

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT

ENGINEERING & COMPLIANCE

APPLICATION PROCESSING AND CALCULATIONS

PAGES
22

APPL. NO.
485265

PROCESSED BY:
Cynthia Carter

PAGE
1

DATE
11/10/2009

CHECKED BY
[Signature]

PERMIT TO CONSTRUCT/OPERATE

APPLICANT'S NAME: PARAMOUNT PETROLEUM CORPORATION
(FACILITY ID: 800183)

MAILING ADDRESS: 14700 DOWNEY AVENUE
PARAMOUNT, CA 90723

EQUIPMENT ADDRESS: SAME AS MAILING ADDRESS

EQUIPMENT DESCRIPTION:

Additions to the equipment description are underlined and **bolded**. New and modified conditions are underlined and **bolded**. Deletions to the equipment description and conditions are noted in ~~strikeouts~~.

Section D of Paramount's Facility Permit, ID# 800183

Equipment	ID No.	Connected To	Source Type/ Monitoring Unit	Emissions And Requirements	Conditions
Process 11: ELECTRIC GENERATION					
System 2: EMERGENCY IC ENGINES					
<u>INTERNAL COMBUSTION ENGINE, EMERGENCY POWER, DIESEL FUEL, CATERPILLAR, MODEL C-15 (400 KW) TURBOCHARGE AND AFTERCOOLER 642 BHP</u> <u>A/N: 485265</u>	<u>D832</u>		<u>NOX: PROCESS UNIT**;</u> <u>SOX: PROCESS SOURCE**</u>	<u>CO: 2.6 GRAMS/BHP-HR (4) (RULE 1303(a)(1) BACTI);</u> <u>NOX: 147 LBS/1000 GAL (1) (RULE 2012)</u> <u>NOx + ROG: 3.0 GRAMS/BHP-HR (4) (RULE 1303(a)(1) BACTI; RULE 2005 BACTI);</u> <u>PM: 0.15 GRAMS/BHP-HR (4) (RULE 1303(a)(1) BACTI);</u> <u>PM: (9) (RULE 404)</u> <u>SOX: 6.24 LBS/1000 GAL (1) (RULE 2011)</u>	<u>B61.1</u> <u>C1.40</u> <u>C1.41</u> <u>C1.42</u> <u>E193.7</u> <u>H23.31</u> <u>I296.1</u> <u>K67.6</u>

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CONDITIONS:

The following permit conditions shall apply to the subject equipment in order to comply with all applicable District, State, and Federal standards. Additions and deletions to the conditions are noted in underlines and strikeouts, respectively.

Facility Conditions

F14.1 The operator shall not purchase diesel fuel containing sulfur compounds in excess of 15 ppm by weight as supplied by the supplier.

[RULE 431.2]

Device Conditions

B61.1 The operator shall only use diesel fuel containing the following specified compounds:

Compound	Weight percent
Sulfur compounds less than	0.05
[RULE 1303(a)(1)-BACT,5-10-1996; RULE 1303(a)(1)-BACT,12-6-2002; RULE 2005, 5-6-2005]	
[Devices subject to this condition : D551,D651,D652,D676, <u>D832</u>]	

C. Throughput or Operating Parameter Limits

C1.40 The operator shall limit the operating time to no more than 200 hour(s) in any one year.

To comply with this condition, the operator shall install and maintain a(n) non-resettable elapsed time meter to accurately indicate the elapsed operating time of the engine.

The operator shall maintain records in a manner approved by the District, to demonstrate compliance with this condition.

[RULE 1304(a)-Modeling and Offset Exemption 6-14-1996; RULE 2012, 5-6-2005]

[Devices subject to this condition: **D832]**

C1.41 The operator shall limit the maintenance and testing to no more than 50 hour(s) in any one year.

The operator shall maintain records in a manner approved by the District, to demonstrate compliance with this condition.

[RULE 1303(a)(1)-BACT, 5-10-1996; RULE 1303(a)(1)-BACT, 12-6-2002; RULE 1470, 6-1-2007]

[Devices subject to this condition: **D832]**

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C1.42 The operator shall limit the maintenance and testing to no more than 4.2 hour(s) in any one month.

The operator shall maintain records in a manner approved by the District, to demonstrate compliance with this condition.

[RULE 1303(a)(1)-BACT, 5-10-1996; RULE 1303(a)(1)-BACT, 12-6-2002]
[Devices subject to this condition: D832]

D. Monitoring/Testing Requirements

D12.1 The operator shall install and maintain a(n) non-resettable elapsed time meter to accurately indicate the elapsed operating time of the engine.
 [RULE 1304(a)-Modeling and Offset Exemption, 6-14-1996; RULE 2012, 5-6-2005]
 [Devices subject to this condition : D371,D551,D651,D652,D676, **D832**]

E. Equipment Operation/Construction Requirements

E193.7 The operator shall restrict the operation of this equipment as follows:

In addition to maintenance and testing of this engine, this engine shall only be used for either providing electrical power to portable operations or emergency power to stationary sources.

Portable operations are those where it can be demonstrated that because of the nature of the operation, it is necessary to periodically move the equipment from one location to another.

Emergencies at stationary sources are those that result in an interruption of services of the primary power supply or during Stage II or III electrical emergencies declared by the California Independent System Operator.

