within 60 days after completing fermentation, and shall maintain records to show when the required storage temperature of 75 degrees Fahrenheit or less was achieved. [District Rule 4694, 5.2.2] Federally Enforceable Through Title V Permit
6. The ethanol content of wine stored in this tank shall not exceed 23.9 percent by volume. [District Rule 2201] Federally Enforceable Through Title V Permit
7. Daily tank throughput, in gallons, shall not exceed the two times the tank capacity stated in the equipment description. [District Rule 2201] Federally Enforceable Through Title V Permit
8. When this tank is used for wine storage, the operator shall record, on a weekly basis, the total gallons of wine contained in the tank and the maximum temperature of the stored wine. [District Rule 4694, 6.4.2] Federally Enforceable Through Title V Permit
9. When this tank is used for wine storage, daily throughput records, including records of filling and emptying operations, the dates of such operations, a unique identifier for each batch, the volume percent ethanol in the batch, and the volume of wine transferred, shall be maintained. [District Rules 1070 and 2201]
10. Total annual VOC emissions from all wine fermentation and wine storage operations at this facility, calculated on a rolling 12-month total basis, shall not exceed 581,212 lb. [District Rule 2201] Federally Enforceable Through Title V Permit
11. Total annual VOC emissions from wine fermentation operations shall be determined by the following formula: Total annual VOC emissions = (Total Annual Red Wine Production - gallons) x (6.2 lb-VOC/1000 gallons) + (Total Annual White Wine Production - gallons) x (2.5 lb-VOC/1000 gallons). [District Rule 2201]
12. Total annual VOC emissions from wine storage operations may be determined using the total annual wine throughput and a single storage emissions factor based on the average ethanol content of the annual wine throughput; or using the throughputs for different batches of wine and batch-specific storage emissions factors based on the ethanol content of each batch. [District Rule 2201] Federally Enforceable Through Title V Permit
13. Records of the 12-month rolling total fermentation and total storage emissions, including calculation methods and parameters used, shall be maintained and updated monthly. [District Rules 1070 and 2201] Federally Enforceable Through Title V Permit
14. Separate annual records of total red wine and total white wine produced by fermentation at this facility, based on values reported to the Alcohol and Tobacco Tax and Trade Bureau (TTB), U.S. Department of the Treasury, shall be maintained. [District Rules 1070 and 2201] Federally Enforceable Through Title V Permit
15. All records shall be retained on-site for a period of at least five years and made available for District inspection upon request. [District Rules 1070, 2201 and 4694] Federally Enforceable Through Title V Permit

DRAFT

San Joaquin Valley
Air Pollution Control District

AUTHORITY TO CONSTRUCT

ISSUANCE DATE: DRAFT

PERMIT NO: N-956-334-0

LEGAL OWNER OR OPERATOR: THE WINE GROUP, INC.

MAILING ADDRESS: ATTN: A/P 2827
P O BOX 90
TRACY, CA 95378-0090

LOCATION: 17000 E HIGHWAY 120
RIPON, CA 95366

EQUIPMENT DESCRIPTION:

60,361 GALLON STAINLESS STEEL WINE STORAGE TANK #302 WITH PRESSURE/VACUUM VALVE AND INSULATION

CONDITIONS

1. {1830} 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. {1831} 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. When used for wine storage, this tank shall be equipped with and operated with a pressure-vacuum relief valve, which shall operate within 10% of the maximum allowable working pressure of the tank, operate in accordance with the manufacturer's instructions, and be permanently labeled with the operating pressure settings. [District Rule 4694, 5.2.1] Federally Enforceable Through Title V Permit
4. When this tank is used for wine storage, the pressure-vacuum relief valve and storage tank shall remain in a gas-tight condition, except when the operating pressure of the tank exceeds the valve set pressure. A gas-tight condition shall be determined by measuring the gas leak in accordance with the procedures in EPA Method 21. [District Rule 4694, 5.2.1] Federally Enforceable Through Title V Permit

CONDITIONS CONTINUE ON NEXT PAGE

YOU **MUST NOTIFY THE DISTRICT COMPLIANCE DIVISION AT (209) 557-6400 WHEN CONSTRUCTION IS COMPLETED AND PRIOR TO OPERATING THE EQUIPMENT OR MODIFICATIONS AUTHORIZED BY THIS AUTHORITY TO CONSTRUCT.** This is NOT a PERMIT TO OPERATE. Approval or denial of a PERMIT TO OPERATE will be made after an inspection to verify that the equipment has been constructed in accordance with the approved plans, specifications and conditions of this Authority to Construct, and to determine if the equipment can be operated in compliance with all Rules and Regulations of the San Joaquin Valley Unified Air Pollution Control District. Unless construction has commenced pursuant to Rule 2050, this Authority to Construct shall expire and application shall be cancelled two years from the date of issuance. The applicant is responsible for complying with all laws, ordinances and regulations of all other governmental agencies which may pertain to the above equipment.

