



Part 70 Minor Modification Permit 12651
and
APCD Permit to Operate 12651

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EQUIPMENT OWNER:

Celite Corporation

205129

EQUIPMENT OPERATOR:

Celite Corporation

EQUIPMENT LOCATION:

2500 San Miguelito Road, Lompoc

STATIONARY SOURCE/FACILITY:

Celite Corporation

SSID: 01735

FID: 00012

EQUIPMENT DESCRIPTION:

External combustion equipment as listed in the table at the end of this permit.

PROJECT/PROCESS DESCRIPTION:

This external combustion equipment subject to this permit is being permitted due to a loss in exemption. There are a total of seven units under this permit that are used in various processes at the Celite facility. Two units are boilers subject to Rule 361, and five units are kilns and dryers, exempt from Rule 361.

CONDITIONS:

9.A Standard Administrative Conditions

In case of discrepancy between the wording of a condition and the applicable APCD rule, the wording of the rule shall control. The following federally-enforceable administrative permit conditions apply to the Celite Corporation Lompoc Plant:

A.1 Compliance with Permit Conditions

- (a) The permittee shall comply with all permit conditions in Sections 9.A, 9.B and 9.C.
- (b) This permit does not convey property rights or exclusive privilege of any sort.
- (c) Any permit noncompliance constitutes a violation of the Clean Air Act and is grounds for enforcement action; for permit termination, revocation and re-issuance, or modification; or for denial of a permit renewal application.
- (d) It shall not be a defense for the permittee in an enforcement action that it would have been necessary to halt or reduce the permitted activity in order to maintain compliance with the conditions of this permit.
- (e) A pending permit action or notification of anticipated noncompliance does not stay any permit condition.
- (f) Within a reasonable time period, the permittee shall furnish any information requested by the Control Officer, in writing, for the purpose of determining:
 - (i) compliance with the permit, or
 - (ii) whether or not cause exists to modify, revoke and reissue, or terminate a permit or for an enforcement action. [*Re: 40 CFR Part 70.6, APCD Rules 1303.D.1*]
- (g) In the event that any condition herein is determined to be in conflict with any other condition contained herein, then, if principles of law do not provide to the contrary, the condition most protective of air quality and public health and safety shall prevail to the extent feasible.

- A.2 Emergency Provisions.** The permittee shall comply with the requirements of the APCD, Rule 505 (Upset/Breakdown rule) and/or APCD Rule 1303.F, whichever is applicable to the emergency situation. In order to maintain an affirmative defense under Rule 1303.F, the permittee shall provide the APCD, in writing, a “notice of emergency” within 2 days of the emergency. The “notice of emergency” shall contain the information/documentation listed in Sections (1) through (5) of Rule 1303.F. [*Re: 40 CFR 70.6, APCD Rule 1303.F*]

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A.3 **Compliance Plan.**

- (a) The permittee shall comply with all federally-enforceable requirements that become applicable during the permit term, in a timely manner, as identified in the Compliance Plan.
- (b) For all applicable equipment, the permittee shall implement and comply with any specific compliance plan required under any federally-enforceable rules or standards. [*Re: APCD Rule 1302.D.2*]

A.4 **Right of Entry.** The Regional Administrator of USEPA, the Control Officer, or their authorized representatives, upon the presentation of credentials, shall be permitted to enter upon the premises where a Part 70 Source is located or where records must be kept:

- (a) To inspect the stationary source, including monitoring and control equipment, work practices, operations, and emission-related activity;
- (b) To inspect and duplicate, at reasonable times, records required by this Permit to Operate;
- (c) To sample substances or monitor emissions from the source or assess other parameters to assure compliance with the permit or applicable requirements, at reasonable times. Monitoring of emissions can include source testing. [*Re: APCD Rule 1303.D.2*]

A.5 **Payment of Fees.** The permittee shall reimburse the APCD for all its Part 70 permit processing and compliance expenses for the stationary source on a timely basis. Failure to reimburse on a timely basis shall be a violation of this permit and of applicable requirements and can result in forfeiture of the Part 70 permit. Operation without a Part 70 permit subjects the source to potential enforcement action by the APCD and the USEPA pursuant to section 502(a) of the Clean Air Act. [*Re: APCD Rules 1303.D.1 and 1304.D.11, 40 CFR 70.6*]