[RULE 1470]
[Devices subject to this condition: D832]

H. Applicable Rules

H23.31 This equipment is subject to the applicable requirements of the following rules or regulations:

<u>Contaminant</u>	<u>Rule</u>	<u>Rule/Subpart</u>
<u>PM</u>	<u>District Rule</u>	<u>1470</u>
<u>CO</u>	<u>40 CFR 60, Subpart</u>	<u>III</u>
<u>NOx</u>	<u>40 CFR 60, Subpart</u>	<u>III</u>
<u>PM</u>	<u>40 CFR 60, Subpart</u>	<u>III</u>
<u>ROG</u>	<u>40 CFR 60, Subpart</u>	<u>III</u>
<u>HAPs</u>	<u>40 CFR 63, Subpart</u>	<u>ZZZZ</u>

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[Rule 1470, 6-1-2007; 40 CFR 60, Subpart III, 7-16-2006; 40 CFR 63, Subpart ZZZZ, 1-18-2008]

[Devices subject to this condition: D832]

I. Administrative

I296.1 This equipment shall not be operated unless the operator demonstrates to the Executive Officer that the facility holds sufficient RTCs to offset the prorated annual emissions increase for the first compliance year of operation. In addition, this equipment shall not be operated unless the operator demonstrates to the Executive Officer that, at the commencement of each compliance year after the first compliance year of operation, the facility holds sufficient RTCs in an amount equal to the annual emissions increase.

[Rule 2005, 5-6-2005]

[Devices subject to this condition: D832]

K. Record Keeping/Reporting

K67.6 The operator shall keep records, in a manner approved by the District, for the following parameter(s) or item(s):

A log of engine operations, including manual and automatic operation, documenting the total time the engine is operated each month and the specific reason for operation as:

- A. Emergency use
- B. Maintenance and testing
- C. Other (Describe the reason for the operation)

In addition, for each time the engine is manually started, the log shall include the date of engine operation, the specific reason for operation, and the totalizing hour meter readings (in hours and tenths of hours) at the beginning and end of the operation.

On or before January 15th of each year, the operator shall record in the engine log:

- A. the total hours of engine operation for the previous calendar year, and
- B. the total hours of engine operation for maintenance and testing for the previous calendar year.

Engine operation log(s) shall be retained on site for a minimum of five calendar years and shall be made available to the Executive Officer or representative upon request.

[RULE 1110.2, 2-1-2008; RULE 1303(a)(1)-BACT; 5-10-1996; RULE 1303(a)(1)-BACT; 12-6-2002; RULE 1304(a)-Modeling and Offset Exemption 6-14-1996; RULE 1470, 6-1-2007; RULE 2012, 5-6-2005; RULE 3004(a)(4)-Periodic Monitoring; 12-12-1997]

[Devices subject to this condition: D832]

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BACKGROUND:

Paramount Petroleum Corporation operates a petroleum refinery at the above location to produce gasoline, diesel, and other petroleum related products. This evaluation covers *one* application to install an emergency IC engine, as listed in Table 1. The modifications are as follows:

- Replace a portable emergency generator (device ID # D676) with a new emergency IC engine;
- Remove two other emergency generators (device ID # D651 & D652).

Paramount submitted an application under A/N 485265 to replace a portable emergency generator with a rental one. Paramount currently has this rental generator at their facility under CARB's Portable Equipment Registration. Although, this rental generator is permitted under CARB, one of the conditions limits its location for no more than 12 consecutive months. Because Paramount plans to have the generator at the refinery for more than 12 months, Paramount submitted this application to SCAQMD. Consequently, their initial proposed rental engine did not comply with SCAQMD's Best Available Control Technology (BACT) and was requested to submit a different engine. Thus, Paramount chose to use CARB's Certified ICE Emergency Generator Caterpillar's C-15 (400KW).

Table 1- Submitted Application(s)

A/N	Date Received	Equipment	Device ID	Requested Action	Previous A/N
485265	07/10/2008	Emergency IC Engine	C77	• Install new emergency IC Engine	NA

FEE EVALUATION:

The fees paid for the applications submitted are as follows:

Table 2-Application Fees Submitted

A/N	Equipment	BCAT/CCAT	Type	Status	Fee Schedule, FY 08-09	Fee Required, \$	Fees Paid, \$
485265	IC Engine, Emergency Generator	043902	50	20	B	\$2,051.52	\$2,051.52
503231	FACILITY PERMIT AMEND-RECLAIM/TITLE V	555009	87	21	-	\$1,687.63	\$1,687.63
Total:						\$3,739.15	\$3,739.15
Net Fee Due:							\$0.00

PROCESS DESCRIPTION:

The proposed diesel-fired engine is a Caterpillar (C-15 400KW) rated at 642 bhp. As noted above, the diesel-fired internal combustion (IC) engine will drive an emergency electrical generator to sustain power at the refinery in the event of a power outage. This Caterpillar engine has been issued a CARB-certified equipment portable equipment registration (Registration #136823, expiring on March 31, 2010).

EMISSIONS:

The emissions data for the Caterpillar C-15 engine is as follows:

Table 3 - Caterpillar C-15 Emission Data

Source	ROG	NOx	SOx	CO	PM
CARB's Certified IC Engine Emergency Generator *	0.1 grams/bhp-hr	2.54 grams/bhp-hr	--	2.54 grams/bhp-hr	0.11 grams/bhp-hr

*The emission factors from the CARB's Certified IC Engine Emergency Generator Executive Order for Caterpillar (C-15 400KW). See Attachment I for CARB's certified emissions.

The overall mass emissions are summarized below in Table 4. A complete summary of the emissions with calculations is found in Appendix A.

