



DEC 04 2015

Mr. Debra Guzman
Saputo Cheese USA Inc
800 E Paige Avenue
Tulare, CA 92649

**Re: Proposed ATC / Certificate of Conformity (Significant Mod)
District Facility # S-1203
Project # 1152380**

Dear Mr. Guzman:

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 project authorizes dryer and silo modifications.

After addressing all comments made during the 30-day public notice and the 45-day EPA comment periods, the District intends to issue the Authority to Construct with a Certificate of Conformity. Please submit your comments within the 30-day public comment period, as specified in the enclosed public notice. 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. Leonard Scandura, Permit Services Manager, at (661) 392-5500.

Thank you for your cooperation in this matter.

Sincerely,

Arnaud Marjollet
Director of Permit Services

Enclosures

cc: Mike Tollstrup, CARB (w/enclosure) via email
cc: Gerardo C. Rios, EPA (w/enclosure) via email
cc: Ray Harmon, Saputo Cheese USA Inc

Syed Sadredin
Executive Director/Air Pollution Control Officer

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Rule 4101	Visible Emissions (2/17/05)
Rule 4102	Nuisance (12/17/92)
Rule 4201	Particulate Matter Concentration (12/17/92)
Rule 4202	Particulate Matter Emission Rate (12/17/92)
Rule 4301	Fuel Burning Equipment (12/17/92) not applicable – dryer is a direct heat transfer device
Rule 4305	Boilers, Steam Generators & Process Heaters – Phase II (8/21/03) - not applicable – unit is a direct-fired dryer
Rule 4306	Boilers, Steam Generators & Process Heaters – Phase III (3/17/05) - not applicable – unit is a direct-fired dryer
Rule 4309	Dryers, Dehydrators, and Ovens (12/15/05)
Rule 4801	Sulfur Compounds (12/17/92)
CH&SC 41700	Health Risk Assessment
CH&SC 42301.6	School Notice
Public Resources Code 21000-21177: California Environmental Quality Act (CEQA)	
California Code of Regulations, Title 14, Division 6, Chapter 3, Sections 15000-15387: CEQA Guidelines	

III. Project Location

The facility is located at 800 E. Paige Avenue, Tulare, CA. The equipment is not located within 1,000 feet of the outer boundary of a K-12 school. Therefore, the public notification requirement of California Health and Safety Code 42301.6 is not applicable to this project.

IV. Process Description

S-1203-9 Tall Form Model 1600 Deproteinized Whey (DPW) Tall Form Dryer (TFD)

Deproteinized whey is dried in the tall form dryer which is direct-fired. Liquid raw material is introduced into the dryer through a high pressure feed system. A fine atomized spray is mixed with air heated directly with combustible products. The atomized particles dry as they fall through the dryer coming to rest on a belt conveyor for product curing reasons, and then discharged to vibrofluidizer for further drying and powder cooling. Humid air is removed from the dryer through a wet scrubber that separates any powder from the air stream that is then discharged to the atmosphere.

Proposed Modifications

Applicant is requesting an increase in whey throughput for units '-8, '-10, and '-11 as described in the proposal section.

V. Equipment Listing

Pre-Project Equipment Description:

S-1203-9-6: 22.4 MMBTU/HR NIRO INC. TALL FORM DIRECT HEAT SPRAY DRYER MODEL 1600 CONSISTING OF FEED SYSTEM, DRYING CHAMBER, HOLDING BELT, AND WET SCRUBBER

S-1203-10-2: 37,375 GALLON (5,000 CU. FT.) WHEY POWDER STORAGE SILO "A" WITH BIN VENT, 3 HP POWER SILO BIN DISCHARGER, AND 2 HP EXHAUST FAN

S-1203-11-2: 37,375 GALLON (5,000 CU. FT.) WHEY POWDER STORAGE SILO "B" WITH BIN VENT, 3 HP POWER SILO BIN DISCHARGER, AND 2 HP EXHAUST FAN

Proposed Modification:

S-1203-9-7: MODIFICATION OF 22.4 MMBTU/HR NIRO INC. TALL FORM DIRECT HEAT SPRAY DRYER MODEL 1600 CONSISTING OF FEED SYSTEM, DRYING CHAMBER, HOLDING BELT, AND WET SCRUBBER: INCREASE WHEY THROUGHPUT FOM 242 TONS/DAY TO 280 PER DAY

S-1203-10-3: MODIFICATION OF 37,375 GALLON (5,000 CU. FT.) WHEY POWDER STORAGE SILO "A" WITH BIN VENT, 3 HP POWER SILO BIN DISCHARGER, AND 2 HP EXHAUST FAN: INCREASE WHEY THROUGHPUT FROM 220 TONS/DAY TO 280 PER DAY

S-1203-11-3: MODIFICATION OF 37,375 GALLON (5,000 CU. FT.) WHEY POWDER STORAGE SILO "B" WITH BIN VENT, 3 HP POWER SILO BIN DISCHARGER, AND 2 HP EXHAUST FAN: INCREASE WHEY THROUGHPUT FROM 220 TONS/DAY TO 280 PER DAY

Post Project Equipment Description:

S-1203-9-7: 22.4 MMBTU/HR NIRO INC. TALL FORM DIRECT HEAT SPRAY DRYER MODEL 1600 CONSISTING OF FEED SYSTEM, DRYING CHAMBER, HOLDING BELT, AND WET SCRUBBER

S-1203-10-3: 37,375 GALLON (5,000 CU. FT.) WHEY POWDER STORAGE SILO "A" WITH BIN VENT, 3 HP POWER SILO BIN DISCHARGER, AND 2 HP EXHAUST FAN

S-1203-11-3: 37,375 GALLON (5,000 CU. FT.) WHEY POWDER STORAGE SILO "B" WITH BIN VENT, 3 HP POWER SILO BIN DISCHARGER, AND 2 HP EXHAUST FAN

VI. Emission Control Technology Evaluation

Emissions from the subject whey powder processing equipment consist of particulate matter (PM) of the powder and the pollutants from the combustion process of natural gas-fired dryer (S-1203-9).

Tall Form dryer (S-1203-9-0) is natural gas/direct-fired i.e. the products of combustion come in contact with the whey by-product. This unit is equipped with a low NOx burner. The particle-laden air is then vented through a cyclone and a wet scrubber before released into the atmosphere.

PM emissions are generated from storage of whey powder in silos, S-1203-10 and '-11. Each silo is equipped with bin vent filter and the exhausts are vented by 2 hp fans.

VII. General Calculations

A. Assumptions

- Operating Schedule: 24 hrs/day, 365 days/year
- Pre-project deproteinized whey throughput: 220 tons/day (SLC combined for '-10 and '-11), 242 tons/day ('-8)
- Post-project deproteinized whey throughput: 280 tons/day (SLC combined '-10 and '-11, '-9)
- Dryer maximum input heating value = 22.4 MMBtu/hr
- Natural Gas Heating Value: 1,000 Btu/scf (District Practice)
- F-Factor for Natural Gas: 8,578 dscf/MMBtu corrected to 60°F (40 CFR 60, Appendix B)
- Permitted NOx emissions factor (0.02 lb/MMBtu) is assumed to represent baseline and projected emissions (BAE and PAE) for the Federal Major Modification calculation.

B. Emission Factors

S-1203-9

Post-project Emission Factors		
Pollutant	EF (lb/hr)	Source
NO _x	0.02 lb/MMBtu (0.6 ppmv at stack conditions)	From 11-7-2002 ST Proposed by applicant
SO _x	0.07 lb/hr	Current PTO
PM ₁₀	0.56 lb/ton	Current PTO
CO	0.1481 lb/MMBtu (7.4 ppmv at stack conditions)	From 11-7-2002 ST Proposed by applicant
VOC	0.13 lb/hr	Current PTO

S-1203-10 and '-11

PM10: 0.015 lb/ton (current PTOs)

C. Calculations

1. Pre-Project Potential to Emit (PE1)

S-1203-9

NOx: 0.02 lb/MMBtu x 22.4 MMBtu/hr x 24 hr/day = 10.8 lb/day (3,942 lb/yr)

SOx: 0.07 lb/hr x 24 hr/day = 1.7 lb/day (621 lb/yr)

PM10: 0.56 lb/ton x 242 tons/day = 135.5 lb/day (49,458 lb/yr)

CO: 0.1481 lb/MMBtu x 22.4 MMBtu/hr x 24 hr/day = 79.6 lb/day (29,054 lb/yr)

VOC: 0.13 lb/hr x 24 hr/day = 3.1 lb/day (1,132 lb/yr)

S-1203-10, '-11

0.015 lb PM10/ton x 220 tons/day = 3.3 lb/day (1205 lb/yr, combined for '-10 and '-11)

2. Post Project Potential to Emit (PE2)

S-1203-9

NOx: $0.02 \text{ lb/MMBtu} \times 22.4 \text{ MMBtu/hr} \times 24 \text{ hr/day} = 10.8 \text{ lb/day} (3,942 \text{ lb/yr})$

SOx: $0.07 \text{ lb/hr} \times 24 \text{ hr/day} = 1.7 \text{ lb/day} (621 \text{ lb/yr})$

PM10: $0.56 \text{ lb/ton} \times 280 \text{ tons/day} = 156.8 \text{ lb/day} (57,232 \text{ lb/yr})$

CO: $0.1481 \text{ lb/MMBtu} \times 22.4 \text{ MMBtu/hr} \times 24 \text{ hr/day} = 79.6 \text{ lb/day} (29,054 \text{ lb/yr})$

VOC: $0.13 \text{ lb/hr} \times 24 \text{ hr/day} = 3.1 \text{ lb/day} (1,132 \text{ lb/yr})$

S-1203-10, '-11

$0.015 \text{ lb PM10/ton} \times 280 \text{ tons/day} = 4.2 \text{ lb/day} (1,533 \text{ lb/yr, combined for '-10 and '-11)$

Emissions profiles included in **Attachment II**.

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

Pursuant to District Rule 2201, the SSPE1 is the Potential to Emit (PE) from all units with valid Authorities to Construct (ATC) or Permits to Operate (PTO) at the Stationary Source and the quantity of Emission Reduction Credits (ERC) which have been banked since September 19, 1991 for Actual Emissions Reductions (AER) that have occurred at the source, and which have not been used on-site.

The SSPE1 is the SSPE2 for project 1144334 (final 3/2/15) which is the latest project finalized in PAS.