A.6 **Prompt Reporting of Deviations:** The permittee shall submit a written report to the APCD documenting each and every deviation from the requirements of this permit or any applicable federal requirements within 7 days after discovery of the violation, but not later than 180-days after the date of occurrence. The report shall clearly document 1) the probable cause and extent of the deviation, 2) equipment involved, 3) the quantity of excess pollutant emissions, if any, and 4) actions taken to correct the deviation. The requirements of this condition shall not apply to deviations reported to APCD in accordance with Rule 505. *Breakdown Conditions*, or Rule 1303.F *Emergency Provisions*. [APCD Rule 1303.D.1, 40 CFR 70.6(a) (3)]

A.7 **Reporting Requirements/Compliance Certification:** The permittee shall submit compliance certification reports to the USEPA and the Control Officer every six months. These reports shall be submitted on APCD forms and shall identify each applicable requirement/condition of the permit, the compliance status with each requirement/condition, the monitoring methods used to determine compliance, whether the compliance was continuous or intermittent, and include

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detailed information on the occurrence and correction of any deviations (excluding emergency upsets) from permit requirement. The reporting periods shall be each half of the calendar year, e.g., January through June for the first half of the year. These reports shall be submitted by September 1 and March 1, respectively, each year. Supporting monitoring data shall be submitted in accordance with the "Semi-Annual Monitoring/Compliance Verification Report" condition in section 9.C. The permittee shall include a written statement from the responsible official, which certifies the truth, accuracy, and completeness of the reports. [Re: APCD Rules 1303.D.1, 1302.D.3, 1303.2.c]

A.8 **Federally-Enforceable Conditions.** Each federally-enforceable condition in this permit shall be enforceable by the USEPA and members of the public. None of the conditions in the APCD-only enforceable section of this permit are federally-enforceable or subject to the public/USEPA review. [Re: CAAA, § 502(b)(6), 40 CFR 70.6]

A.9 **Recordkeeping Requirements.** Records of required monitoring information shall include the following:

- (a) The date, place as defined in the permit, and time of sampling or measurements;
- (b) The date(s) analyses were performed;
- (c) The company or entity that performed the analyses;
- (d) The analytical techniques or methods used;
- (e) The results of such analyses; and
- (f) The operating conditions as existing at the time of sampling or measurement;

The records (electronic or hard copy), as well as all supporting information including calibration and maintenance records, shall be maintained for a minimum of five (5) years from date of initial entry by the permittee and shall be made available to the APCD upon request. [Re: APCD Rule 1303.D.1.f, 40CFR70.6(a)(3)(ii)(A)]

A.10 **Conditions for Permit Reopening.** The permit shall be reopened and revised for cause under any of the following circumstances:

- (a) **Additional Requirements:** If additional applicable requirements (e.g., NSPS or MACT) become applicable to the source which has an unexpired permit term of three (3) or more years, the permit shall be reopened. Such a reopening shall be completed no later than 18 months after promulgation of the applicable requirement. However, no such reopening is required if the effective date of the requirement is later than the date on which the permit is due to expire, unless the original permit or any of its terms and conditions has been extended. All such re-openings shall be initiated only after a 30-day notice of intent to reopen the permit has been provided to the permittee, except that a shorter notice may be given in case of an emergency.
- (b) **Inaccurate Permit Provisions:** If the APCD or the USEPA determines that the permit contains a material mistake or that inaccurate statements were made in establishing the emission standards or other terms or conditions of the permit, the permit shall be reopened. Such re-openings shall be made as soon as practicable.

- (c) **Applicable Requirement**: If the APCD or the USEPA determines that the permit must be revised or revoked to assure compliance with any applicable requirement including a federally-enforceable requirement, the permit shall be reopened. Such re-openings shall be made as soon as practicable.

Administrative procedures to reopen and revise/voke/reissue a permit shall follow the same procedures as apply to initial permit issuance. Re-openings shall affect only those parts of the permit for which cause to reopen exists.

If a permit is reopened, the expiration date does not change. Thus, if the permit is reopened, and revised, then it will be reissued with the expiration date applicable to the re-opened permit. [*Re: 40 CFR 70.7, 40 CFR 70.6*]

9.B Generic Conditions

In case of discrepancy between the wording of a condition and an applicable federal or APCD rule, the wording of the rule shall control. The generic conditions listed below apply to all emission units regardless of their category or emission rates. These conditions are federally enforceable. Compliance with these requirements is discussed in Section 3.