Table 4 - Estimated Emissions^{a,b}

	lb/hour	lb/day max	30-day avg b/day	lb/year
	R1=R2	R1=R2	R1=R2	R1=R2
NOx	4.24	17.82	0.59	212.11
ROG	0.14	0.59	0.02	7.07
CO	3.59	15.09	0.50	179.59
SOx	0.18	0.76	0.03	9.05
PM	0.16	0.65	0.02	7.78
PM10	0.15	0.63	0.02	7.47

^a Assumes each engine will operate 1 hr/day, 1 day/week in a 30-day month for testing

^b Engine is limited to operate 50 hours/year for maintenance and testing.

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For applications deemed complete after October 3, 2008, Best Available Control Technology (BACT) for IC Engine, Stationary, Emergency, Compression Ignition, $300 \leq \text{HP} < 750$ bhp is based on the U.S. EPA Tier 3 Certification Levels Required for Compression-ignition Engines (10-3-2008). Table 5 shows the BACT compliance for the proposed IC engine.

Table 5 – BACT Compliance

	NO _x + NMHC	SO _x	CO	PM
U.S. EPA Tier 3 Certification Levels Required for Emergency Compression-Ignition Engines, $300 \leq \text{HP} < 750$ bhp (10-3-2008 Revision)	3.0 gr/bhp-hr	Diesel Fuel Sulfur Content $\leq 0.05\%$ by Weight; User only purchase diesel < 0.0015 $\%$ by weight (Rule 431.2)	2.6 gr/bhp-hr	0.15 gr/bhp-hr
Caterpillar (C-15 400KW), 642 BHP	2.54 gr/bhp-hr	Rule 431.2: Diesel Fuel Sulfur \leq 0.0015% by Weight	2.54 gr/bhp-hr	0.11 gr/bhp-hr
Comply with BACT?	Yes	Yes	Yes	Yes

COMPLIANCE RECORD REVIEW:

As of November 6, 2009, a check of the AQMD Compliance Database for the past two years showed that this facility was issued 12 Notices of Violations (NOVs) and 1 Notice to Comply (NC); however, none of the notices are for the subject equipment in this evaluation. Currently, NOV # P53518 is still pending and is expected to be back into compliance by November 13, 2009. The facility is expected to be in compliance for all violations and notices to comply for this permit issuance. For detailed violation descriptions, refer to Appendix A.

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RULES EVALUATION:

PART 1 STATE REGULATIONS

California Environmental Quality Act (CEQA)	
	CEQA requires that the environmental impacts of proposed projects be evaluated and that feasible methods to reduce, avoid or eliminate identified significant adverse impacts of these projects be considered. The expected impacts of the project on the environment are not significant; therefore a CEQA analysis is not required.

PART 2 SCAQMD REGULATIONS

Rule 212	Standards for Approving Permits	November 14, 1997
	<p>This modification meets all criteria in Rule 212 for permit approval. The installation of the IC Engine does not violate Division 26 of the State Health and Safety Code or in violation of AQMD's rules and regulations.</p> <p>Prior to granting a Permit to Construct for a project requiring notification is as follows:</p> <ol style="list-style-type: none"> (1) the modified permit unit are, located within 1000 feet of a school. This subdivision shall <i>not</i> apply to a modification of an existing facility if the Executive Officer determines that the modification will <i>result in a reduction of emissions of air contaminants</i> from the facility and no increase in health risk at any receptor location. (2) the emissions increase does not exceed the daily maximum specified in subdivision (g) of this rule (30 lbs/day); and (3) the modified permit units do not have an increased cancer risk greater than, or equal to, one in a million (1×10^{-6}) during a lifetime of 70 years or pose a risk of nuisance. <p>The IC Engine is not within 1,000 feet of a school, the emission increase does not exceed the daily maximum specified in Rule 212(g), and the IC Engine is exempt from Rule 1401 per Rule 1401(g)(1)(F). Therefore, a public notice per this regulation is not required.</p>	

Rule 401	Visible Emissions	November 9, 2001
(b)(1)	Visible emissions are not expected from the IC Engine. Compliance is expected with proper operation and maintenance.	

Rule 402	Nuisance	May 7, 1976
	The equipment is not expected to emit odorous emissions. Compliance with this rule is expected.	

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Rule 404	Particulate Matter – Concentration	February 7, 1986
	<p>Based on the manufacturer's data, the exhaust flow rate for this engine is 1,101.47 cfm. By interpolation at this flow rate, the maximum concentration of particulate matter allowed according to Table 404(a) is approximately 0.181 grains per cubic feet (gr/cf).</p> <p>Based on the certified equipment emission factor data for PM, the PM emission rate is 0.0165 grains/dscf, which is below the allowable limits noted above.</p> <p style="text-align: center;">PM emission factor: 0.11 grams/bhp-hr (Certified equipment emission factor)</p> <p style="text-align: center;">Exhaust flow rate: 1,101.47 cfm (Provided by manufacturer)</p> $\frac{0.11 \text{ grams}}{\text{bhp} - \text{hr}} \times \frac{\text{lb}}{454 \text{ grams}} \times 642 \text{ bhp} \times \frac{\text{min}}{1,101.47 \text{ cf}} \times \frac{\text{hr}}{60 \text{ min}} \times \frac{7000 \text{ grains}}{1 \text{ lb}} = 0.0165 \frac{\text{grains}}{\text{dscf}}$ <p>Therefore, the engine is expected to comply with Rule 404.</p>	

Rule 407	Liquid and Gaseous Air Contaminants	April 2, 1982
	<p>In accordance with Rule 407(b)(1), the provisions of this rule shall not apply to emissions from stationary internal combustion engines.</p>	