SSPE1					
Permit Unit	NO _x (lb/yr)	SO _x (lb/yr)	PM ₁₀ (lb/yr)	CO (lb/yr)	VOC (lb/yr)
S-1203-8-7	2,455	401	7,300	5,001	730
S-1203-9-5	3,942	621	49,458	29,054	1,132
S-1203-10-1	0	0	1,205	0	0
S-1203-11-1	0	0	1,205	0	0
S-1203-12-1	0	0	301	0	0
S-1203-13-0	0	0	409	0	0
S-1203-14-0	0	0	409	0	0
S-1203-15-0	0	0	409	0	0
S-1203-17-1	22	0	1	363	78
S-1203-16-2	15,611	16,343	11,132	64,649	8,238
S-1203-20-1					
S-1203-22-0					
S-1203-21-0	0	0	5,735	0	0
S-1203-23-0	0	0	171	0	0
ATC S-1203-24-0	96	0	5	50	12
ATC S-1203-25-0	56	0	2	10	3
SSPE1 Total	22,182	17,365	77,742	99,127	10,193

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

Pursuant to District Rule 2201, the SSPE2 is the PE from all units with valid ATCs or PTOs at the Stationary Source and the quantity of ERCs which have been banked since September 19, 1991 for AER that have occurred at the source, and which have not been used on-site.

SSPE2 (lb/year)					
Permit Unit	NO _x	SO _x	PM ₁₀	CO	VOC
SSPE1	22,182	17,365	77,742	99,127	10,193
-9 increase	0	0	57,232 – 49,458 = 7,774	0	0
'-10, '-11 combined increase	0	0	1,533 – 1,205 = 328		
SSPE2	22,182	17,365	85,844	99,127	10,193

5. 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

Rule 2201 Major Source Determination (lb/year)						
	NO _x	SO _x	PM ₁₀	PM _{2.5}	CO	VOC
SSPE1	22,182	17,365	77,742	77,742	99,127	10,193
SSPE2	22,182	17,365	85,844	85,844	99,127	10,193
Major Source Threshold	20,000	140,000	140,000	200,000	200,000	20,000
Major Source?	Yes	No	No	No	No	No

Note: PM2.5 assumed to be equal to PM10

As seen in the table above, the facility is an existing Major Source for NO_x only and is not becoming a Major Source for SO_x, PM₁₀, CO, or VOCs as a result of this project.

Rule 2410 Major Source Determination:

The facility or the equipment evaluated under this project is listed as one of the categories specified in 40 CFR 52.21 (b)(1)(iii). Therefore the PSD Major Source threshold is 100 tpy for any regulated NSR pollutant.

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)(iii). Therefore the PSD Major Source threshold is 250 tpy for any regulated NSR pollutant.

PSD Major Source Determination (tons/year)						
	NO ₂	VOC	SO ₂	CO	PM	PM ₁₀
Estimated Facility PE before Project Increase	11.1	5.1	8.7	49.6	38.9	38.9
PSD Major Source Thresholds	250	250	250	250	250	250
PSD Major Source ? (Y/N)	N	N	N	N	N	N

As shown above, the facility is not an existing PSD major source for any regulated NSR pollutant expected to be emitted at this facility.

6. Baseline Emissions (BE)

The BE calculation (in lb/year) is performed pollutant-by-pollutant for each unit within the project to calculate the QNEC, and if applicable, to determine the amount of offsets required.

Pursuant to District Rule 2201, BE = PE1 for:

- Any unit located at a non-Major Source,
- Any Highly-Utilized Emissions Unit, located at a Major Source,
- Any Fully-Offset Emissions Unit, located at a Major Source, or
- Any Clean Emissions Unit, located at a Major Source.

otherwise,

BE = Historic Actual Emissions (HAE), calculated pursuant to District Rule 2201.

As shown in Section VII.C.5 above, the facility is a Major Source NO_x and the dryer satisfies current Achieved-in-Practice BACT requirements of BACT Guideline 1.6.11, which applies to the Dryer – Milk Spray, ≥ 20 MMBtu/hr (See **Attachment III**).

Therefore the dryer is a Clean Emissions Unit and BE=PE1.

As calculated in Section VII.C.1 above, PE1 is summarized in the following table:

BE (lb/year)						
	NO _x	SO _x	PM ₁₀	PM _{2.5}	CO	VOC
S1203-9	3,942	621	49,458	49,458	29,054	1,132
S-1203-10	0	0	1,205	0	0	0
S-1203-11	0	0		0	0	0

7. SB 288 Major Modification

SB 288 Major Modification is defined in 40 CFR Part 51.165 as "any physical change in or change in the method of operation of a major stationary source that would result in a significant net emissions increase of any pollutant subject to regulation under the Act."

Since this facility is not a Major Source for SO_x, PM₁₀, CO, and VOCs, this project does not constitute a SB 288 Major Modification for these air contaminants.

Since this facility is a major source for NO_x, the project's PE2 is compared to the SB 288 Major Modification Threshold in the following table in order to determine if the SB 288 Major Modification calculation is required.

SB 288 Major Modification Thresholds			
Pollutant	Project PE2 (lb/year)	Threshold (lb/year)	SB 288 Major Modification Calculation Required?
NO _x	3,942	50,000	No
SO _x		80,000	No
PM ₁₀		30,000	No
VOC		50,000	No

Since none of the SB 288 Major Modification Threshold for NO_x is not surpassed with this project, this project does not constitute an SB 288 Major Modification.

8. Federal Major Modification

District Rule 2201, Section 3.17 defines Federal Major Modification the same as “Major Modification” as defined by 40 CFR 51.165 and part D of Title I of the CAA. Section 3.17 also states that a SB 288 Major Modification is not a Federal Major Modification if the emissions increase for the project or the net emissions increase for the facility (calculated pursuant to 40 CFR 51.165 (a) (2) (ii) (B) through (D) and (F)) does not result in a significant increase as defined by Rule 2201 Table 3-1 or the modification does not cause facility wide emissions to exceed previously established plant wide applicability limit (PAL).

Since this facility is not a Major Source for SO_x, PM₁₀, CO, and VOCs, this project does not constitute a Federal Major Modification for these air contaminants

NO_x

For determination whether a project has a significant increase the project emissions increase is first calculated. The project emissions increase for each pollutant is the projected actual emissions (PAE) and the baseline actual emissions (BAE).

Where there is no increase in design capacity or potential to emit, the PAE are equal to the annual emissions rate at which the unit is projected to emit in any one year selected within 5 years after the unit resumes normal operation (10 years for existing units with an increase in design capacity or potential to emit). If there is no increase in design capacity PAE cannot exceed PE1.

Applicant has proposed an increase in whey throughput for dryer S-1209-9. Therefore an increase in design capacity is assumed. The following annual fuel use information was provided (11-3-15 email) for the 2 year period prior to this application (2013 – 2014).

2013 : 49,022,379 scf

2014: 48,304,013 scf

Avg = 48,663,196 scf/yr

BAE Calculation

$$\text{BAE} = 48,663,196 \text{ scf/yr} \times 0.001 \text{ MMBtu/scf} \times 0.02 \text{ lb NO}_x/\text{MMBtu} = 973 \text{ lb/yr NO}_x$$

PAE Calculation

$$60,719,999 \text{ scf/yr} \times 0.001 \text{ MMBtu/scf} \times 0.02 \text{ lb NO}_x/\text{MMBtu} = 1,214 \text{ lb/yr NO}_x$$

$$\begin{aligned} \text{Emissions Increase} &= \text{PAE} - \text{BAE} \\ &= 1,214 - 973 \\ &= 241 \text{ lb/yr NO}_x \end{aligned}$$

Federal Major Modification Thresholds for Emission Increases			
Pollutant	Total Emissions Increases (lb/yr)	Thresholds (lb/yr)	Federal Major Modification?
NO _x *	241	0	Yes

*If there is any emission increases in NO_x or VOC, this project is a Federal Major Modification and no further analysis is required.

Since there is an increase in NO_x, this project constitutes a Federal Major Modification, and no further analysis is required.

9. Rule 2410 – Prevention of Significant Deterioration (PSD) Applicability Determination

Rule 2410 applies to any pollutant regulated under the Clean Air Act, except those for which the District has been classified nonattainment. The pollutants which must be addressed in the PSD applicability determination for sources located in the SJV and which are emitted in this project are: (See 52.21 (b) (23) definition of significant)

- NO₂ (as a primary pollutant)
- SO₂ (as a primary pollutant)
- CO
- PM
- PM₁₀
- Lead
- Fluorides
- Sulfuric acid mist
- Hydrogen sulfide (H₂S)
- Total reduced sulfur (including H₂S)
- Reduced sulfur compounds

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). The PSD Major Source threshold is 250 tpy for any regulated NSR pollutant.

PSD Major Source Determination: Potential to Emit (tons/year)						
	NO2	VOC	SO2	CO	PM	PM10
Total PE from New and Modified Units	2	0.6	0.3	14.5	25.3	25.3
PSD Major Source threshold	250	250	250	250	250	250
New PSD Major Source?	N	N	N	N	N	N

As shown in the table above, the potential to emit for the project, by itself, does not exceed any PSD major source threshold. Therefore Rule 2410 is not applicable and no further analysis is required.

10. Quarterly Net Emissions Change (QNEC)

The QNEC is calculated solely to establish emissions that are used to complete the District's PAS emissions profile screen.

QNEC calculations:

The Quarterly Net Emissions Change is used to complete the emission profile screen for the District's PAS database. The QNEC shall be calculated as follows:

QNEC = PE2 - BEPE1, where:

QNEC = Quarterly Net Emissions Change, lb/qtr.

PE2 = Post Project Potential to Emit, lb/qtr.

BEPE1 = ~~Baseline Emissions (per Rule 2201)~~ Pre-Project Potential to Emit, lb/qtr.

Using the values in Sections VII.C in the evaluation above, quarterly PE2 and quarterly PE1 can be calculated as follows:

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QNEC = 0 for NOx, SOx, CO, and VOC

QNEC = (57,232 - 49,458)/4 = 1,944 lb/qtr for PM10

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QNEC = (1533 - 1205)/4 = 82 lb/qtr for PM10

VIII. Compliance

Rule 2201 New and Modified Stationary Source Review Rule

A. Best Available Control Technology (BACT)

1. BACT Applicability

BACT requirements are triggered on a pollutant-by-pollutant basis and on an emissions unit-by-emissions unit basis. Unless specifically exempted by Rule 2201, BACT shall be required for the following actions*:

- a. Any new emissions unit with a potential to emit exceeding two pounds per day,
- b. The relocation from one Stationary Source to another of an existing emissions unit with a potential to emit exceeding two pounds per day,
- c. Modifications to an existing emissions unit with a valid Permit to Operate resulting in an AIPE exceeding two pounds per day, and/or
- d. Any new or modified emissions unit, in a stationary source project, which results in an SB 288 Major Modification or a Federal Major Modification, as defined by the rule.