- B.1 **Circumvention (Rule 301)**. A person shall not build, erect, install, or use any article, machine, equipment or other contrivance, the use of which, without resulting in a reduction in the total release of air contaminants to the atmosphere, reduces or conceals an emission which would otherwise constitute a violation of Division 26 (Air Resources) of the Health and Safety Code of the State of California or of SBCAPCD Rules and Regulations. This Rule shall not apply to cases in which the only violation involved is of Section 41700 of the Health and Safety Code of the State of California, or of APCD Rule 303. [*Ref: APCD Rule 301*]
- B.2 **Visible Emissions (Rule 302)**. Celite shall not discharge into the atmosphere from any single source of emission any air contaminants for a period or periods aggregating more than three minutes in any one hour which is:
- (a) As dark or darker in shade as that designated as No. 1 on the Ringlemann Chart, as published by the United States Bureau of Mines, or
 - (b) Of such opacity as to obscure an observer's view to a degree equal to or greater than does smoke described in subsection B.2(a) above.

Compliance shall be determined by visible emission evaluations by certified observers. All visible emission observations and inspections sheets and records shall be maintained consistent with the recordkeeping condition of this permit. [*Ref: APCD Rule 302*].

- B.3. **Nuisance.** Except as otherwise provided in Section 41705 of the California H&SC, no person shall discharge from any source whatsoever such quantities of air contaminants or other material which cause injury, detriment, nuisance, or annoyance to any considerable number of persons or to the public, or which endanger the comfort, repose, health, or safety of any such persons or the public, or which cause, or have a natural tendency to cause, injury or damage to business or property.

9.C Requirements and Equipment Specific Conditions

This section includes non-generic federally enforceable conditions including emissions and operation limits, monitoring and recordkeeping and reporting for each specific equipment group. This section may also contain other non-generic requirements.

- C.1. **Emission Limitations.** The emissions from the equipment permitted herein shall not exceed the values listed in Table 1. Compliance shall be based on the operational, monitoring, recordkeeping and reporting conditions of this permit.
- C.2. **Operational Restrictions.** The equipment permitted herein is subject to the following operational restrictions:
- a. *Heat Input Limits.* The hourly, daily and annual heat input limits to each unit shall not exceed the values listed in Table 3. These limits are based on the design rating of the unit and the annual heat input value as listed in the permit application. Unless otherwise designated by the APCD, the following fuel content shall be used for determining compliance: Natural Gas = 1,050 Btu/scf.
 - b. *Public Utility Natural Gas Fuel Sulfur Limit.* The total sulfur and hydrogen sulfide (H₂S) content (calculated as H₂S at standard conditions, 60°F and 14.7 psia) of the public utility natural gas fuel shall not exceed 80 ppmv and 4 ppmv respectively. Compliance with this condition shall be based on billing records or other data showing that the fuel gas is obtained from a public utility gas company.
 - c. *Rule 360 Compliance.* Any boiler or hot water heater rated at or less than 2,000 MMBtu/hr and manufactured after October 17, 2003 shall be certified per the provisions of Rule 360. An ATC/PTO permit shall be obtained prior to installation of any grouping of Rule 360 applicable boilers or hot water heaters whose combined system design heat input rating exceeds 2,000 MMBtu/hr.
 - d. *Rule 361 Compliance – Existing Units.* The owner or operator of any unit requesting the low use exemption in Section D.2 shall comply with the requirement to submit a Rule 361 Compliance Plan for APCD review and approval prior to March 15, 2016. Fuel meters installed pursuant to the approved Rule 361 Compliance Plan shall be installed prior to December 31, 2016.

On or before January 30, 2019, the owner or operator of any existing unit shall:

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- i. For units subject to Section D.1 emission standards, apply for an Authority to Construct permit.
- ii. For units subject to the Section D.2 low use provision, provide the annual fuel heat input data for years 2017 and 2018.

Any existing unit that is replaced or modified is subject to requirements of Rule 361 and shall first obtain an APCD ATC permit prior to installation or modification.

C.3. **Monitoring.** The equipment permitted herein is subject to the following monitoring requirements:

- a. *Fuel Usage – Units Rated Under 5.0 MMBtu/hr.* The volume of fuel gas used in the units shall be determined by one of the method listed below. Table 4 defines which method is approved for each permitted unit. Except for changing to the Default Rating Method, written APCD approval is required to change to a different method. Units subject to the Rule 361.D.2 low use exemption shall use the fuel meter option.
 - i. Fuel Use Meter. The volume of fuel gas (in units of standard cubic feet) used shall be measured through the use of a dedicated APCD-approved fuel meter. The meter shall be temperature and pressure corrected. The fuel meter shall be accurate to within five percent (5%) of the full scale reading. The meter shall be calibrated according to manufacturer's specifications and the calibration records shall be made available to the APCD upon request.
 - ii. Hour Meter. The volume of natural gas (in units of standard cubic feet) used in the units shall be determined through the use of a dedicated APCD-approved hour meter or APCD-approved electronic management system that is capable of tracking and logging the unit's time on/off. Fuel usage shall be calculated based on the actual hours of operation (hours/year) times the heat input rating of the unit (Btu/hr) and divided by the APCD-approved heating value of the fuel (Btu/scf).
 - iii. Default Rating Method. The volume of natural gas (in units of standard cubic feet) used shall be reported as permitted annual heat input limit for the unit (Btu/year) divided by the APCD-approved heating value of the fuel (Btu/scf).
- b. *Compliance Determination.* The following compliance determinations are applicable to the units subject to this permit:
 - i. Existing Units Rated Between 2.0 - 5.0 MMBtu/hr. Existing units (i.e., units installed prior to January 17, 2008) are not subject to tuning or source testing requirements.

- C.4. **Recordkeeping.** The permittee shall record and maintain the following information. This data shall be maintained for a minimum of five (5) years from the date of each entry and made available to the APCD upon request:
- a. *Hours of Operation.* Total monthly hours of operation summarized monthly and annually.
 - b. *Fuel Use - Units Rated Under 5.0 MMBtu/hr.* The volume of fuel gas used each year (in units of standard cubic feet) as determined by the fuel use monitoring option as listed in Table 4. Units that track fuel use using the Default Rating Method are not required to record the fuel usage. Units subject to the Rule 361.D.2 low use exemption shall record fuel use on a monthly and annual basis for each fuel type.
 - b. *Maintenance Logs.* Maintenance logs for the unit(s) and fuel flow meter (as applicable).
- C.5. **Semi-Annual Monitoring/Compliance Verification Reports.** Celite shall submit a report to the APCD every six months to verify compliance with the emission limits and other requirements of section C. The reporting periods shall be each half of the calendar year, e.g., January through June for the first half of the year. These reports shall be submitted by September 1 and March 1, respectively, each year, and shall be in a format approved by the APCD. All records and other supporting information not included in the report shall be available to the District upon request. "Supporting information" includes all calibration and maintenance records and all original strip-chart recordings for continuous monitoring instrumentation, and copies of all logs and reports required by the permit. The second report shall include a summary of quarterly values for the half year being reported along with the yearly total for any reporting item below that requires a value or a sum over a year. In addition to all information required by the main Celite PTO 5840 the report shall include the following information:
- a. *Fuel Use Data.* The hours and fuel use data required in the Recordkeeping Condition above.

9.D APCD-Only Conditions

The following section lists permit conditions that are not enforceable by the USEPA or the public. However, these conditions are enforceable by the APCD and the State of California. These conditions are issued pursuant to APCD Rule 206 (*Conditional Approval of Authority to Construct or Permit to Operate*), which states that the Control Officer may issue an operating permit subject to specified conditions. Permit conditions have been determined as being necessary for this permit to ensure that operation of the facility complies with all applicable local and state air quality rules, regulations and laws. Failure to comply with any condition specified pursuant to the provisions of Rule 206 shall be a violation of that rule, this permit, as well as any applicable section of the California Health & Safety Code.

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- D.1 **Permit Activation.** All aspects of this permit are enforceable by the APCD and the State of California upon the issuance date stamped below. The Part 70 aspects of this permit are not final until:
- (a) The USEPA has provided written comments to the APCD and these comments require no modification to this permit. The APCD will issue a letter stating that this permit is a final Part 70 permit. The effective date that this permit will be considered a final Part 70 permit will be the date stamped on the APCD's letter.
 - (b) After the USEPA has provided the APCD written comments that require a modification to this permit, the APCD will modify this permit to address the USEPA's comments and issue the Part 70 permit as final. The re-issued permit will supersede this permit in its entirety.
- D.2. **Consistency with Analysis.** Operation under this permit shall be conducted consistent with all data, specifications and assumptions included with the application and supplements thereof (as documented in the APCD's project file) and the APCD's analyses under which this permit is issued as documented in the Permit Analyses prepared for and issued with the permit.
- D.3. **Equipment Maintenance.** The equipment listed in this permit shall be properly maintained and kept in good condition at all times. The equipment manufacturer's maintenance manual, maintenance procedures and/or maintenance checklists (if any) shall be kept on site
- D.4. **Compliance.** Nothing contained within this permit shall be construed as allowing the violation of any local, state or federal rules, regulations, air quality standards or increments.
- D.5. **Severability.** In the event that any condition herein is determined to be invalid, all other conditions shall remain in force.
- D.6. **Conflict Between Permits.** The requirements or limits that are more protective of air quality shall apply if any conflict arises between the requirements and limits of this permit and any other permitting actions associated with the equipment permitted herein.
- D.7. **Access to Records and Facilities.** As to any condition that requires for its effective enforcement the inspection of records or facilities by the APCD or its agents, the permittee shall make such records available or provide access to such facilities upon notice from the APCD. Access shall mean access consistent with California Health and Safety Code Section 41510 and Clean Air Act Section 114A.
- D.8. **Equipment Identification.** Identifying tag(s) or name plate(s) shall be displayed on the equipment to show manufacturer, model number, and serial number. The tag(s) or plate(s) shall be affixed to the equipment in a permanent and conspicuous position.
- D.9. **Emission Factor Revisions.** The APCD may update the emission factors for any calculation based on USEPA AP-42 or APCD emission factors at the next permit modification or permit reevaluation to account for USEPA and/or APCD revisions to the underlying emission factors.