Rule 409	Combustion Contaminants	August 7, 1981
	<p>The provisions of this rule shall not apply to emissions from stationary internal combustion engines.</p>	

Rule 431.2	Sulfur Content of Liquid Fuels	September 15, 2000
	<p>Paramount is a SOx RECLAIM facility. In accordance with Rule 431.2(e)(3), the facility shall not purchase any diesel fuel with the sulfur content greater than 15 ppm by weight as supplied by the supplier. A facility condition (i.e., F14.1) is already included on the facility permit requiring that the facility not purchase diesel fuel with sulfur content greater than 15 ppmw.</p>	

Rule 1110.2	Emissions from Gaseous and Liquid Fueled Engines	February 1, 2008
(b)	<p>This rule applies to all stationary and portable engines over 50 rated brake horsepower. The subject engine is stationary and is rated at 642 HP, therefore this rule applies.</p>	
(h)	<p>The rule exempts emergency standby engines of subdivision (d) that have permit</p>	

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	conditions that limit operation to 200 hours or less per year. This engine will have Condition C1.40 to limit its operation to comply with this rule
	Based on the above analysis, the facility is expected to comply with the rule.

REG XIII	New Source Review December 6, 2002 Application Deem Complete Date: October 20, 2008
	The new construction proposed in this project will cause an emission increase of CO, ROG, and PM. The emission increase due to each engine is shown in Table 4. The following is a discussion of each requirement in NSR.
BACT: 1303(a)	<p>BACT has been included in the design of the proposed project. BACT means the most stringent emission limitation or control technique which:</p> <ol style="list-style-type: none"> (1) has been achieved in practice for such category or class of source; or (2) is contained in any State Implementation Plan (SIP) approved by the US EPA for such category or class of source. A specific limitation or control technique shall not apply if the owner or operator of the proposed source demonstrates to the satisfaction of the Executive Officer or designee that such limitations or control technique is not presently achievable; or (3) is any other emission limitation or control technique, found by the Executive Officer or designee to be technologically feasible for such class or category of sources or for a specific source, and cost effective as compared to measures as listed in the Air Quality Management Plan (AQMP) or rules adopted by the District Governing Board. <p>Paramount is proposing the emission levels specified in Table 3. The engine will meet the BACT requirements for ROG, CO, and PM₁₀ as shown in the BACT Compliance Table 5 (Tier 3 engine).</p> <p>The analysis of BACT for NO_x and SO_x is discussed under Rule 2005.</p>
1303(b)(1)	Modeling. In accordance with Rule 1304(a)(4) – Exemptions (Emergency Equipment), each engine is exempt from the modeling requirements specified in 1303(b)(1) if the source is exclusively used as emergency standby equipment, provided the source does not operate more than 200 hours per year as evidenced by an engine-hour meter (condition C1.40).
1303(b)(2)	Offsets. No offsets are required since the 30-day average emission increases are less than 0.5 lbs/day for ROG, CO, or PM ₁₀ (See Table 4 and Appendix B).
1303(b)(3)	Sensitive Zone Requirements. ERC's are not required.
1303(b)(4)	Facility Compliance. This facility complies with all applicable District rules and regulations.
1303(b)(5)	Major Polluting Facilities. This is not a new major polluting facility or major

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REG XIII	New Source Review	December 6, 2002
	Application Deem Complete Date: October 20, 2008	
	modification at an existing major polluting facility. The emission increases are less than 0.5 lb/day and does not constitute a "major modification" per 1302(r). Therefore, the provisions of this rule do not apply to this engine.	

Rule 1304	Exemptions	June 14, 1996
	Per 1304(a)(4)- Emergency Equipment, this engine is exempt from Rule 1303's modeling and offsets requirements since it will be exclusively used as emergency standby equipment for nonutility electrical power generation and will not operate more than 200 hours per year.	

Regulation XIV	New Source Review of Toxic Air Contaminants	March 7, 2008										
	This rule requires permit applicants to assess the cancer risks due to the cumulative emission impacts of new/modified sources in their facility. Requirements- Rule 1401 contains the following requirements:											
	<table style="width: 100%; border: none;"> <tr> <td style="width: 50%;">MICR, without T-BACT:</td> <td style="width: 50%; text-align: right;">≤ 1 in 1 million (1.0 x 10⁻⁶)</td> </tr> <tr> <td>MICR, with T-BACT:</td> <td style="text-align: right;">≤ 10 in 1 million (1.0 x 10⁻⁵)</td> </tr> <tr> <td>Cancer Burden:</td> <td style="text-align: right;">≤ 0.5</td> </tr> <tr> <td>Maximum Chronic Hazard Index:</td> <td style="text-align: right;">≤ 1.0</td> </tr> <tr> <td>Maximum Acute Hazard Index:</td> <td style="text-align: right;">≤ 1.0</td> </tr> </table>		MICR, without T-BACT:	≤ 1 in 1 million (1.0 x 10 ⁻⁶)	MICR, with T-BACT:	≤ 10 in 1 million (1.0 x 10 ⁻⁵)	Cancer Burden:	≤ 0.5	Maximum Chronic Hazard Index:	≤ 1.0	Maximum Acute Hazard Index:	≤ 1.0
MICR, without T-BACT:	≤ 1 in 1 million (1.0 x 10 ⁻⁶)											
MICR, with T-BACT:	≤ 10 in 1 million (1.0 x 10 ⁻⁵)											
Cancer Burden:	≤ 0.5											
Maximum Chronic Hazard Index:	≤ 1.0											
Maximum Acute Hazard Index:	≤ 1.0											
	Rule 1401(g)(1)(F) – Emergency Internal Combustion Engines provides an exemption from the requirements of Rule 1401(d) – Requirements, if the engine is exempt under Rule 1304. This engine is exempt from modeling under Rule 1304 (and offsets are not required) since they will exclusively be used as emergency generation and will not operate more than 200 hours per year. Therefore, this engine is exempt from the requirements of Rule 1401(d).											