*Except for CO emissions from a new or modified emissions unit at a Stationary Source with an SSPE2 of less than 200,000 pounds per year of CO.

a. New emissions units – PE > 2 lb/day

As discussed in Section I above, there are no new emissions units associated with this project. Therefore BACT for new units with PE > 2 lb/day purposes is not triggered.

b. Relocation of emissions units – PE > 2 lb/day

As discussed in Section I above, there are no emissions units being relocated from one stationary source to another; therefore BACT is not triggered.

c. Modification of emissions units – AIPE > 2 lb/day

$$\text{AIPE} = \text{PE}_2 - \text{HAPE}$$

Where,

AIPE = Adjusted Increase in Permitted Emissions, (lb/day)

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

HAPE = Historically Adjusted Potential to Emit, (lb/day)

$$\text{HAPE} = \text{PE}_1 \times (\text{EF}_2/\text{EF}_1)$$

Where,

PE1 = The emissions unit's PE prior to modification or relocation, (lb/day)
EF2 = The emissions unit's permitted emission factor for the pollutant after modification or relocation. If EF2 is greater than EF1 then EF2/EF1 shall be set to 1
EF1 = The emissions unit's permitted emission factor for the pollutant before the modification or relocation

$$\text{AIPE} = \text{PE2} - (\text{PE1} * (\text{EF2} / \text{EF1}))$$

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NO_x, SO_x, CO, and VOCs: EF2 = EF1, PE2 = PE1, AIPE = 0

PM10: EF2 = EF1, AIPE = 156.8 – 135.5 = 21.3 lb/day (BACT is required for PM10)

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PM10: EF2 = EF1, AIPE = 4.2 – 3.3 = 0.9 lb/day (BACT is not required)

d. SB 288/Federal Major Modification

As discussed in Sections VII.C.7 and VII.C.8 above, this project is a Federal Major Modification for NO_x emissions. Therefore BACT is triggered for NO_x.

2. BACT Guideline

BACT Guideline 1.6.11, applies to the Dryer – Milk Spray, ≥ 20 MMBtu/hr (See Attachment III)

3. Top-Down BACT Analysis

Per Permit Services Policies and Procedures for BACT, a Top-Down BACT analysis shall be performed as a part of the application review for each application subject to the BACT requirements pursuant to the District's NSR Rule.

Pursuant to the attached Top-Down BACT Analysis (see **Attachment IV**), BACT has been satisfied with the following:

NO_x: Low NO_x burner and natural gas fuel
PM₁₀: Baghouse and natural gas fuel

B. Offsets

1. Offset Applicability

Offset requirements shall be triggered on a pollutant by pollutant basis and shall be required if the SSPE2 equals to or exceeds the offset threshold levels in Table 4-1 of Rule 2201.

The SSPE2 is compared to the offset thresholds in the following table.

Offset Determination (lb/year)					
	NO _x	SO _x	PM ₁₀	CO	VOC
SSPE2	22,182	17,365	85,844	99,127	10,193
Offset Thresholds	20,000	54,750	29,200	200,000	20,000
Offsets triggered?	Yes	No	Yes	No	No

2. Quantity of Offsets Required

As seen above, the SSPE2 is greater than the offset thresholds for PM10 only. Therefore offset calculations will be required for this project.

The quantity of offsets in pounds per year for PM10 is calculated as follows for sources with an SSPE1 greater than the offset threshold levels before implementing the project being evaluated.

Offsets Required (lb/year) = $(\Sigma[PE2 - BE] + ICCE) \times DOR$, for all new or modified emissions units in the project,

Where,

PE2 = Post Project Potential to Emit, (lb/year)

BE = Baseline Emissions, (lb/year)

ICCE = Increase in Cargo Carrier Emissions, (lb/year)

DOR = Distance Offset Ratio, determined pursuant to Section 4.8

BE = PE1 for:

- Any unit located at a non-Major Source,
- Any Highly-Utilized Emissions Unit, located at a Major Source,
- Any Fully-Offset Emissions Unit, located at a Major Source, or
- Any Clean Emissions Unit, Located at a Major Source.

otherwise,

BE = HAE

Baseline emissions for the permit being modified by the project are equal to PE1. There are no increases in cargo carrier emissions; therefore offsets can be determined as follows:

Offsets Required (lb/year) = $(\Sigma[PE2 - BE] + ICCE) \times DOR$

NO_x

PE2 = BE and therefore offsets are not required

PM10

$$PE2 (PM10) = 57,232 ('9) + 1,533 ('-10 \text{ and } '-11) = 58,765 \text{ lb/yr}$$

$$BE (PM10) = 49,458 ('-9) + 1,205 ('-10 \text{ and } '-11) = 50,663 \text{ lb/yr}$$

$$ICCE = 0 \text{ lb/year}$$

$$\begin{aligned} \text{Emissions Increase (lb/year)} &= (\Sigma[PE2 - BE]) \\ &= 58,765 - 50,663 \\ &= 8,102 \text{ lb/yr} \end{aligned}$$

The proposed ERCs correspond to reductions occurring greater than 15 miles from the stationary source and therefore the correct offset ratio is 1.5:1. The amount of PM10 ERCs that need to be withdrawn is:

$$\begin{aligned} \text{Offsets Required (lb/year)} &= ([8,102] + 0) \times 1.5 \\ &= 8,102 \times 1.5 \\ &= 12,153 \text{ lb PM10/year} \end{aligned}$$

Calculating the appropriate quarterly emissions to be offset is as follows:

$$\begin{aligned} \text{Quarterly offsets required (lb/qtr)} &= (12,153 \text{ lb NO}_x\text{/year}) \div (4 \text{ quarters/year}) \\ &= 3,038.25 \text{ lb/qtr} \end{aligned}$$

As shown in the calculation above, the quarterly amount of offsets required for this project, when evenly distributed to each quarter, results in fractional pounds of offsets being required each quarter. Since offsets are required to be withdrawn as whole pounds, the quarterly amounts of offsets need to be adjusted to ensure the quarterly values sum to the total annual amount of offsets required.

To adjust the quarterly amount of offsets required, the fractional amount of offsets required in each quarter will be summed and redistributed to each quarter based on the number of days in each quarter. The redistribution is based on the Quarter 1 having the fewest days and the Quarters 3 and 4 having the most days. The redistribution method is summarized in the following table:

Redistribution of Required Quarterly Offsets				
(where X is the annual amount of offsets, and $X \div 4 = Y.z$)				
Value of z	Quarter 1	Quarter 2	Quarter 3	Quarter 4
.0	Y	Y	Y	Y
.25	Y	Y	Y	Y+1
.5	Y	Y	Y+1	Y+1
.75	Y	Y+1	Y+1	Y+1

Therefore the appropriate quarterly emissions to be offset are as follows:

<u>1st Quarter</u>	<u>2nd Quarter</u>	<u>3rd Quarter</u>	<u>4th Quarter</u>	<u>Total Annual</u>
3038	3038	3038	3039	12,153

Offset Requirements for Individual Permit Units

S-1202-9

Offsets = $(57,232 - 49,458) \times 1.5/4 = 2915.25$

<u>1st Quarter</u>	<u>2nd Quarter</u>	<u>3rd Quarter</u>	<u>4th Quarter</u>	<u>Total Annual</u>
2915	2915	2915	2916	11,661

S-1203-10, '-11

Offsets = $(1533 - 1205) \times 1.5/4 = 123$

<u>1st Quarter</u>	<u>2nd Quarter</u>	<u>3rd Quarter</u>	<u>4th Quarter</u>	<u>Total Annual</u>
61	61	61	61	244

<u>1st Quarter</u>	<u>2nd Quarter</u>	<u>3rd Quarter</u>	<u>4th Quarter</u>	<u>Total Annual</u>
62	62	62	62	248

The total amount of PM10 offsets required for the project is 12,153 lb PM10.

The applicant has stated that the facility plans to use ERC certificates C-1375-4 and S-4631-4 to offset the increases in PM10 emissions associated with this project. The above certificates have available quarterly PM10 credits as follows:

ERC #C-1375-4	<u>1st Quarter</u>	<u>2nd Quarter</u>	<u>3rd Quarter</u>	<u>4th Quarter</u>
	0	0	0	4,682
ERC # S-4631-4	<u>1st Quarter</u>	<u>2nd Quarter</u>	<u>3rd Quarter</u>	<u>4th Quarter</u>
	0	0	0	7,471

The total amount of ERCs proposed for the project is 12,153 lb PM10.

Therefore, sufficient offsets are provided for the project. ERCs have been reserved for the above amounts. Note that District 2201 Section 4.13.7 states that AER for PM that occurred from October through March (1st and 4th quarters, inclusive, may be used to offset increases in PM during any period of the year.

Proposed Rule 2201 (offset) Conditions:

S-1203-9

- {GC# 4447 - edited} Prior to operating equipment under this Authority to Construct, permittee shall surrender PM10 emission reduction credits for the following quantity of emissions: 1st quarter – 2,915 lb, 2nd quarter – 2,915 lb, 3rd quarter – 2,915 lb, and fourth quarter – 2,916. These amounts include the applicable offset ratio specified in Rule 2201 Section 4.8 (as amended 4/21/11) for the ERC specified below. [District Rule 2201]

S-1203-10

- {GC# 4447 - edited} Prior to operating equipment under this Authority to Construct, permittee shall surrender PM10 emission reduction credits for the following quantity of emissions: 1st quarter – 61 lb, 2nd quarter – 61 lb, 3rd quarter – 61 lb, and fourth quarter – 61. These amounts include the applicable offset ratio specified in Rule 2201 Section 4.8 (as amended 4/21/11) for the ERC specified below. [District Rule 2201]

S-1203-11

- {GC# 4447 - edited} Prior to operating equipment under this Authority to Construct, permittee shall surrender PM10 emission reduction credits for the following quantity of emissions: 1st quarter – 62 lb, 2nd quarter – 62 lb, 3rd quarter – 62 lb, and fourth quarter – 62. These amounts include the applicable offset ratio specified in Rule 2201 Section 4.8 (as amended 4/21/11) for the ERC specified below. [District Rule 2201]
- ERC Certificate Numbers C-1375-4 and S-4631-4 (or certificates split from these certificate) shall be used to supply the required offsets, unless a revised offsetting proposal is received and approved by the District, upon which this Authority to Construct shall be reissued, administratively specifying the new offsetting proposal. Original public noticing requirements, if any, shall be duplicated prior to reissuance of this Authority to Construct. [District Rule 2201]

C. Public Notification

1. Applicability

Public noticing is required for:

- a. New Major Sources, Federal Major Modifications, and SB 288 Major Modifications,
- b. Any new emissions unit with a Potential to Emit greater than 100 pounds during any one day for any one pollutant,
- c. Any project which results in the offset thresholds being surpassed, and/or
- d. Any project with an SSIPE of greater than 20,000 lb/year for any pollutant.
- e. Any project which results in a Title V significant permit modification

a. New Major Sources, Federal Major Modifications, and SB 288 Major Modifications

New Major Sources are new facilities, which are also Major Sources. Since this is not a new facility, public noticing is not required for this project for New Major Source purposes.