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- D.10. **Grounds for Revocation.** Failure to abide by and faithfully comply with this permit or any Rule, Order, or Regulation may constitute grounds for the APCO to petition for permit revocation pursuant to California Health & Safety Code Section 42307 *et seq.*
- D.11. **Transfer of Owner/Operator.** This permit is only valid for the owner and operator listed on this permit unless a *Transfer of Owner/Operator* application has been applied for and received by the APCD. Any transfer of ownership or change in operator shall be done in a manner as specified in APCD Rule 203. APCD Form –01T and the appropriate filing fee shall be submitted to the APCD within 30 days of the transfer.
- D.12. **Reimbursement of Costs.** All reasonable expenses, as defined in APCD Rule 210, incurred by the APCD, APCD contractors, and legal counsel for the activities listed below that follow the issuance of this permit, including but not limited to permit condition implementation, compliance verification and emergency response, directly and necessarily related to enforcement of the permit shall be reimbursed by the permittee as required by Rule 210. Reimbursable activities include work involving: permitting, compliance, CEMS, modeling/AQIA, ambient air monitoring and air toxics.

AIR POLLUTION CONTROL OFFICER

DATE

Attachments:

- Table 1 – Mass Emission Limits
- Table 2 – Emission Standards
- Table 3 – Heat Input Limits
- Table 4 – Device Specific Requirements Summary
- Permit Equipment List
- Permit Evaluation for Permit to Operate 12651

Notes:

- Reevaluation Due Date: March 1, 2010
- Additional information can be located online at <http://www.sbcapcd.org/eng/boiler.htm>
- Stationary sources are subject to an annual emission fee (see Fee Schedule B-3 of Rule 210).
- Annual reports are due by March 1st of each year.

TABLE 1. MASS EMISSION LIMITS

Device ID #	NO _x		ROC		CO		SO _x		PM		PM10	
	lb/day	tpy	lb/day	tpy	lb/day	tpy	lb/day	tpy	lb/day	tpy	lb/day	tpy
005843	10.58	1.93	0.58	0.11	8.86	1.62	1.48	0.27	0.81	0.15	0.81	0.15
005844	10.35	1.89	0.57	0.10	8.66	1.58	1.45	0.26	0.79	0.14	0.79	0.14
008044	5.88	1.07	0.32	0.06	4.92	0.90	0.82	0.15	0.45	0.08	0.45	0.08
008920	7.53	1.37	0.41	0.08	6.30	1.15	1.05	0.19	0.58	0.11	0.58	0.11
008921	6.21	1.13	0.34	0.06	5.20	0.95	0.87	0.16	0.48	0.09	0.48	0.09
008922	7.53	1.37	0.41	0.08	6.30	1.15	1.05	0.19	0.58	0.11	0.58	0.11
008923	8.89	1.62	0.49	0.09	7.44	1.36	1.24	0.23	0.68	0.12	0.68	0.12

TABLE 2. EMISSION STANDARDS: NOT APPLICABLE

TABLE 3. HEAT INPUT LIMITS

Device ID #	Fuel	MMBtu/hr	MMBtu/day	MMBtu/yr
005843	Natural Gas - Utility	4.500	108.000	39420.000
005844	Natural Gas - Utility	4.400	105.600	38544.000
008044	Natural Gas - Utility	2.500	60.000	21900.000
008920	Natural Gas - Utility	3.200	76.800	28032.000
008921	Natural Gas - Utility	2.640	63.360	23126.400
008922	Natural Gas - Utility	3.200	76.800	28032.000
008923	Natural Gas - Utility	3.780	90.720	33112.800