Rule 1470	Requirements For Stationary Diesel-Fueled Internal Combustion And Other Compression Ignition Engines	June 1, 2007
	This rule applies to any person who owns or operates a stationary CI engine in AQMD with a rated brake horsepower greater than 50(50bhp), except as provided in subdivision (h).	
1470(c)(2)(A)	Does not apply, engine will not be located 500 feet or less from a school.	
1470(c)(2)(B)	Does not apply; engine will not operate in response to the notification of an impending rotating outage.	
1470(c)(2)(C)	(i) New stationary emergency standby diesel-fueled engines (>50 bhp), shall:	

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Rule 1470

Requirements For Stationary Diesel-Fueled Internal Combustion And Other Compression Ignition Engines

June 1, 2007

- (I) emit diesel PM at a rate less than or equal to 0.15 g/bhp-hr; or
- (II) meet the diesel PM standard specified in the Off-Road Compression Ignition Engine Standards for off-road engines with the same maximum rated power (Title 13 CCR Section 2423), whichever is more stringent; and
- (III) not operate more than 50 hours per year for maintenance and testing.

The Caterpillar (C-15 400KW), 642 bhp, is an EPA Tier 3 engine with a PM emission factor of 0.11 g/bhp-hr and the engine will be limited to 50 hours per year for maintenance and testing (condition C1.40). Compliance is expected.

(ii) Alternative standard was not requested.

(iii) Does not apply; engine will not be located 100 meters or less from a school.

(iv) New stationary emergency standby diesel-fueled CI engines (> 50 bhp) must meet the HC, NO_x, NMHC + NO_x, and CO Standards as specified in the Off-Road Compression-Ignition Engine Standards (Title 13, CCR, Section 2423). In accordance to Title 13, CCR, Section 2423, Table 1a, the applicable exhaust emission standards for the proposed IC engine are:

Maximum Rated Power, kW	Tier	Model Year	NMHC+NO _x	CO	PM
			gram/kW-hr		
450<kW<560	3	2006-2010	4.0	3.5	0.20
This engine 535 kW	3	2006	3.4	3.4	0.15

The exhaust emissions from the Caterpillar (C-15 400KW) are below the Tier 3 limits of Title 13, CCR, Section 2423, Table 1a. Compliance is expected.

1470(d)

The operator is subject to the recordkeeping, reporting, and monitoring requirements of this subdivision. The operator has provided the information required in subparagraph (d)(1)(C) with the permit application. Subparagraph (d)(7)(A) requires installation of a non-resettable hour meter (condition C1.40). Subparagraph (d)(9)(A) requires a monthly operating log (condition K67.5).

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Regulation XVII	PREVENTION OF SIGNIFICANT DETERIORATION (PSD)
	<p>As of July 25, 2007, the USEPA signed a new Limited PSD Delegation agreement with SCAQMD. SCAQMD now has the PSD responsibility for all new PSD sources and all modifications to existing PSD sources where the applicant is requesting to use SCAQMD's existing Regulation XVII to determine PSD applicability for a modification (and not the recent calculation methodology adopted by EPA as part of the NSR Reform).</p> <p>The IC Engine does not constitute a "significant increase" in emissions of any attained criteria pollutants; therefore, a PSD applicability is not required.</p>

Rule 2005	New Source Review for RECLAIM	May 6, 2005 Application Deem Complete Date: October 20, 2008
	<p>Paramount is a NOx and SOx RECLAIM facility. The proposed IC engine will cause an emission increase of SOx and NOx. Based on the maximum rating of the engine to be installed, 50 hr/year operation and the NOx BACT limits proposed, the NOx and SOx controlled emission increases from the engine are 212.11 lbs/year and 9.05 lbs/year, respectively (see Table 4). The following is a discussion of each applicable requirement in RECLAIM NSR for this project.</p>	
2005(c)(1)	<p>(A) BACT. The proposed NOx and SOx BACT limits are shown in Table 5, and each engine should meet the U.S. EPA Tier 3 Certification Level shown in Table 5.</p>	
	<p>(B) Modeling. In accordance with Rule 2005(k)(5) – Exemptions, each engine is exempt from the modeling requirements specified in 1303(c)(1)(B) if the equipment is exclusively used as emergency standby equipment, provided the source does not operate more than 200 hours per year as evidenced by an engine-hour meter (condition C1.40).</p>	
2005(c)(2)	<p>Sufficient RECLAIM Trading Credits. The NOx and SOx emission increases from this project are 212.11 lbs/year and 9.05 lbs/year, respectively. Checking the Paramount's NOx and SOx RTC holding account, the facility currently holds sufficient RTCs to offset the annual emission increase for the first year of operation at a 1-to-1 ratio. (NOx: 102,892 lbs/year; SOx: 36,774 lbs/year)</p>	
2005(c)(3)	<p>Change of Operator. This subparagraph does not apply since this project is not for a change of operator.</p>	
2005(c)(4)	<p>Allocation Increase greater than Starting Allocation. The emission increase due to this project will not increase the facility's annual Allocation to a level greater than the facility's starting allocation (NOx: 102,892 lbs/year; SOx: 36,774 lbs/year) plus non-tradable credits (NOx: 9,556; SOx: 0).</p>	
2005(d)	<p>Emission Increase. NOx and SOx emission increases from this project are 212.11 lbs/year and 9.05 lbs/year, respectively.</p>	