As demonstrated in Sections VII.C.7 and VII.C.8, this project does not constitute an SB 288 or Federal Major Modification; therefore, public noticing for SB 288 or Federal Major Modification purposes is not required.

b. PE > 100 lb/day

Applications which include a new emissions unit with a PE greater than 100 pounds during any one day for any pollutant will trigger public noticing requirements. There are no new emissions units associated with this project. Therefore public noticing is not required for this project for PE > 100 lb/day.

c. Offset Threshold

The SSPE1 and SSPE2 are compared to the offset thresholds in the following table.

Offset Thresholds				
Pollutant	SSPE1 (lb/year)	SSPE2 (lb/year)	Offset Threshold	Public Notice Required?
NO _x	18,637	18,637	20,000 lb/year	No
SO _x	17,365	17,365	54,750 lb/year	No
PM ₁₀	78,916	87,018	29,200 lb/year	No
CO	98,857	98,857	200,000 lb/year	No
VOC	10,128	10,128	20,000 lb/year	No

As detailed above, there were no thresholds surpassed with this project; therefore public noticing is not required for offset purposes.

d. SSIPE > 20,000 lb/year

Public notification is required for any permitting action that results in a SSIPE of more than 20,000 lb/year of any affected pollutant. According to District policy, the SSIPE = SSPE2 – SSPE1. The SSIPE is compared to the SSIPE Public Notice thresholds in the following table.

SSIPE Public Notice Thresholds					
Pollutant	SSPE2 (lb/year)	SSPE1 (lb/year)	SSIPE (lb/year)	SSIPE Public Notice Threshold	Public Notice Required?
NO _x	18,637	18,637	0	20,000 lb/year	No
SO _x	17,365	17,365	0	20,000 lb/year	No
PM ₁₀	87,018	78,916	8,102	20,000 lb/year	No
CO	98,857	98,857	0	20,000 lb/year	No
VOC	10,128	10,128	0	20,000 lb/year	No

As demonstrated above, the SSIPEs for all pollutants were less than 20,000 lb/year; therefore public noticing for SSIPE purposes is not required.

e. Title V Significant Permit Modification

As shown in the Discussion of Rule 2520 below, this project constitutes a Title V significant modification. Therefore, public noticing for Title V significant modifications is required for this project.

2. Public Notice Action

As discussed above, this project is a Title V Significant Modification. Therefore, public notice will not be required for this project.

D. Daily Emission Limits (DELs)

DELs and other enforceable conditions are required by Rule 2201 to restrict a unit's maximum daily emissions, to a level at or below the emissions associated with the maximum design capacity. The DEL must be contained in the latest ATC and contained in or enforced by the latest PTO and enforceable, in a practicable manner, on a daily basis. DELs are also required to enforce the applicability of BACT.

Proposed Rule 2201 (DEL) Conditions:

S-1203-9

Scrubbed emissions from the dryer shall not exceed any of the following: PM10 0.56 lb/ton deproteinized whey produced; NO_x 1.8 ppmv at stack conditions (0.02 lb/MMBtu) calculated as NO₂; CO 21.3 ppmv at stack conditions (0.1481 lb/MMBtu); VOC 0.13 lb/hr; or SO_x 0.07 lb/hr (calculated as SO₂). [District Rules 2201, 4202, and 4309] Y

Compliance testing shall be conducted at a firing rate of at least 80% of the maximum firing rate. If test results extrapolated to 100% firing rate (lb/hr emissions x 100/percent firing rate) do not project compliance, firing rate shall be limited to that measured during test which demonstrated compliance. [District Rule 2201] Y

Maximum daily productions of the deproteinized whey shall not exceed 280 ton/day. [District Rule 2201] Y

S-1203-10, '-11

Maximum quantity of dried whey powder conveyed into this silo shall not exceed 280 tons/day. [District Rules 2201 and 4202] Y

The total throughput of dried whey products handled by the silos S-1203-10 and S-1203-11 shall not exceed 280 tons/day. [District Rule 2201] Y

PM10 emissions from bin vent filters shall not exceed 0.015 lb/ton of powder conveyed into silo. [District Rules 2201, 4201, and 4202] Y

E. Compliance Assurance

1. Source Testing

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

2. Monitoring

S-1203-10, '-11

Permittee shall perform a complete vent filter inspection on an annual basis. Dust collector filters shall be inspected thoroughly for tears, scuffs, abrasions, holes, or any evidence of particulate matter leaks and shall be replaced as needed. [District Rule 2520, 9.3.2] Y

District Rule 4309 requires the owner of any unit equipped with NO_x reduction technology shall either install and maintain continuous emissions monitoring equipment for NO_x, CO, and oxygen, as identified in Rule 1080 (Stack Monitoring), or install and maintain APCO-approved alternate monitoring plan. Since the boiler will be equipped with a low NO_x burner and a selective catalytic reduction system, this requirement applies.

The applicant will continue to utilize pre-approve alternate monitoring plan "A" (Periodic Monitoring NO_x, CO, and O₂ Emissions Concentrations) to meet the requirements of District Rule 4305. Monitoring for Rule 4305 also satisfies the monitoring requirements for Rule 2201. No additional monitoring is required.

3. Recordkeeping

Recordkeeping is required to demonstrate compliance with the offset, public notification and daily emission limit requirements of Rule 2201. The following condition(s) are listed on the permit to operate:

S-1203-9

Records of monthly average fuel flow to dryer shall be kept for 5 years and shall be made readily available for District inspection upon request. [District Rules 1070 and 2520] Y

Permittee shall maintain daily records of deproteinized whey production. [District Rule 2201] Y

Pressure differential across the scrubber shall be observed and recorded weekly during operation of this unit. [District Rule 2520, 9.3.2] Y

Records of pressure differential across the scrubber shall be maintained. The records shall include identification of the equipment, date of inspection, corrective action taken, and identification of the individual performing the inspection. [District Rule 2520, 9.4] Y

All records shall be maintained and retained on-site for a minimum of five (5) years, and shall be made available for District inspection upon request. [District Rules 1070, 2520, 9.4, and 4309] Y

S-1203-10, -11

Records of visible emissions monitoring results shall be maintained and retained for a minimum of five (5) years, and shall be made available for District inspection upon request. [District Rule 2520, 9.4] Y

Records of vent filter maintenance, inspections, and repair shall be maintained. The records shall include identification of the equipment, date of inspection, corrective action taken, and identification of the individual performing the inspection. [District Rule 2520, 9.4] Y

Permittee shall maintain a daily record of the quantity of dry powder conveyed into this silo and the total daily throughput of silos S-1203-10 and S-1203-11. Records shall be kept for a period of five years and made available for District inspection upon request. [District Rules 2201 and 2520, 9.4.2] Y

4. Reporting

No reporting is required to demonstrate compliance with Rule 2201.

F. Ambient Air Quality Analysis (AAQA)

An AAQA shall be conducted for the purpose of determining whether a new or modified Stationary Source will cause or make worse a violation of an air quality standard. The District's Technical Services Division conducted the required analysis. Refer to **Attachment V** of this document for the AAQA summary sheet.

The proposed location is in an attainment area for NO_x, CO, and SO_x. As shown by the AAQA summary sheet the proposed equipment will not cause a violation of an air quality standard for NO_x, CO, or SO_x.

The proposed location is in a non-attainment area for the state's PM₁₀ as well as federal and state PM_{2.5} thresholds. As shown by the AAQA summary sheet the proposed equipment will not cause a violation of an air quality standard for PM₁₀ and PM_{2.5}.

G. Compliance Certification

Section 4.15.2 of this Rule requires the owner of a new Major Source or a source undergoing a Title I Modification to demonstrate to the satisfaction of the District that all other Major Sources owned by such person and operating in California are in compliance or are on a schedule for compliance with all applicable emission limitations and standards. As discussed in Section VIII above, this facility is a new major source and this project does constitute a Title I modification, therefore this requirement is applicable. Saputo's compliance certification is included in **Attachment VI**.

H. Alternate Siting Analysis

The current project occurs at an existing facility. The applicant proposes to increase the whey throughput to a dryer and two silos.

Since the project will involve only a throughput change and no physical changes at the same location, the existing site will result in the least possible impact from the project. Alternative sites would involve the relocation and/or construction of various support structures on a much greater scale, and would therefore result in a much greater impact.

Rule 2410 Prevention of Significant Deterioration

As shown in Section VII. C. 9. above, this project does not result in a new PSD major source or PSD major modification. No further discussion is required.

Rule 2520 Federally Mandated Operating Permits

This facility is subject to this Rule, and has received their Title V Operating Permit. A significant permit modification is defined as a "permit amendment that does not qualify as a minor permit modification or administrative amendment."

As discussed above, the facility has applied for a Certificate of Conformity (COC); therefore, the facility must apply to modify their Title V permit with an administrative amendment, prior to operating with the proposed modifications. Continued compliance with this rule is expected. The facility may construct/operate under the ATC upon submittal of the Title V administrative amendment application.

The Title V Compliance Certification form is included in **Attachment VI**.

Rule 4101 Visible Emissions

Per Section 5.0, no person shall discharge into the atmosphere emissions of any air contaminant aggregating more than 3 minutes in any hour, which is as dark as or darker than Ringelmann 1 (or 20% opacity). As the Tall Form dryer S-1203-9 is fired solely on natural gas, the project is not expected to affect visible emissions which are restricted not to exceed Ringelmann 1 or 20% opacity. The silos ('-10 and '011) are served by bin vent filters which are not expected to remain in compliance with the 5% opacity limit. Also, based on past inspections of the facility continued compliance is expected.

Rule 4102 Nuisance

Section 4.0 prohibits discharge of air contaminants, which could cause injury, detriment, nuisance or annoyance to the public. Public nuisance conditions are not expected as a result of these operations, provided the equipment is well maintained. Therefore, compliance with this rule is expected.

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.

As demonstrated above, there are no increases in HAP emissions with this project, therefore a health risk assessment is not necessary and no further risk analysis is required.

Rule 4201 Particulate Matter Concentration

Section 3.1 prohibits discharge of dust, fumes, or total particulate matter into the atmosphere from any single source operation in excess of 0.1 grain per dry standard cubic foot.

$$\text{PM Conc. (gr/scf)} = \frac{(156.8 \text{ lb/day}) \times (7,000 \text{ gr/lb})}{(65,000 \text{ scfm}) \times (60 \text{ min/hr}) \times (24 \text{ hr/day})}$$

PM₁₀ emission rate = 156.8 lb/day. Assuming 100% of PM is PM₁₀
Exhaust Gas Flow = 19,150 scfm

$$\begin{aligned} \text{PM Conc. (gr/scf)} \\ &= [(156.8 \text{ lb/day}) \times (7,000 \text{ gr/lb})] \div [(65,000 \text{ ft}^3/\text{min}) \times (60 \text{ min/hr}) \times (24 \text{ hr/day})] \\ \text{PM Conc.} &= 0.012 \text{ gr/scf} < 0.1 \text{ gr/scf} \end{aligned}$$

Continued compliance is expected.