TABLE 4. DEVICE SPECIFIC REQUIREMENTS SUMMARY

Device ID #	Applicable Rule	Source Testing	Tune-Ups	Fuel Use Method	Low Use Exemption	BACT
005843	NA	No	None	Hour Meter	No	No
005844	NA	No	None	Hour Meter	No	No
008044	R361	No	None	Hour Meter	No	No
008920	NA	No	None	Hour Meter	No	No
008921	NA	No	None	Hour Meter	No	No
008922	NA	No	None	Hour Meter	No	No
008923	R361	No	None	Hour Meter	No	No

Table Notes:

- (a) Units subject to Rule 342 may comply with either the ppmvd or lb/MMBtu standards of the Rule.
- (b) NO_x as NO₂, SO_x as SO₂, lb/day = pounds per day, tpy = tons per year
- (c) Device ID # from permit equipment list.
- (d) Emission data that round down to 0.00 has been set to a default of 0.01.

BOILER/EXTERNAL COMBUSTION PERMIT EQUIPMENT LIST

PTO 12651 / FID: 00012 CELITE CORPORATION / SSID: 01735

A PERMITTED EQUIPMENT

1 PELLET PLANT DRYER

<i>Device ID #</i>	005843	<i>Device Name</i>	Pellet Plant Dryer
<i>Rated Heat Input</i>	4.500 MMBtu/Hour	<i>Operator ID</i>	
<i>Manufacturer</i>		<i>Serial Number</i>	
<i>Model</i>			
<i>Location Note</i>			
<i>Emission Control Basis</i>			
<i>Device</i>			
<i>Description</i>			

2 PELLET PLANT KILN

<i>Device ID #</i>	005844	<i>Device Name</i>	Pellet Plant Kiln
<i>Rated Heat Input</i>	4.400 MMBtu/Hour	<i>Operator ID</i>	
<i>Manufacturer</i>		<i>Serial Number</i>	
<i>Model</i>			
<i>Location Note</i>			
<i>Emission Control Basis</i>			
<i>Device</i>			
<i>Description</i>			

3 SHRINK WRAP UNIT

<i>Device ID #</i>	008044	<i>Device Name</i>	Shrink Wrap Unit
<i>Rated Heat Input</i>	2.500 MMBtu/Hour	<i>Operator ID</i>	
<i>Manufacturer</i>	Mollers North America	<i>Serial Number</i>	
<i>Model</i>			
<i>Location Note</i>			
<i>Emission Control Basis</i>			
<i>Device Description</i>	Forced draft unit manufactured in 1991; utility natural gas		

4 1ST STAGE DRYER

<i>Device ID #</i>	008920	<i>Device Name</i>	1st Stage Dryer
<i>Rated Heat Input</i>	3.200 MMBtu/Hour	<i>Operator ID</i>	CP14
<i>Manufacturer</i>	The National Drying Machinery Co.	<i>Serial Number</i>	
<i>Model</i>	Apron Dryer		
<i>Location Note</i>			
<i>Emission Control Basis</i>			
<i>Device Description</i>	Manufactured in 1998		

5 KILN (CALCINER)

<i>Device ID #</i>	008921	<i>Device Name</i>	Kiln (Calciner)
<i>Rated Heat Input</i>	2.640 MMBtu/Hour	<i>Operator ID</i>	CP20
<i>Manufacturer</i>	Vulcan	<i>Serial Number</i>	97-14322
<i>Model</i>			
<i>Location Note</i>			
<i>Emission Control Basis</i>			
<i>Device Description</i>	6' x 40' kiln manufactured in 1998		

6 2ND STAGE DRYER

<i>Device ID #</i>	008922	<i>Device Name</i>	2nd Stage Dryer
<i>Rated Heat Input</i>	3.200 MMBtu/Hour	<i>Operator ID</i>	CP31
<i>Manufacturer</i>	The National Drying Machine Company	<i>Serial Number</i>	
<i>Model</i>			
<i>Location Note</i>			
<i>Emission Control Basis</i>			
<i>Device Description</i>	Manufactured in 1998		

7 PACKAGE BOILER

<i>Device ID #</i>	008923	<i>Device Name</i>	Package Boiler
<i>Rated Heat Input</i>	3.780 MMBtu/Hour	<i>Operator ID</i>	CP44
<i>Manufacturer</i>	Parker Industries	<i>Serial Number</i>	49330
<i>Model</i>	105-90		
<i>Location Note</i>			
<i>Emission Control Basis</i>			
<i>Device Description</i>			



PERMIT EVALUATION FOR PERMIT TO OPERATE 12651

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1.0 BACKGROUND

1.1 General: This external combustion equipment subject to this permit is being permitted due to the loss in exemption. On January 17, 2008, the APCD Board of Directors revised Rule 202 (Exemptions to Rule 201) to lower the exemption threshold for utility grade natural gas fired units from 5.0 MMBtu/hr to 2.0 MMBtu/hr. This change was necessitated by the concurrent adoption of Rule 361 (Small Boilers, Process Heaters and Steam Generators). Units installed prior to January 17, 2008 are designated as existing units per Rule 361.