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Rule 2005	New Source Review for RECLAIM	May 6, 2005 Application Deem Complete Date: October 20, 2008
2005(e)	Trading Zone Restrictions. The emission increase due to this project will not increase the facility's annual Allocation to a level greater than the facility's starting allocation (NOx: 102,892 lbs/year; SOx: 36,774 lbs/year) plus non-tradable credits.	
2005(f)	Offsets. The facility will need to hold 212 lbs/year of NOx RTCs and 9 lbs/year of SOx RTCs at the commencement of each compliance year.	
2005(g)	Additional Federal Requirements for Major Stationary Sources. Clean Air Act 42 U.S.C Section 7511a(e): "major stationary source" includes ¹⁸¹ (in addition to the sources described in section 7602 of this title) any stationary source or group of sources located within a contiguous area and under common control that emits, or has the potential to emit, at least 10 tons per year of volatile organic compounds. Paramount emits more than 10 tons of VOC; thus Paramount has applicable requirements to follow. (g)(1) Paramount has certified that they are in compliance (See Attachment II) (g)(2) Paramount is exempted from this requirement per paragraph (g)(3)(A)	
2005(h)	Public Notice. A public notice is not required pursuant to Rule 212. See Regulation XXX for Title V public notice requirement.	
2005(i)	Rule 1401. See the discussion under Rule 1401.	
2005(j)	Compliance with State and Federal New Source Review Requirements. The NOx and SOx emission increases will be included in the NSR Tracking System so the emissions can be reported the District Governing Board regarding the effectiveness of Rule 2005 in meeting the state and federal NSR requirements.	

Rule 2011	Requirements For Monitoring, Reporting, And Recordkeeping For Oxides Of Sulfur (SO_x) Emissions	May 6, 2005
Rule 2012	Requirements For Monitoring, Reporting, And Recordkeeping For Oxides Of Nitrogen (NO_x) Emissions	May 6, 2005
	Paramount is a NOx and SOx RECLAIM facility. In accordance with Rule 2012(e)(1)(B)(i) any IC engine with 200 ≤ bhp < 1000 and operating ≤ 2190 hr/year, is a NOx process unit. In accordance with Rule 2011(d)(1), any equipment not designated in Rule 219 as equipment not requiring a written permit, and not classified as a major SOx source in Rule 2011(c)(1), is a SOx process unit. The proposed emergency IC engine is subject to the monitoring, reporting, and recordkeeping requirements for a NOx and SOx Process Unit. In accordance with Rule 2011(d)(2)(C), the facility has accepted the SOx emission factor of 6.24 lbs/1,000 gal diesel as specified in Rule 2002 as the sole method for	

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Rule 2011	Requirements For Monitoring, Reporting, And Recordkeeping For Oxides Of Sulfur (SO _x) Emissions	May 6, 2005
Rule 2012	Requirements For Monitoring, Reporting, And Recordkeeping For Oxides Of Nitrogen (NO _x) Emissions	May 6, 2005
	<p>determining mass emissions. In accordance with Rule 2012(e)(2)(C), the facility has accepted the NO_x emission factor as specified in Rule 2002 as the sole method for determining mass emissions. In Rule 2002, Table 1 (RECLAIM NO_x Emission Factors), the emission factor for ICES*, All Fuels, is "Equivalent to permitted BACT limit." This proposed engine is a Tier 3 engine. The current Tier 3 BACT limit for NO_x + ROG = 3.0 grams/bhp-hr. Converting the Tier 3 NO_x + ROG BACT limit emissions from grams/bhp-hr to gal diesel/hr, the RECLAIM NO_x emission factor is 147 lbs NO_x/1,000 gal diesel for each engine based the highest fuel consumption rate and engine hp data provided by the manufacturer.</p> <p>Engine Rating BHP = 642</p> <p>Manufacturer's Fuel consumption, gal/hr = 29</p> <p>NO_x + ROG emission rate = 3.00 grams/bhp-hr</p> <p>NO_x emission factor:</p> $\frac{3.0 \text{ grams}}{\text{bhp} - \text{hr}} \times 642 \text{ bhp} \times \frac{\text{lb}}{454 \text{ grams}} \times \frac{\text{hr}}{29 \text{ gal}} \times \frac{1,000 \text{ gal}}{1,000 \text{ gal}} = 147 \frac{\text{lbs NO}_x}{1,000 \text{ gal diesel}}$	

* Newly installed or modified after the year selected for maximum throughput for determining starting allocations pursuant to Rule 2002(c)(1), and meeting BACT limits in effect at the time of installation.

Regulation XXX	Title V	March 16, 2001
	<p>Paramount has been issued a Title V permit on February 27, 2009; the Title V permit was last proposed for EPA review on August 19, 2009. This emergency IC engine is considered to be a "significant permit revision" as defined in Rule 3000(b)(28)(I) because the new equipment is subject to 40 CFR Part 60, Subpart IIII and 40 CFR Part 63, Subpart ZZZZ; therefore, the revision is subject to a 45-day EPA review, Rule 3003 and public notice requirements, Rule 3006.</p>	