Rule 4202 Particulate Matter Emission Rate

Rule 4202 establishes PM emission limits as a function of process weight rate in tons/hr. Gas and liquid fuels are excluded from the definition of process weight.

Maximum Allowable Emission Rate:

$$E_{\text{Max}} = 3.59 P^{0.62} \quad (P \leq 30 \text{ tons per hour})$$

Where: E = Emissions in pounds per hour

P = Process weight rate in tons per hour (280 tons/day = 11.67 tons/hr)

$$E_{\text{Max}} = 3.59 11.67^{0.62} \quad (P \leq 30 \text{ tons per hour}) \\ = 16.47 \text{ lb/hr}$$

Assuming all permitted PM10 = TSP

$$\text{TSP} = \text{PM}_{10} = 395.3 \text{ lb PM}_{10}/\text{day}$$

The permit limit is 156.8 lb PM10/day.

Therefore, continued compliance with the requirements of this rule is expected.

Rule 4309 Dryers Dehydrators, and Ovens

This rule limits the NOx and CO emissions from direct-fired dryers, dehydrators, and ovens > 5.0 MMBtu/hr. The Tall Form Dryer S-1203-9 is currently operating in compliance with the rule and the project is not expected to affect compliance status. Continued compliance is expected.

California Health & Safety Code 42301.6 (School Notice)

The District has verified that this site is not located within 1,000 feet of a school. Therefore, pursuant to California Health and Safety Code 42301.6, a school notice is not required.

California Environmental Quality Act (CEQA)

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 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; and
- 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 (GHG) Significance Determination

It is determined that no other agency has prepared or will prepare an environmental review document for the project. Thus the District is the Lead Agency for this project.

On December 17, 2009, the District's Governing Board adopted a policy, APR 2005, *Addressing GHG Emission Impacts for Stationary Source Projects Under CEQA When Serving as the Lead Agency*, for addressing GHG emission impacts when the District is Lead Agency under CEQA and approved the District's guidance document for use by other agencies when addressing GHG impacts as lead agencies under CEQA. Under this policy, the District's determination of significance of project-specific GHG emissions is founded on the principal that projects with GHG emission reductions consistent with AB 32 emission reduction targets are considered to have a less than significant impact on global climate change. Consistent with District Policy 2005, projects complying with an approved GHG emission reduction plan or GHG mitigation program, which avoids or substantially reduces GHG emissions within the geographic area in which the project is located, would be determined to have a less than significant individual and cumulative impact for GHG emission.

The California Air Resources Board (ARB) adopted a Cap-and-Trade regulation as part one of the strategies identified for AB 32. This Cap-and-Trade regulation is a statewide plan, supported by a CEQA compliant environmental review document, aimed at reducing or mitigating GHG emissions from targeted industries. Facilities subject to the Cap-and-Trade regulation are subject to an industry-wide cap on overall GHG emissions. Any growth in emissions must be accounted for under that cap such that a corresponding and equivalent reduction in emissions must occur to allow any increase. Further, the cap decreases over time, resulting in an overall decrease in GHG emissions.

Under District policy APR 2025, *CEQA Determinations of Significance for Projects Subject to ARB's GHG Cap-and-Trade Regulation*, the District finds that the Cap-and-Trade is a regulation plan approved by ARB, consistent with AB32 emission reduction targets, and supported by a CEQA compliant environmental review document. As such, consistent with District Policy 2005, projects complying project complying with Cap-and-Trade requirements are determined to have a less than significant individual and cumulative impact for GHG emissions.

The GHG emissions increases associated with this project result from the combustion of fossil fuel(s), other than jet fuel, delivered from suppliers subject to the Cap-and-Trade regulation. Therefore, as discussed above, consistent with District Policies APR 2005 and APR 2025, the District concludes that the GHG emissions increases associated with this project would have a less than significant individual and cumulative 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 § 15301 (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 rules and regulations is expected. Pending a successful COC Noticing period, issue ATCs S-1203-9-7, '-10-3, and '-11-3 subject to the permit conditions on the attached draft ATC in **Attachment VII**.

X. Billing Information

Annual Permit Fees			
Permit Number	Fee Schedule	Fee Description	Annual Fee
S-1203-9-7	3020-02-H	22.4 MMBtu/hr	\$ 1040.00
S-1203-10-3	3020-05-C	37,375 gallons	\$ 135
S-1203-11-3	3020-05-C	37,375 gallons	\$ 135

Attachments

- I: Current PTOs
- II: Emissions Profiles
- III: BACT Guideline
- IV: BACT Analysis
- V: AAQA Modelling
- VI: Title V Compliance Certification Form and Statewide Compliance Statement
- VII: Draft ATCs

**Attachment I
Current PTOs**

San Joaquin Valley Air Pollution Control District

PERMIT UNIT: S-1203-9-6

EXPIRATION DATE: 01/31/2019

SECTION: SW14 TOWNSHIP: 20S RANGE: 24E

EQUIPMENT DESCRIPTION:

22.4 MMBTU/HR NIRO INC. TALL FORM DIRECT HEAT SPRAY DRYER MODEL 1600 CONSISTING OF FEED SYSTEM, DRYING CHAMBER, HOLDING BELT, AND WET SCRUBBER

PERMIT UNIT REQUIREMENTS

1. No air contaminant shall be discharged into the atmosphere for a period or periods aggregating more than three minutes in any one hour which is as dark as, or darker than, Ringelmann 1 or 20% opacity. [District Rule 4101] Federally Enforceable Through Title V Permit
2. Dryer shall be fired only on natural gas except LPG may be burned when natural gas has been curtailed. [District Rules 2201, 4201, 4301, and 4801] Federally Enforceable Through Title V Permit
3. Dryer shall be equipped with operational fuel gauge to Niro burners. [District Rule 2201] Federally Enforceable Through Title V Permit
4. Scrubber liquid supply (at inlet to scrubber) shall have an operational flow meter. [District Rule 2201] Federally Enforceable Through Title V Permit
5. Scrubber, including sprays and nozzles, shall be maintained in optimum working condition. [District Rule 2201] Federally Enforceable Through Title V Permit
6. Scrubber shall be equipped with an operational differential pressure gauge to indicate the pressure drop across the unit. [District Rule 2201] Federally Enforceable Through Title V Permit
7. All dryer exhaust gas shall be scrubbed in scrubber. [District Rule 2201] Federally Enforceable Through Title V Permit
8. Scrubbed emissions from the dryer shall not exceed any of the following: PM10 0.56 lb/ton deproteinized whey produced; NOx 1.8 ppmv at stack conditions (0.02 lb/MMBtu) calculated as NO2; CO 21.3 ppmv at stack conditions (0.1481 lb/MMBtu); VOC 0.13 lb/hr; or SOx 0.07 lb/hr (calculated as SO2). [District Rules 2201, 4202, and 4309] Federally Enforceable Through Title V Permit
9. Compliance testing shall be conducted at a firing rate of at least 80% of the maximum firing rate. If test results extrapolated to 100% firing rate (lb/hr emissions x 100/percent firing rate) do not project compliance, firing rate shall be limited to that measured during test which demonstrated compliance. [District Rule 2201] Federally Enforceable Through Title V Permit
10. Maximum daily productions of the deproteinized whey shall not exceed 242 ton/day. [District Rule 2201] Federally Enforceable Through Title V Permit
11. The permittee shall monitor and record the stack concentration of NOx, CO, and O2 at least once every month (in which a source test is not performed) using a portable emission monitor that meets District specifications. Monitoring shall not be required if the unit is not in operation, i.e. the unit need not be started solely to perform monitoring. Monitoring shall be performed within 5 days of restarting the unit unless monitoring has been performed within the last month. [District Rule 4309] Federally Enforceable Through Title V Permit

PERMIT UNIT REQUIREMENTS CONTINUE ON NEXT PAGE

These terms and conditions are part of the Facility-wide Permit to Operate.

12. If either the NOx or CO concentrations corrected to 19% O2 (or no correction if measured above 19% O2), as measured by the portable analyzer, exceed the allowable emissions concentration, the permittee shall return the emissions to within the acceptable range as soon as possible, but no longer than 1 hour of operation after detection. If the portable analyzer readings continue to exceed the allowable emissions concentration after 1 hour of operation after detection, the permittee shall notify the District within the following 1 hour and conduct a certified source test within 60 days of the first exceedance. In lieu of conducting a source test, the permittee may stipulate a violation has occurred, subject to enforcement action. The permittee must then correct the violation, show compliance has been re-established, and resume monitoring procedures. If the deviations are the result of a qualifying breakdown condition pursuant to Rule 1100, the permittee may fully comply with Rule 1100 in lieu of performing the notification and testing required by this condition. [District Rule 4309] Federally Enforceable Through Title V Permit
13. All alternate monitoring parameter emission readings shall be taken with the unit operating either at conditions representative of normal operations or conditions specified in the Permit to Operate. The analyzer shall be calibrated, maintained, and operated in accordance with the manufacturer's specifications and recommendations or a protocol approved by the APCO. Emission readings taken shall be averaged over a 15 consecutive-minute period by either taking a cumulative 15 consecutive-minute sample reading or by taking at least five (5) readings, evenly spaced out over the 15 consecutive-minute period. [District Rule 4309] Federally Enforceable Through Title V Permit
14. Source testing to measure PM10 emissions from the scrubber exhaust gas shall be conducted annually using EPA Method 5, or CARB 501 in combination with CARB 5. [District Rule 2201] Federally Enforceable Through Title V Permit
15. Source testing to measure NOx and CO emissions from this unit shall be conducted at least once every 24 months. [District Rules 2201 and 4309] Federally Enforceable Through Title V Permit
16. All emissions measurements shall be made with the unit operating either at conditions representative of normal operations or conditions specified in the Permit to Operate. No determination of compliance shall be established within two hours after a continuous period in which fuel flow to the unit is shut off for 30 minutes or longer, or within 30 minutes after a re-ignition as defined in Section 3.0 of District Rule 4309 (adopted 12-15-2005). [District Rule 4309] Federally Enforceable Through Title V Permit
17. Source testing shall be conducted using the methods and procedures approved by the District. The District must be notified at least 30 days prior to any compliance source test, and a source test plan must be submitted for approval at least 15 days prior to testing. [District Rule 1081] Federally Enforceable Through Title V Permit
18. For emissions source testing, the arithmetic average of three 30-consecutive-minute test runs shall apply. If two of three runs are above an applicable limit the test cannot be used to demonstrate compliance with an applicable limit. [District Rule 4309] Federally Enforceable Through Title V Permit
19. All test results for NOx and CO shall be reported in ppmv @ 19% O2 (or no correction if measured above 19% O2), corrected to dry stack conditions. [District Rule 4309] Federally Enforceable Through Title V Permit
20. NOx emissions for source test purposes shall be determined using EPA Method 7E or ARB Method 100 on a ppmv basis. [District Rule 4309] Federally Enforceable Through Title V Permit
21. CO emissions for source test purposes shall be determined using EPA Method 10 or ARB Method 100. [District Rule 4309] Federally Enforceable Through Title V Permit
22. Stack gas oxygen (O2) shall be determined using EPA Method 3 or 3A or ARB Method 100. [District Rule 4309] Federally Enforceable Through Title V Permit
23. The results of each compliance test shall be submitted to the District within 60 days. [District Rule 1081] Federally Enforceable Through Title V Permit
24. The permittee shall maintain records of: (1) the date and time of NOx, CO, and O2 measurements, (2) the O2 concentration in percent and the measured NOx and CO concentrations corrected to 19% O2 (or no correction if measured above 19% O2), (3) make and model of exhaust gas analyzer, (4) exhaust gas analyzer calibration records, and (5) a description of any corrective action taken to maintain the emissions within the acceptable range. [District Rule 4309] Federally Enforceable Through Title V Permit

PERMIT UNIT REQUIREMENTS CONTINUE ON NEXT PAGE

These terms and conditions are part of the Facility-wide Permit to Operate.