1.2 Recent Permit History:

PERMIT	FINAL ISSUED	PERMIT DESCRIPTION
ATC/PTO 11221	03/02/2005	This permit revises operational limits for the System #5 Scrubber and requires monitoring of certain System 5 scrubber operating parameters to ensure compliance with PM/PM10 emission limits. It also includes additional source testing requirements
PTO 11007	03/24/2005	This permit authorizes the installation of a semi-bulk packing station at the Celpure Plant.
ATC 11421	05/09/2005	This permit authorizes installation of additional equipment to increase the ratio of filler material produced and packaged at Celite's Lompoc Plant. The equipment to be installed consists of a Air Swept Mill for crushing DE, baghouse, blower
PTO 11695	09/22/2005	E/S generator. Under 20 hr/yr. Caterpillar/Perkins CD50 (50 bhp)
PT-70 ADM 11970	01/26/2006	Change of Responsible Official to Kenneth V. Rasmussen
PT-70 ADM 12016	04/13/2006	Change of Responsible Official from Kenneth V. Rasmussen to Steven Kourakos
ATC/PTO Mod 11224 01	04/28/2006	Increase of the Celpure Flash Cooler Baghouse airflow by 15%.
ATC 12091	10/26/2006	New Milling Circuit in the existing 7 System Dry End.
ATC 12208	01/31/2007	Eight (8) new storage silos.
ATC/PTO 12211	03/01/2007	Modification to the 378 Baghouse. Removal of 24 filter bags. NOV 8527 issued 12/1/06 for making the control device modification with an ATC permit.
PT-70/Reeval	03/01/2007	Reevaluation of Pt70 PTO 5840.

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PERMIT	FINAL ISSUED	PERMIT DESCRIPTION
05840 R3		
ATC Mod 12091 01	03/26/2007	Modification to ATC for construction of new Milling Circuit in the existing 7 System Dry End.
ATC 12105	06/11/2007	Modify existing 7 system processing line.
ATC Mod 12208 01	08/31/2007	Eight (8) new storage silos.
ATC Mod 12091 02	09/25/2007	Modification to ATC for construction of new Milling Circuit in the existing 7 System Dry End.
PTO Mod 05840 05	10/29/2007	This modification implements monitoring measures to ensure ongoing PM/PM10 emissions compliance of the #5 System venturi scrubber. See Pt 70 R 12368
PT-70 R 12368	10/29/2007	See PTO Mod 5840 05
ATC 12398	11/28/2007	Tie in of packing stations originally under System 7, ATC 12105 to the other systems to accomodate parking product during system 7 construction.
ATC Mod 12208 02	12/28/2007	Modification of eight (8) new storage silos and addition of bins, bin vent baghouses and powder pumps..
ATC 12315	01/11/2008	Mobile Crude Ore Crushing and Screening Plant
ATC Mod 12105 01	01/25/2008	Modify existing 7 system processing line.
PTO Mod 05840 06	02/29/2008	Modification in accordance with Variance Order H.B. Case No. 36-07-E, condition 3. This is to modify daily inspections required for the System #6. See Pt-70 R 12442.
ATC Mod 12315 01	05/23/2008	Mobile Crude Ore Crushing and Screening Plant

1.3 Recent Compliance History: This equipment was previously exempt from permit.

VIOLATION TYPE	NUMBER	ISSUE DATE	DESCRIPTION OF VIOLATION
NOV	8795	04/03/2007	Exceeding SOx emission rate of 400 lbs/hr for 4 consecutive hours on 4-3-07. Controlman did not take immediate corrective actions when alarm was sounded.
NOV	8800	09/18/2007	Exceeding the particulate emission rate limit during a source test on 8/22/07
NOV	8803	10/31/2007	Exceeding Rule 306 particulate emission rate limit during a source test on 10/11/07.
NOV	8804	10/31/2007	Failure to measure the crude density on #5 Belt(System 3) for 1 hr, 18 min due to human error(window closed on radiation device).
NOV	8807	01/09/2008	On 11-20-07 System 3 exceeded the 400 lb/hr SOx limit by 4.78 lbs