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PART 3 FEDERAL REGULATIONS

Part 60, NSPS	Subpart III - Standards of Performance for Stationary Compression Ignition Internal Combustion Engines	July 11, 2006
§60.4200 - §60.4219	<p>Subpart III regulates stationary compression ignition (CI) IC engines such as the one proposed at Paramount.</p> <p>a) The provisions of this subpart are applicable to manufacturers, owners, and operators of stationary compression ignition (CI) internal combustion engines (ICE) as specified in paragraphs (a)(1) through (3) of this section. For the purposes of this subpart, the date that construction commences is the date the engine is ordered by the owner or operator.</p> <p>(1) Manufacturers of stationary CI ICE with a displacement of less than 30 liters per cylinder where the model year is:</p> <p>(i) 2007 or later, for engines that are not fire pump engines,</p> <p>For engines with a maximum engine power greater than or equal to 50 HP, §60.4202(a)(2) of this subpart states the engine shall not exceed the certification emission standards for new nonroad CI engines for the same model year and maximum engine power in 40 CFR 89.112* and 40 CFR 89.113* for all pollutants beginning in model year 2007. 40 CFR 89.112 (Oxides of nitrogen, carbon monoxide, hydrocarbon, and particulate matter exhaust emission standards) contains the exhaust emission standards from nonroad engines for nitrogen, carbon monoxide, hydrocarbon, and particulate matter. These emission standards are the same as the BACT, Tier 2 standards shown in Table 5 for IC engines greater than 750 bhp. 40 CFR 89.113 (Smoke emission standard) specifies that the exhaust opacity from compression-ignition nonroad engines must not exceed:</p> <p>(1) 20 percent during the acceleration mode;</p> <p>(2) 15 percent during the lugging mode; and</p> <p>(3) 50 percent during the peaks in either the acceleration or lugging modes.</p> <p>For the life of the engine, §60.4206 requires the operator to operate and maintain the engine according to the manufacturer's written instructions or procedures.</p> <p>§60.4207(a) and (b) requires the engine to only be fueled with diesel that meets minimum federal requirements. A facility wide condition (F14.1) ensures compliance with this requirement.</p> <p>§60.4209(a) requires the installation of a non-resettable hour meter. Maintenance checks and testing is limited to 100 hour per year in accordance with §60.4211(e). NSPS initial notification under Subpart A and Subpart III is waived for emergency stationary engines (§60.4214(b)).</p> <p>Compliance is expected since the Subpart III requirements are equivalent or superseded by more stringent District rules.</p>	

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Part 63, NESHAP	Subpart ZZZZ - National Emissions Standards for Hazardous Air Pollutants for Stationary Reciprocating Internal Combustion Engines	January 18, 2008
§63.6580 - §63.6675	<p>Subpart ZZZZ, otherwise known as RICE MACT, regulates stationary reciprocating internal combustion engines (RICE). The proposed IC engine is subject to the RICE MACT regulation as a new "emergency stationary RICE." In accordance with §63.6590(b)(1), the engine does not need to meet the requirements of Subpart ZZZZ and Subpart A except for the initial notification requirements in §63.6645(c) [submit an Initial Notification not later than 120 days after subject to this subpart.]</p> <p>In addition, according to §60.6600(c), an operator of an emergency stationary RICE or limited use stationary RICE with a site rating of more than 500 brake HP located at a major source of HAP emissions does not have to comply with the emission limitations in this subpart or operating limitations in this subpart.</p> <p>According to the definition of "emergency stationary RICE" in §63.6675, an emergency stationary RICE with a site-rating of more than 500 brake HP located at a major source of HAP emissions that were installed on or after June 12, 2006 must comply with requirements specified in 40 CFR 60.4243(d). 40 CFR 60.4243(d) of NSPS, Subpart JJJJ limits the maintenance and testing of the emergency IC engine to 100 hours per year and does not limit on the use of emergency stationary ICE in emergency situations. However, District Rules 1110.2, 1303(b), and 1470 are more stringent than the requirement in 40 CFR 60.4243(d). District Rule 1470 restricts the maintenance and testing of the engine to 50 hours per year. In addition, to qualify as an emergency engine, the engine shall not operate more than a total of 200 hours per year in accordance with District Rules 1303(b) and 1470.</p> <p>Subpart ZZZZ (Condition H23.3) will be tagged to the IC Engine. Therefore, compliance is expected.</p>	

CONCLUSION:

Based on the above evaluation Paramount is in compliance with all required rules and regulations and is expected to continue to comply. Paramount is also in accord with the permit equipment and conditions. (See Attachment III for their approval) Therefore, it is recommended that a Permit to Operate be issued for the following applications:

A/N	Recommendation
485265	Issue Permit to Construct with conditions listed in the Conditions Section
503231	Issue Title V/RECLAIM Facility Permit Revision

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APPENDICES:

- A. Compliance Status for NOV/NCs
- B. AQMD Emission Calculations

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APPENDIX A: COMPLIANCE STATUS FOR NOV/S/NCs