25. Records of monthly average fuel flow to dryer shall be kept for 5 years and shall be made readily available for District inspection upon request. [District Rules 1070 and 2520] Federally Enforceable Through Title V Permit
26. If fuel firing rate to dryer is limited to that measured during the source test as required by Condition 9, records of daily fuel flow to dryer shall be kept. [District Rule 1070 and 2520] Federally Enforceable Through Title V Permit
27. Permittee shall maintain daily records of deproteinized whey production. [District Rule 2201] Federally Enforceable Through Title V Permit
28. Pressure differential across the scrubber shall be observed and recorded weekly during operation of this unit. [District Rule 2520, 9.3.2] Federally Enforceable Through Title V Permit
29. Records of pressure differential across the scrubber shall be maintained. The records shall include identification of the equipment, date of inspection, corrective action taken, and identification of the individual performing the inspection. [District Rule 2520, 9.4] Federally Enforceable Through Title V Permit
30. All records shall be maintained and retained on-site for a minimum of five (5) years, and shall be made available for District inspection upon request. [District Rules 1070, 2520, 9.4, and 4309] Federally Enforceable Through Title V Permit

These terms and conditions are part of the Facility-wide Permit to Operate.

San Joaquin Valley Air Pollution Control District

PERMIT UNIT: S-1203-10-2

EXPIRATION DATE: 01/31/2019

SECTION: SW14 **TOWNSHIP:** 20S **RANGE:** 24E

EQUIPMENT DESCRIPTION:

37,375 GALLON (5,000 CU. FT.) WHEY POWDER STORAGE SILO "A" WITH BIN VENT, 3 HP POWER SILO BIN DISCHARGER, AND 2 HP EXHAUST FAN

PERMIT UNIT REQUIREMENTS

1. No air contaminant shall be discharged into the atmosphere for a period or periods aggregating more than three minutes in any one hour which is as dark as, or darker than, Ringelmann 1 or 20% opacity. [District Rule 4101] Federally Enforceable Through Title V Permit
2. Maximum quantity of dried whey powder conveyed into this silo shall not exceed 220 tons/day. [District Rules 2201 and 4202] Federally Enforceable Through Title V Permit
3. The total throughput of dried whey products handled by the silos S-1203-10 and S-1203-11 shall not exceed 220 tons/day. [District Rule 2201] Federally Enforceable Through Title V Permit
4. PM10 emissions from bin vent filters shall not exceed 0.015 lb/ton of powder conveyed into silo. [District Rules 2201, 4201, and 4202] Federally Enforceable Through Title V Permit
5. Visible emissions from the source during operation shall be evaluated using EPA method 22 at least once per calendar quarter. If visible emissions are observed, corrective action shall be taken to eliminate visible emissions. If visible emissions cannot be eliminated within 24 hours, a visible emissions test using EPA Method 9 shall be conducted. [District Rule 2520, 9.3.2] Federally Enforceable Through Title V Permit
6. Records of visible emissions monitoring results shall be maintained and retained for a minimum of five (5) years, and shall be made available for District inspection upon request. [District Rule 2520, 9.4] Federally Enforceable Through Title V Permit
7. Permittee shall perform a complete vent filter inspection on an annual basis. Dust collector filters shall be inspected thoroughly for tears, scuffs, abrasions, holes, or any evidence of particulate matter leaks and shall be replaced as needed. [District Rule 2520, 9.3.2] Federally Enforceable Through Title V Permit
8. Records of vent filter maintenance, inspections, and repair shall be maintained. The records shall include identification of the equipment, date of inspection, corrective action taken, and identification of the individual performing the inspection. [District Rule 2520, 9.4] Federally Enforceable Through Title V Permit
9. Permittee shall maintain a daily record of the quantity of dry powder conveyed into this silo and the total daily throughput of silos S-1203-10 and S-1203-11. Records shall be kept for a period of five years and made available for District inspection upon request. [District Rules 2201 and 2520, 9.4.2] Federally Enforceable Through Title V Permit

These terms and conditions are part of the Facility-wide Permit to Operate.

San Joaquin Valley Air Pollution Control District

PERMIT UNIT: S-1203-11-2

EXPIRATION DATE: 01/31/2019

SECTION: SW14 **TOWNSHIP:** 20S **RANGE:** 24E

EQUIPMENT DESCRIPTION:

37,375 GALLON (5,000 CU. FT.) WHEY POWDER STORAGE SILO "B" WITH BIN VENT, 3 HP POWER SILO BIN DISCHARGER, AND 2 HP EXHAUST FAN

PERMIT UNIT REQUIREMENTS

1. No air contaminant shall be discharged into the atmosphere for a period or periods aggregating more than three minutes in any one hour which is as dark as, or darker than, Ringelmann 1 or 20% opacity. [District Rule 4101] Federally Enforceable Through Title V Permit
2. Maximum quantity of dried whey powder conveyed into this silo shall not exceed 220 tons/day. [District Rules 2201 and 4202] Federally Enforceable Through Title V Permit
3. The total throughput of dried whey products handled by the silos S-1203-10 and S-1203-11 shall not exceed 220 tons/day. [District Rule 2201] Federally Enforceable Through Title V Permit
4. PM10 emissions from bin vent filters shall not exceed 0.015 lb/ton of powder conveyed into silo. [District Rules 2201, 4201, and 4202] Federally Enforceable Through Title V Permit
5. Visible emissions from the source during operation shall be evaluated using EPA method 22 at least once per calendar quarter. If visible emissions are observed, corrective action shall be taken to eliminate visible emissions. If visible emissions cannot be eliminated within 24 hours, a visible emissions test using EPA Method 9 shall be conducted. [District Rule 2520, 9.3.2] Federally Enforceable Through Title V Permit
6. Records of visible emissions monitoring results shall be maintained and retained for a minimum of five (5) years, and shall be made available for District inspection upon request. [District Rule 2520, 9.4] Federally Enforceable Through Title V Permit
7. Permittee shall perform a complete vent filter inspection on an annual basis. Dust collector filters shall be inspected thoroughly for tears, scuffs, abrasions, holes, or any evidence of particulate matter leaks and shall be replaced as needed. [District Rule 2520, 9.3.2] Federally Enforceable Through Title V Permit
8. Records of vent filter maintenance, inspections, and repair shall be maintained. The records shall include identification of the equipment, date of inspection, corrective action taken, and identification of the individual performing the inspection. [District Rule 2520, 9.4] Federally Enforceable Through Title V Permit
9. Permittee shall maintain a daily record of the quantity of dry powder conveyed into this silo and the total daily throughput of silos S-1203-10 and S-1203-11. Records shall be kept for a period of five years and made available for District inspection upon request. [District Rules 2201 and 2520, 9.4.2] Federally Enforceable Through Title V Permit

These terms and conditions are part of the Facility-wide Permit to Operate.

Saputo Cheese USA Inc
S-1203, 1152380

**Attachment II
Emissions Profiles**

Permit #: S-1203-9-7	Last Updated	
Facility: SAPUTO CHEESE USA INC	06/26/2015	EDGEHILR

Equipment Pre-Baselined: NO

	<u>NOX</u>	<u>SOX</u>	<u>PM10</u>	<u>CO</u>	<u>VOC</u>
Potential to Emit (lb/Yr):	3942.0	621.0	57232.0	29054.0	1132.0
Daily Emis. Limit (lb/Day)	10.8	1.7	156.8	79.6	3.1
Quarterly Net Emissions Change (lb/Qtr)					
Q1:	0.0	0.0	1943.0	0.0	0.0
Q2:	0.0	0.0	1943.0	0.0	0.0
Q3:	0.0	0.0	1944.0	0.0	0.0
Q4:	0.0	0.0	1944.0	0.0	0.0
Check if offsets are triggered but exemption applies	N	N	N	N	N
Offset Ratio			1.5		
Quarterly Offset Amounts (lb/Qtr)					
Q1:			2915.0		
Q2:			2915.0		
Q3:			2915.0		
Q4:			2916.0		

Permit #: S-1203-10-3	Last Updated
Facility: SAPUTO CHEESE USA INC	06/26/2015 EDGEHILR

Equipment Pre-Baselined: NO

	<u>NOX</u>	<u>SOX</u>	<u>PM10</u>	<u>CO</u>	<u>VOC</u>
Potential to Emit (lb/Yr):	0.0	0.0	1533.0	0.0	0.0
Daily Emis. Limit (lb/Day)	0.0	0.0	4.2	0.0	0.0
Quarterly Net Emissions Change (lb/Qtr)					
Q1:	0.0	0.0	82.0	0.0	0.0
Q2:	0.0	0.0	82.0	0.0	0.0
Q3:	0.0	0.0	82.0	0.0	0.0
Q4:	0.0	0.0	82.0	0.0	0.0
Check if offsets are triggered but exemption applies	N	N	N	N	N
Offset Ratio			1.5		
Quarterly Offset Amounts (lb/Qtr)					
Q1:			123.0		
Q2:			123.0		
Q3:			123.0		
Q4:			123.0		

Permit #: S-1203-11-3	Last Updated
Facility: SAPUTO CHEESE USA INC	06/26/2015 EDGEHILR

Equipment Pre-Baselined: NO

	<u>NOX</u>	<u>SOX</u>	<u>PM10</u>	<u>CO</u>	<u>VOC</u>
Potential to Emit (lb/Yr):	0.0	0.0	0.0	0.0	0.0
Daily Emis. Limit (lb/Day)	0.0	0.0	0.0	0.0	0.0
Quarterly Net Emissions Change (lb/Qtr)					
Q1:	0.0	0.0	0.0	0.0	0.0
Q2:	0.0	0.0	0.0	0.0	0.0
Q3:	0.0	0.0	0.0	0.0	0.0
Q4:	0.0	0.0	0.0	0.0	0.0
Check if offsets are triggered but exemption applies	N	N	N	N	N
Offset Ratio					
Quarterly Offset Amounts (lb/Qtr)					
Q1:					
Q2:					
Q3:					
Q4:					

**Attachment III
BACT Guideline**

San Joaquin Valley
Unified Air Pollution Control District

Best Available Control Technology (BACT) Guideline 1.6.11*

Last Update: 7/27/1995

Dryer - Milk Spray, > or = 20 MMBtu/hr

Pollutant	Achieved in Practice or contained in the SIP	Technologically Feasible	Alternate Basic Equipment
VOC	Natural gas with LPG as backup fuel		
SOx	Natural gas with LPG as backup fuel		
PM10	Baghouse and natural gas with LPG as backup fuel		
NOx	Low NOx burner fired on natural gas with LPG as backup fuel		
CO	Natural gas with LPG as backup fuel		

BACT is the most stringent control technique for the emissions unit and class of source. Control techniques that are not achieved in practice or contained in a state implementation plan must be cost effective as well as feasible. Economic analysis to demonstrate cost effectiveness is required for all determinations that are not achieved in practice or contained in an EPA approved State Implementation Plan.