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2.0 ENGINEERING ANALYSIS

- 2.1 Equipment/Processes: The units are external combustion processes using boilers (hot water or steam), process heaters or steam generators.
- 2.2 Emission Controls: No emission controls are used.
- 2.3 Emission Factors: Mass emissions in Table 1 of the permit are based on USEPA AP-42 (ref: Tables 1.4-1 and 1.4-2, July 1998) for NO_x, CO, ROC, PM₁₀ and mass balance for SO_x.
- 2.4 Reasonable Worst Case Emission Scenario: These units are permitted to operate 8,760 hours per year using the rated heat input of the equipment.
- 2.5 Emission Calculations: Daily emissions are calculated using the daily heat input (MMBtu/day) times the emission factor (lb/MMBtu). Annual emissions are calculated using the annual heat input (MMBtu/yr) times the emission factor (lb/MMBtu) and divided by 2000 lb/ton.
- 2.6 Special Calculations: None.
- 2.7 BACT Analyses: Best Available Control Technology was not required for this project.
- 2.8 Enforceable Operational Limits: The permit has enforceable operating conditions tracking the heat input and fuel sulfur content as well as language regarding the compliance schedule for Rule 361.
- 2.9 Monitoring Requirements: Monitoring conditions are provided to track fuel use and fuel sulfur content.
- 2.10 Recordkeeping and Reporting Requirements: Records of fuel use, fuel meter calibrations and maintenance logs are required.

3.0 REEVALUATION REVIEW (not applicable)

4.0 REGULATORY REVIEW

- 4.1 Partial List of Applicable Rules: This project is anticipated to operate in compliance with the following rules:

Rule 201.	Permits Required
Rule 202.	Exemptions to Rule 201
Rule 205.	Standards for Granting Permits
Rule 301.	Circumvention
Rule 302.	Visible Emissions
Rule 303.	Nuisance
Rule 311.	Sulfur Content of Fuels
Rule 317.	Organic Solvents

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Rule 324.	Disposal and Evaporation of Solvent
Rule 361.	Small Boilers, Steam Generators, and Process Heaters
Rule 801.	New Source Review
Rule 802.	Nonattainment Review
Rule 803.	Prevention of Significant Deterioration

4.2 Rules Requiring Review:

4.2.1 *Rule 361 - Exemptions to Rule 361:* Section B.1a exempts combustion equipment where the products of combustion come into direct contact with the materials to be heated. Five devices as noted with "NA" in Table 4 meet this exemption criteria.

4.3 NEI Calculations: The net emission increase calculation is used to determine whether certain requirements must be applied to a project (e.g., offsets, AQIA, PSD BACT). This permit does not contribute to the NEI and so the NEI for this permit is zero.

5.0 AQIA

The project is not subject to the Air Quality Impact Analysis requirements of Regulation VIII.

6.0 OFFSETS/ERCs

6.1 Offsets: The emission offset thresholds of Regulation VIII are not exceeded.

6.2 ERCs: This source does not generate emission reduction credits.

7.0 AIR TOXICS

An air toxics health risk assessment was not performed for this permitting action.

8.0 CEQA / LEAD AGENCY

This project is exempt from CEQA pursuant to the Environmental Review Guidelines for the Santa Barbara County APCD (revised November 16, 2000). Appendix A (*APCD Projects Exempt from CEQA and Equipment or Operations Exempt from CEQA*) provides an exemption specifically for permits to operate and reevaluations thereof. No further action is necessary.

9.0 SCHOOL NOTIFICATION

A school notice pursuant to the requirements of H&SC §42301.6 was not required.

10.0 PUBLIC and AGENCY NOTIFICATION PROCESS/COMMENTS ON DRAFT PERMIT

This project was not subject to public notice. Celite submitted comments on the draft PTO on October 13, 2008. The APCD responses to those comments appear in Attachment A of this permit.

11.0 FEE DETERMINATION

Fees for this permit are assessed under the cost reimbursement provisions of Rule 210.

ATTACHMENT A
RESPONSE TO COMMENTS

The following are the APCD responses to comments on the draft permit by Celite in the letter dated October 13, 2008:

Celite Comment: Celite notes that per Condition C.3 and Table 4, the use of Hour Meters is approved to determine volume of fuel gas for each equipment item. Just to clarify, it is our understanding that Celite may also use the Default Rating Method for these units.

APCD Response: This is correct.