NOTICE NO.	NOTICE TYPE	VIOLATION DATE	FOLLOWUP STATUS	VIOLATION
D01671	NC	6/3/2008	INCOMP	PLEASE PROVIDE A WRITTEN RESPONSE TO THE INFORMATION REQUESTED IN THE THOMAS ROONEY EMAIL ENTITLED "NTC FOR SCR BYPASSES WITHOUT CEMS" - SEE ATTACHMENT.
P34654	NOV	3/10/2009	INCOMP*	FAILURE TO OBTAIN PERMIT REVISION FOR MODIFICATION OF LOADING RACK 21. FACILITY WAS LOADING DIESEL FUEL FROM 3/10/09-7/1/09 CONTRARY TO PERMIT DESCRIPTION. TOTAL OF 107 COUNTS.
P34655	NOV	8/1/2009	INCOMP*	FAILURE TO COMPLY WITH PERMIT CONDITION A195.1 GAS TURBINE(D677) OF THE COGEN UNIT EXCEEDED NOX CONCENTRATION OF 2.5 PPM AVERAGED HOURLY.
P39614	NOV	3/12/2008	INCOMP	1) DISTRICT INSPECTORS OBSERVED OPEN ENDED LINES. 2) COVER MATERIAL WAS NOT FREE FROM HOLES. 3) GAUGING OR SAMPLING OPENING(S) ON SEPARATOR WAS NOT COVERED. 4) FAILURE TO PREVENT GAPS OR MAINTAIN VAPOR TIGHT SEAL.
P53502	NOV	11/3/2008	INCOMP	1) FAILURE TO OPERATE FLARE IN A SMOKELESS MANNER. 2) FAILURE TO DIGITALLY RECORD AND ACCURATELY DATE AND TIME STAMP FLARE OPERATIONS AS REQUIRED BY R1118(g)(7)
P53506	NOV	2/17/2009	INCOMP	THE FACILITY WAS FOUND TO DISCHARGE ODORS WHICH CREATED A PUBLIC NUISANCE IN VIOLATION OF CALIFORNIA HEALTH AND SAFETY CODE 41700 AND AQMD RULE 402
P53507	NOV	3/11/2009	INCOMP	The facility was found to discharge odors which created a public nuisance in violation of California Health and Safety Code 41700 and AQMD Rule 402.
P53510	NOV	4/1/2009	INCOMP	The facility was found to discharge odors which created a public nuisance in violation of California Health and Safety Code 41700 and AQMD Rule 402.
P53511	NOV	5/14/2009	INCOMP	FAILURE TO OPERATE THE FLARE ONLY ON START UPS, SHUTDOWNS, TURNAROUNDS OR ESSENTIAL OPERATIONAL NEEDS AS REQUIRED BY AQMD RULE 1118(e)(4).
P53513	NOV	5/27/2009	INCOMP	OPERATING INCINERATOR C531 (H-907) CONTRARY TO PERMIT CONDITION C8.1
P53516	NOV	4/25/2009	INCOMP	OPERATING INCINERATOR C175 (H-402) CONTRARY TO PERMIT CONDITION C8.4
P53517	NOV	4/22/2009	INCOMP	FAILURE TO OPERATE FLARE ONLY ON START UPS, SHUTDOWNS, TURNAROUNDS OR ESSENTIAL OPERATIONAL NEEDS AS REQUIRED BY RULE 1118(c)(4)
P53518	NOV	10/20/2009	PENDING	FAILURE TO SUBMIT ACCURATE QCRs FOR THE CYCLE 1 RECLAIM COMPLIANCE YEARS 2006 AND 2007. FAILURE TO APPLY CORRECT MISSING DATA PROCEDURE FOR DEVICE NUMBERS D75(2006&2007) AND D31 (2007) FOR BOTH NOX AND SOX.

*Inspector confirmed that the NOV's are in compliance

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APPENDIX B: AQMD EMISSION CALCULATIONS

Engine data

Engine hp	642	hp
Engine manufacturer	Cummins	
Fuel type	Diesel	
Fuel rate	29	gal/hour
EPA non-road engine	No	
Date manufactured	2007	

Engine operating limits

max hr/day	4.2	hour
max hr/month	4.2	hour
max hr/year	50	hour

PM10/PM	0.96
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Emission factors

	R1	units	R2	units
NOx (BACT limit)	3.000	g/bhp-hr	3.000	g/bhp-hr
ROG (Manufacturer)	0.1	g/bhp-hr	0.1	g/bhp-hr
CO (Manufacturer)	2.54	g/bhp-hr	2.54	g/bhp-hr
SOx (RECLAIM)	0.128	g/bhp-hr	0.128	g/bhp-hr
PM (Manufacturer)	0.11	g/bhp-hr	0.11	g/bhp-hr
PM10 (Calc.)	0.106	g/bhp-hr	0.106	g/bhp-hr

Emission calculations

	lb/hour		lb/day max		30-day avg lb/day		lb/year	
	R1	R2	R1	R2	R1	R2	R1	R2
NOx	4.24	4.24	17.82	17.82	0.59	0.59	212.11	212.11
ROG	0.14	0.14	0.59	0.59	0.02	0.02	7.07	7.07
CO	3.59	3.59	15.09	15.09	0.50	0.50	179.59	179.59
SOx	0.18	0.18	0.78	0.78	0.03	0.03	9.05	9.05
PM	0.16	0.16	0.65	0.65	0.02	0.02	7.78	7.78
PM10	0.15	0.15	0.63	0.63	0.02	0.02	7.47	7.47

SOx emission factor = (6.24 lb / 1000 gal) * Fuel rate / Engine bhp * 454 g/lb
 Nox emission factor = BACT limit

Rule 2002, Table 2, based on 500 ppm sulfur diesel
 Rule 2002, Table 1, see discussion under Rule

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2012

ROG, CO, PM emission factors from engine manufacturer data; $PM_{10} = 0.96 * PM$

A. Emissions as a function of gr/bhp-hr

Emissions (lb/hr) = gr/bhp-hr * hp rating * 1 lb/454 grams

Emissions (lb/day max) = lb/hr * max hr/day

B. NSR 30-day and lb/year values

30-day avg (lb/day) = lb/hr * max hr/month / 30 day

lb/year = lb/day * max lb/year

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ATTACHMENTS:

- I. CARB Certified Engine Documents
- II. Paramount's Compliance Certification
- III. Paramount's Approval of Permit Conditions