***This is a Summary Page for this Class of Source**

Attachment IV **Top-Down BACT Analysis**

NOx

Step 1 - Identify All Possible Control Technologies

Lox NOx burner with natural gas fuel

Step 2 - Eliminate Technologically Infeasible Options

All options are considered to be technologically feasible for a milk spray dryer.

Step 3 - Rank Remaining Control Technologies by Control Effectiveness

Lox NOx burner with natural gas fuel

Step 4 - Cost Effectiveness Analyses

The applicant is proposing the only technology listed above, A cost effectiveness analysis is not required.

Step 5 - Select BACT

Lox NOx burner with natural gas fuel

PM10

Step 1 - Identify All Possible Control Technologies

Baghouse with natural gas with LPG as backup fuel.

Step 2 - Eliminate Technologically Infeasible Options

All options are considered to be technologically feasible for a milk spray dryer.

Step 3 - Rank Remaining Control Technologies by Control Effectiveness

Baghouse with natural gas with LPG as backup fuel.

Step 4 - Cost Effectiveness Analyses

The applicant is proposing the only technology listed above, A cost effectiveness analysis is not required.

Step 5 - Select BACT

Baghouse with natural gas with LPG as backup fuel.

Saputo Cheese USA Inc
S-1203, 1152380

**Attachment V
AAQA Modelling**

San Joaquin Valley Air Pollution Control District Ambient Air Quality Assessment

To: Richard Edgehill – Permit Services
 From: Kyle Melching – Technical Services
 Date: November 20, 2015
 Facility Name: Saputo Cheese USA
 Location: 800 E. Paige Ave., Tulare
 Application #(s): S-1203-9-7, 10-3 & 11-3
 Project #: S-1152380

A. AAQA SUMMARY

Criteria Pollutant Modeling Results*

	1 Hour	3 Hours	8 Hours.	24 Hours	Annual
CO	Pass	X	Pass	X	X
NO _x	Pass ¹	X	X	X	Pass
So _x	Pass	Pass	X	Pass	Pass
PM ₁₀	X	X	X	Pass ²	Pass ²
PM _{2.5}	X	X	X	Pass ²	Pass ²

*Results were taken from the attached PSD spreadsheet.

¹The project was compared to the 1-hour NO₂ National Ambient Air Quality Standard that became effective on April 12, 2010, using the District's approved procedures.

²The criteria pollutants are below EPA's level of significance as found in 40 CFR Part 51.165 (b)(2).

B. Ambient Air Quality Analysis

I. Project Description

Technical Services received a request on November 3, 2015, to perform an Ambient Air Quality Analysis (AAQA) for an increase in maximum production of deproteinized whey for silos -10 and -11. This results in a PM₁₀ increase for the dryer, as well as, the increase in silos permitted under units -10 & -11.

II. Analysis

For the AAQA, AERMOD was used with point source parameters outlined below and concatenated 5-year meteorological data from Tulare to determine maximum dispersion factors at the facility boundaries and fence line grid. No RMR is required since the whey is a food grade product and no toxic air contaminants are associated with it.

The following parameters were used for the review:

Analysis Parameters (Unit 9-7) (Combined)			
Source Type	Point*	Nearest Receptor (m)	60
Stack Height (m)	37.25	Closest Receptor Type	Business
Stack Diameter (m)	2.26	Project Location	Urban
Stack Exit Velocity (m/s)	14.3	PM10 Increase (lb/day)	21.3
Stack Exit Temperature (K)	325	PM10 Increase (lb/yr)	7774

*Modeled using AERMOD's NON-Default Beta Option for "Capped & Horizontal Stack Releases."

Analysis Parameters (Unit 10-3 & 11-3) (Combined)			
Source Type	Area	Nearest Receptor (m)	60
Release Height (m)	24.38	Closest Receptor Type	Business
Length of Side (m)	1.09	Project Location	Urban
Length of Side (m)	1.09	PM10 Increase (lb/day)	0.9
		PM10 Increase (lb/yr)	328

III. Conclusions

The emissions from the proposed equipment will not cause or contribute significantly to a violation of the State and National AAQS.

These conclusions are based on the data provided by the applicant and the project engineer. Therefore, this analysis is valid only as long as the proposed data and parameters do not change.

IV. Attachments

- A. RMR request from the project engineer
- B. Additional information from the applicant/project engineer
- C. AAQA Summary
- D. AERMOD Non-Regulatory Option Checklist

Saputo Cheese USA Inc
S-1203, 1152380

Attachment VI
Title V Compliance Certification Form

San Joaquin Valley
Unified Air Pollution Control District

RECEIVED
MAY 19 2015
SJVAPCD
Southern Region

TITLE V MODIFICATION - COMPLIANCE CERTIFICATION FORM

I. TYPE OF PERMIT ACTION (Check appropriate box)

- SIGNIFICANT PERMIT MODIFICATION ADMINISTRATIVE
 MINOR PERMIT MODIFICATION AMENDMENT

COMPANY NAME: Saputo Cheese USA Inc.	FACILITY ID: S - 1203
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: Saputo Cheese USA Inc.	
3. Agent to the Owner: Not Applicable	

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

- Based on information and belief formed after reasonable inquiry, the equipment identified in this application will continue to comply with the applicable federal requirement(s).
- Based on information and belief formed after reasonable inquiry, the equipment 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:


Signature of Responsible Official

5/17/2015
Date

Debra A. Guzman
Name of Responsible Official (please print)

Director of Environmental Affairs SCUSA & SDF
Title of Responsible Official (please print)

Saputo Cheese USA Inc
S-1203, 1152380

**Attachment VII
Draft ATCs**

San Joaquin Valley
Air Pollution Control District

AUTHORITY TO CONSTRUCT

ISSUANCE DATE: DRAFT
DRAFT

PERMIT NO: S-1203-9-7

LEGAL OWNER OR OPERATOR: SAPUTO CHEESE USA INC
MAILING ADDRESS: 800 E PAIGE AVE
TULARE, CA 93274

LOCATION: 800 E PAIGE AVE
TULARE, CA 93274

SECTION: SW14 TOWNSHIP: 20S RANGE: 24E

EQUIPMENT DESCRIPTION:

MODIFICATION OF 22.4 MMBTU/HR NIRO INC. TALL FORM DIRECT HEAT SPRAY DRYER MODEL 1600
CONSISTING OF FEED SYSTEM, DRYING CHAMBER, HOLDING BELT, AND WET SCRUBBER: INCREASE WHEY
THROUGHPUT TO 280 PER DAY

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. Prior to operating equipment under this Authority to Construct, permittee shall surrender PM10 emission reduction credits for the following quantity of emissions: 1st quarter - 2,915 lb, 2nd quarter - 2,915 lb, 3rd quarter - 2,915 lb, and fourth quarter - 2,916. These amounts include the applicable offset ratio specified in Rule 2201 Section 4.8 (as amended 4/21/11) for the ERC specified below. [District Rule 2201] Federally Enforceable Through Title V Permit
4. ERC Certificate Numbers C-1375-4 and S-4631-4 (or certificates split from these certificates) shall be used to supply the required offsets, unless a revised offsetting proposal is received and approved by the District, upon which this Authority to Construct shall be reissued, administratively specifying the new offsetting proposal. Original public noticing requirements, if any, shall be duplicated prior to reissuance of this Authority to Construct. [District Rule 2201] Federally Enforceable Through Title V Permit