Seyed Sadredin, Executive Director / APCO

DAVID WARNER, Director of Permit Services

N-956-334-0 : Oct 15 2013 7:59AM - KAHLONUJ : Joint Inspection NOT Required

5. The temperature of the wine stored in this tank shall be maintained at or below 75 degrees Fahrenheit. The temperature of the stored wine shall be determined and recorded at least once per week. For each batch of wine, the operator shall achieve the storage temperature of 75 degrees Fahrenheit or less within 60 days after completing fermentation, and shall maintain records to show when the required storage temperature of 75 degrees Fahrenheit or less was achieved. [District Rule 4694, 5.2.2] Federally Enforceable Through Title V Permit
6. The ethanol content of wine stored in this tank shall not exceed 23.9 percent by volume. [District Rule 2201] Federally Enforceable Through Title V Permit
7. Daily tank throughput, in gallons, shall not exceed the two times the tank capacity stated in the equipment description. [District Rule 2201] Federally Enforceable Through Title V Permit
8. When this tank is used for wine storage, the operator shall record, on a weekly basis, the total gallons of wine contained in the tank and the maximum temperature of the stored wine. [District Rule 4694, 6.4.2] Federally Enforceable Through Title V Permit
9. When this tank is used for wine storage, daily throughput records, including records of filling and emptying operations, the dates of such operations, a unique identifier for each batch, the volume percent ethanol in the batch, and the volume of wine transferred, shall be maintained. [District Rules 1070 and 2201]
10. Total annual VOC emissions from all wine fermentation and wine storage operations at this facility, calculated on a rolling 12-month total basis, shall not exceed 581,212 lb. [District Rule 2201] Federally Enforceable Through Title V Permit
11. Total annual VOC emissions from wine fermentation operations shall be determined by the following formula: Total annual VOC emissions = (Total Annual Red Wine Production - gallons) x (6.2 lb-VOC/1000 gallons) + (Total Annual White Wine Production - gallons) x (2.5 lb-VOC/1000 gallons). [District Rule 2201]
12. Total annual VOC emissions from wine storage operations may be determined using the total annual wine throughput and a single storage emissions factor based on the average ethanol content of the annual wine throughput; or using the throughputs for different batches of wine and batch-specific storage emissions factors based on the ethanol content of each batch. [District Rule 2201] Federally Enforceable Through Title V Permit
13. Records of the 12-month rolling total fermentation and total storage emissions, including calculation methods and parameters used, shall be maintained and updated monthly. [District Rules 1070 and 2201] Federally Enforceable Through Title V Permit
14. Separate annual records of total red wine and total white wine produced by fermentation at this facility, based on values reported to the Alcohol and Tobacco Tax and Trade Bureau (TTB), U.S. Department of the Treasury, shall be maintained. [District Rules 1070 and 2201] Federally Enforceable Through Title V Permit
15. All records shall be retained on-site for a period of at least five years and made available for District inspection upon request. [District Rules 1070, 2201 and 4694] Federally Enforceable Through Title V Permit

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Appendix II
Compliance Certification Form

San Joaquin Valley Unified Air Pollution Control District

TITLE V MODIFICATION - COMPLIANCE CERTIFICATION FORM

I. TYPE OF PERMIT ACTION (Check appropriate box)

- SIGNIFICANT PERMIT MODIFICATION ADMINISTRATIVE
 MINOR PERMIT MODIFICATION AMENDMENT

COMPANY NAME: The Wine Group, LLC dba Franzia Winery	FACILITY ID: N-956
1. Type of Organization: <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Sole Ownership <input type="checkbox"/> Government <input type="checkbox"/> Partnership <input type="checkbox"/> Utility	
2. Owner's Name: The Wine Group, LLC dba Franzia Winery	
3. Agent to the Owner: Lon Nebiolini	

II. COMPLIANCE CERTIFICATION (Read each statement carefully and initial all circles for confirmation):

- Based on information and belief formed after reasonable inquiry, the source identified in this application will continue to comply with the applicable federal requirement(s).
- Based on information and belief formed after reasonable inquiry, the source identified in this application will comply with applicable federal requirement(s) that will become effective during the permit term, on a timely basis.
- Corrected information will be provided to the District when I become aware that incorrect or incomplete information has been submitted.
- Based on information and belief formed after reasonable inquiry, information and statements in the submitted application package, including all accompanying reports, and required certifications are true accurate and complete.

I declare, under penalty of perjury under the laws of the state of California, that the forgoing is correct and true:

Lon Nebiolini
Signature of Responsible Official

8/12/2013
Date

Lon NEBIOLINI
Name of Responsible Official (please print)

GENERAL MANAGER - Ripon Winery
Title of Responsible Official (please print)