CONDITIONS CONTINUE ON NEXT PAGE

YOU **MUST** NOTIFY THE DISTRICT COMPLIANCE DIVISION AT (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

DRAFT
Arnaud Marjolle, Director of Permit Services

S-1203-9-7 : Nov 24 2015 1:04PM - EDGEHILL : Joint Inspection NOT Required

5. No air contaminant shall be discharged into the atmosphere for a period or periods aggregating more than three minutes in any one hour which is as dark as, or darker than, Ringelmann 1 or 20% opacity. [District Rule 4101] Federally Enforceable Through Title V Permit
6. Dryer shall be fired only on natural gas except LPG may be burned when natural gas has been curtailed. [District Rules 2201, 4201, 4301, and 4801] Federally Enforceable Through Title V Permit
7. Dryer shall be equipped with operational fuel gauge to Niro burners. [District Rule 2201] Federally Enforceable Through Title V Permit
8. Scrubber liquid supply (at inlet to scrubber) shall have an operational flow meter. [District Rule 2201] Federally Enforceable Through Title V Permit
9. Scrubber, including sprays and nozzles, shall be maintained in optimum working condition. [District Rule 2201] Federally Enforceable Through Title V Permit
10. Scrubber shall be equipped with an operational differential pressure gauge to indicate the pressure drop across the unit. [District Rule 2201] Federally Enforceable Through Title V Permit
11. All dryer exhaust gas shall be scrubbed in scrubber. [District Rule 2201] Federally Enforceable Through Title V Permit
12. Scrubbed emissions from the dryer shall not exceed any of the following: PM10 0.56 lb/ton deproteinized whey produced; NOx 1.8 ppmv at stack conditions (0.02 lb/MMBtu) calculated as NO2; CO 21.3 ppmv at stack conditions (0.1481 lb/MMBtu); VOC 0.13 lb/hr; or SOx 0.07 lb/hr (calculated as SO2). [District Rules 2201, 4202, and 4309] Federally Enforceable Through Title V Permit
13. Compliance testing shall be conducted at a firing rate of at least 80% of the maximum firing rate. If test results extrapolated to 100% firing rate (lb/hr emissions x 100/percent firing rate) do not project compliance, firing rate shall be limited to that measured during test which demonstrated compliance. [District Rule 2201] Federally Enforceable Through Title V Permit
14. Maximum daily production of dried whey products shall not exceed 280 ton/day. [District Rule 2201] Federally Enforceable Through Title V Permit
15. The permittee shall monitor and record the stack concentration of NOx, CO, and O2 at least once every month (in which a source test is not performed) using a portable emission monitor that meets District specifications. Monitoring shall not be required if the unit is not in operation, i.e. the unit need not be started solely to perform monitoring. Monitoring shall be performed within 5 days of restarting the unit unless monitoring has been performed within the last month. [District Rule 4309] Federally Enforceable Through Title V Permit
16. If either the NOx or CO concentrations corrected to 19% O2 (or no correction if measured above 19% O2), as measured by the portable analyzer, exceed the allowable emissions concentration, the permittee shall return the emissions to within the acceptable range as soon as possible, but no longer than 1 hour of operation after detection. If the portable analyzer readings continue to exceed the allowable emissions concentration after 1 hour of operation after detection, the permittee shall notify the District within the following 1 hour and conduct a certified source test within 60 days of the first exceedance. In lieu of conducting a source test, the permittee may stipulate a violation has occurred, subject to enforcement action. The permittee must then correct the violation, show compliance has been re-established, and resume monitoring procedures. If the deviations are the result of a qualifying breakdown condition pursuant to Rule 1100, the permittee may fully comply with Rule 1100 in lieu of performing the notification and testing required by this condition. [District Rule 4309] Federally Enforceable Through Title V Permit
17. All alternate monitoring parameter emission readings shall be taken with the unit operating either at conditions representative of normal operations or conditions specified in the Permit to Operate. The analyzer shall be calibrated, maintained, and operated in accordance with the manufacturer's specifications and recommendations or a protocol approved by the APCO. Emission readings taken shall be averaged over a 15 consecutive-minute period by either taking a cumulative 15 consecutive-minute sample reading or by taking at least five (5) readings, evenly spaced out over the 15 consecutive-minute period. [District Rule 4309] Federally Enforceable Through Title V Permit
18. Source testing to measure PM10 emissions from the scrubber exhaust gas shall be conducted annually using EPA Method 5, or CARB 501 in combination with CARB 5. [District Rule 2201] Federally Enforceable Through Title V Permit

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CONDITIONS CONTINUE ON NEXT PAGE

19. Source testing to measure NOx and CO emissions from this unit shall be conducted at least once every 24 months. [District Rules 2201 and 4309] Federally Enforceable Through Title V Permit
20. All emissions measurements shall be made with the unit operating either at conditions representative of normal operations or conditions specified in the Permit to Operate. No determination of compliance shall be established within two hours after a continuous period in which fuel flow to the unit is shut off for 30 minutes or longer, or within 30 minutes after a re-ignition as defined in Section 3.0 of District Rule 4309 (adopted 12-15-2005). [District Rule 4309] Federally Enforceable Through Title V Permit
21. Source testing shall be conducted using the methods and procedures approved by the District. The District must be notified at least 30 days prior to any compliance source test, and a source test plan must be submitted for approval at least 15 days prior to testing. [District Rule 1081] Federally Enforceable Through Title V Permit
22. For emissions source testing, the arithmetic average of three 30-consecutive-minute test runs shall apply. If two of three runs are above an applicable limit the test cannot be used to demonstrate compliance with an applicable limit. [District Rule 4309] Federally Enforceable Through Title V Permit
23. All test results for NOx and CO shall be reported in ppmv @ 19% O2 (or no correction if measured above 19% O2), corrected to dry stack conditions. [District Rule 4309] Federally Enforceable Through Title V Permit
24. NOx emissions for source test purposes shall be determined using EPA Method 7E or ARB Method 100 on a ppmv basis. [District Rule 4309] Federally Enforceable Through Title V Permit
25. CO emissions for source test purposes shall be determined using EPA Method 10 or ARB Method 100. [District Rule 4309] Federally Enforceable Through Title V Permit
26. Stack gas oxygen (O2) shall be determined using EPA Method 3 or 3A or ARB Method 100. [District Rule 4309] Federally Enforceable Through Title V Permit
27. The results of each compliance test shall be submitted to the District within 60 days. [District Rule 1081] Federally Enforceable Through Title V Permit
28. The permittee shall maintain records of: (1) the date and time of NOx, CO, and O2 measurements, (2) the O2 concentration in percent and the measured NOx and CO concentrations corrected to 19% O2 (or no correction if measured above 19% O2), (3) make and model of exhaust gas analyzer, (4) exhaust gas analyzer calibration records, and (5) a description of any corrective action taken to maintain the emissions within the acceptable range. [District Rule 4309] Federally Enforceable Through Title V Permit
29. Records of monthly average fuel flow to dryer shall be kept for 5 years and shall be made readily available for District inspection upon request. [District Rules 1070 and 2520] Federally Enforceable Through Title V Permit
30. If fuel firing rate to dryer is limited to that measured during the source test as required by Condition 9, records of daily fuel flow to dryer shall be kept. [District Rule 1070 and 2520] Federally Enforceable Through Title V Permit
31. Permittee shall maintain daily records of deproteinized whey production. [District Rule 2201] Federally Enforceable Through Title V Permit
32. Pressure differential across the scrubber shall be observed and recorded weekly during operation of this unit. [District Rule 2520, 9.3.2] Federally Enforceable Through Title V Permit
33. Records of pressure differential across the scrubber shall be maintained. The records shall include identification of the equipment, date of inspection, corrective action taken, and identification of the individual performing the inspection. [District Rule 2520, 9.4] Federally Enforceable Through Title V Permit
34. All records shall be maintained and retained on-site for a minimum of five (5) years, and shall be made available for District inspection upon request. [District Rules 1070, 2520, 9.4, and 4309] Federally Enforceable Through Title V Permit

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San Joaquin Valley
Air Pollution Control District

AUTHORITY TO CONSTRUCT

ISSUANCE DATE: DRAFT

PERMIT NO: S-1203-10-3

LEGAL OWNER OR OPERATOR: SAPUTO CHEESE USA INC
MAILING ADDRESS: 800 E PAIGE AVE
TULARE, CA 93274

LOCATION: 800 E PAIGE AVE
TULARE, CA 93274

SECTION: SW14 TOWNSHIP: 20S RANGE: 24E

EQUIPMENT DESCRIPTION:

MODIFICATION OF 37,375 GALLON (5,000 CU. FT.) WHEY POWDER STORAGE SILO "A" WITH BIN VENT, 3 HP POWER SILO BIN DISCHARGER, AND 2 HP EXHAUST FAN: INCREASE WHEY THROUGHPUT TO 280 PER DAY

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. Prior to operating equipment under this Authority to Construct, permittee shall surrender PM10 emission reduction credits for the following quantity of emissions: 1st quarter - 61 lb, 2nd quarter - 61 lb, 3rd quarter - 61 lb, and fourth quarter - 61 lb. These amounts include the applicable offset ratio specified in Rule 2201 Section 4.8 (as amended 4/21/11) for the ERC specified below. [District Rule 2201]
4. ERC Certificate Numbers C-1375-4 and S-4631-4 (or certificates split from these certificates) shall be used to supply the required offsets, unless a revised offsetting proposal is received and approved by the District, upon which this Authority to Construct shall be reissued, administratively specifying the new offsetting proposal. Original public noticing requirements, if any, shall be duplicated prior to reissuance of this Authority to Construct. [District Rule 2201] Federally Enforceable Through Title V Permit

CONDITIONS CONTINUE ON NEXT PAGE

YOU **MUST** NOTIFY THE DISTRICT COMPLIANCE DIVISION AT (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

Arnaud Marjolle, Director of Permit Services

S-1203-10-3 : Nov 24 2015 1:04PM - EDGEHLR : Joint Inspection NOT Required

5. No air contaminant shall be discharged into the atmosphere for a period or periods aggregating more than three minutes in any one hour which is as dark as, or darker than, Ringelmann 1 or 20% opacity. [District Rule 4101] Federally Enforceable Through Title V Permit
6. Maximum quantity of dried whey powder conveyed into this silo shall not exceed 280 tons/day. [District Rules 2201 and 4202] Federally Enforceable Through Title V Permit
7. The total throughput of dried whey products handled by the silos S-1203-10 and S-1203-11 shall not exceed 280 tons/day. [District Rule 2201] Federally Enforceable Through Title V Permit
8. PM10 emissions from bin vent filters shall not exceed 0.015 lb/ton of powder conveyed into silo. [District Rules 2201, 4201, and 4202] Federally Enforceable Through Title V Permit
9. Visible emissions from the source during operation shall be evaluated using EPA method 22 at least once per calendar quarter. If visible emissions are observed, corrective action shall be taken to eliminate visible emissions. If visible emissions cannot be eliminated within 24 hours, a visible emissions test using EPA Method 9 shall be conducted. [District Rule 2520, 9.3.2] Federally Enforceable Through Title V Permit
10. Records of visible emissions monitoring results shall be maintained and retained for a minimum of five (5) years, and shall be made available for District inspection upon request. [District Rule 2520, 9.4] Federally Enforceable Through Title V Permit
11. Permittee shall perform a complete vent filter inspection on an annual basis. Dust collector filters shall be inspected thoroughly for tears, scuffs, abrasions, holes, or any evidence of particulate matter leaks and shall be replaced as needed. [District Rule 2520, 9.3.2] Federally Enforceable Through Title V Permit
12. Records of vent filter maintenance, inspections, and repair shall be maintained. The records shall include identification of the equipment, date of inspection, corrective action taken, and identification of the individual performing the inspection. [District Rule 2520, 9.4] Federally Enforceable Through Title V Permit
13. Permittee shall maintain a daily record of the quantity of dry powder conveyed into this silo and the total daily throughput of silos S-1203-10 and S-1203-11. Records shall be kept for a period of five years and made available for District inspection upon request. [District Rules 2201 and 2520, 9.4.2] Federally Enforceable Through Title V Permit

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San Joaquin Valley
Air Pollution Control District

AUTHORITY TO CONSTRUCT

ISSUANCE DATE: DRAFT
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PERMIT NO: S-1203-11-3

LEGAL OWNER OR OPERATOR: SAPUTO CHEESE USA INC
MAILING ADDRESS: 800 E PAIGE AVE
TULARE, CA 93274

LOCATION: 800 E PAIGE AVE
TULARE, CA 93274

SECTION: SW14 TOWNSHIP: 20S RANGE: 24E

EQUIPMENT DESCRIPTION:

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Arnaud Marjolle, Director of Permit Services

S-1203-11-3, Nov 24 2015 1:04PM - EDGEHLR - Joint Inspection NOT Required

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