



OCT 31 2011

Gerardo C. Rios, Chief
Permits Office (AIR-3)
U.S. EPA - Region IX
75 Hawthorne St
San Francisco, CA 94105

**Re: Notice of Final Action - Minor Title V Permit Modification
District Facility # S-1346
Project # S-1095222**

Dear Mr. Rios:

The Air Pollution Control Officer has modified the Title V permit for California Dairies Inc. by incorporating S-1346-1-8. The project is to replace the burner on a 21 MMBtu/hr natural gas-fired boiler and designate it as a standby unit.

Enclosed is the modified Title V permit. The application and proposal were sent to US EPA Region IX on November 30, 2009. No comments were received following the District's preliminary decision on this project.

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

Sincerely,



David Warner
Director of Permit Services

DW:dg

Enclosures

Seyed Sadredin
Executive Director/Air Pollution Control Officer

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

Central Region (Main Office)
1990 E. Gettysburg Avenue
Fresno, CA 93726-0244
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Southern Region
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Tel: 661-392-5500 FAX: 661-392-5585



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Sy Le
California Dairies Inc.
P.O. Box 837
Tipton, CA 93272

**Re: Notice of Final Action - Minor Title V Permit Modification
District Facility # S-1346
Project # S-1095222**

Dear Mr. Le:

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San Joaquin Valley Air Pollution Control District

PERMIT UNIT: S-1346-1-11

EXPIRATION DATE: 07/31/2013

SECTION: SW17 TOWNSHIP: 22S RANGE: 25E

EQUIPMENT DESCRIPTION:

21 MMBTU/HR HURST 500 HP NATURAL GAS-FIRED BOILER (S/N S2500-150-4) WITH A COMBUSTION SYSTEM MODEL 500-P3 LOW NOX BURNER AND FLUE GAS RECIRCULATION (FGR) SYSTEM DESIGNATED AS STANDBY UNIT

PERMIT UNIT REQUIREMENTS

1. Particulate matter emissions shall not exceed 0.1 grain/dscf at operating conditions, nor 0.1 grain/dscf calculated to 12% CO₂, nor 10 lb/hr. [District Rule 4201 and District Rule 4301, 5.1 and 5.2.3] Federally Enforceable Through Title V Permit
2. The boiler shall only be operated when unit S-1346-24 is not in operation except for periods of startup and shutdown of the turbine. Operating hours for the boiler shall not exceed 9 hours/day nor 720 hours/year. [District Rule 2201] Federally Enforceable Through Title V Permit
3. A non-resettable elapsed time meter or a non-resettable totalizing mass or volumetric fuel flow meter to measure the amount of natural gas combusted in the unit shall be installed, utilized and maintained. [District Rules 2201, 4305 and 4306] Federally Enforceable Through Title V Permit
4. Unit shall be fired on PUC-regulated natural gas. [District Rules 2201, 4301, 5.2.1 and County Rules 404 (Madera), 406 (Fresno), and 407 (the six remaining SJVUAPCD counties) and 40 CFR 60.42c(d)] Federally Enforceable Through Title V Permit
5. The maximum annual heat input of the unit shall not exceed 30 billion BTU per calendar year. [District Rules 2201 and 4306] Federally Enforceable Through Title V Permit
6. Operator shall ensure that all required source testing conforms to the compliance testing procedures described in District Rule 1081. [District Rule 1081, and County Rules 108 (Kings), 108.1 (Fresno, Merced, San Joaquin, Tulare, Kern, and Stanislaus), and 110 (Madera)] Federally Enforceable Through Title V Permit
7. Operator shall maintain copies of fuel invoices and supplier certifications. [District Rule 2520, 9.3.2] Federally Enforceable Through Title V Permit
8. Compliance with permit conditions in the Title V permit shall be deemed compliance with the following subsumed requirements: Rule 405 (Madera), Rule 408 (Fresno), Rule 408.2 (Merced) and 407.2 (Kern, Tulare, Kings, Stanislaus, and San Joaquin); Rule 402 (Madera) and 404 (all seven remaining counties in the San Joaquin Valley); SJVUAPCD Rule 4301. A permit shield is granted from these requirements. [District Rule 2520, 13.2] Federally Enforceable Through Title V Permit
9. Compliance with permit conditions in the Title V permit shall be deemed compliance with the following subsumed requirements: Rule 405 (Madera), 408 and 409 (Kern), and 408 (all six remaining counties in the San Joaquin Valley); Rule 404 (Madera) 406 (Fresno), and 407 (all six remaining counties in the San Joaquin Valley); SJVUAPCD Rule 4801. A permit shield is granted from these requirements. [District Rule 2520, 13.2] 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.

10. Compliance with permit conditions in the Title V permit shall be deemed compliance with the following requirements: SJVUAPCD Rule 4201 and 4301. A permit shield is granted from these requirements. [District Rule 2520, 13.2] Federally Enforceable Through Title V Permit
11. Compliance with permit conditions in the Title V permit shall be deemed compliance with the following requirements: SJVUAPCD Rule 1081, and County Rules 108 (Kings), 108.1 (Fresno, Merced, San Joaquin, Tulare, Kern, and Stanislaus), and 110 (Madera). A permit shield is granted from these requirements. [District Rule 2520, 13.2] Federally Enforceable Through Title V Permit
12. Compliance with permit conditions in the Title V permit shall be deemed compliance with the following requirements: SJVUAPCD Rule 4305, Sec. 4.2, 5.1.1, 5.1.2., 5.4, 6.1.1, 6.2 (excepting 6.2.3), 6.3, 8.1 and Rule 4351 Sec 4.2, 5.2.2.1, 5.2.2.2, 6.1.1, 6.2 (excepting 6.2.3), 8.1. A permit shield is granted from these requirements. [District Rule 2520, 13.2] Federally Enforceable Through Title V Permit
13. This unit has not been used to produce electricity for sale in 1985 or on or after November 15, 1990. Therefore, the requirements of 40 CFR 72.6(b) do not apply to this source. A permit shield is granted from this requirement. [District Rule 2520, 13.2] Federally Enforceable Through Title V Permit
14. Flue gas recirculation shall be utilized whenever boiler is operating. [District NSR Rule] Federally Enforceable Through Title V Permit
15. For emissions source testing performed pursuant to Section 6.3.1 of District Rule 4305, (amended August 21, 2003) and District Rule 4306 (amended March 17, 2005), for the purpose of determining compliance with an applicable standard or numerical limitation of this rule, the arithmetic average of three (3) 30- consecutive-minute test runs shall apply. If two (2) of three (3) runs are above an applicable limit the test cannot be used to demonstrate compliance with an applicable limit. [District Rules 2520, 9.3.2, 4305 and 4306, 5.5.5] Federally Enforceable Through Title V Permit
16. Emissions rates from this unit shall not exceed any of the following limits: 30 ppmv NOX @ 3% O2 or 0.036 lb-NOX/MMBtu, 0.00285 lb-SOX/MMBtu, 0.003 lb-PM10/MMBtu, 230 ppmv CO @ 3% O2 or 0.17 lb-CO/MMBtu, or 0.003 lb-VOC/MMBtu. [District Rules 2201, 4305, and 4306] Federally Enforceable Through Title V Permit
17. NOx, and CO emissions shall be measured with annual source testing conducted by independent testing laboratory and shall be witnessed or authorized by the District. [District Rules 2520, 9.3.2 and 4306, 6.3.1] Federally Enforceable Through Title V Permit
18. The source test plan shall identify which basis (ppmv or lb/MMBtu) will be used to demonstrate compliance. [District Rules 4305 and 4306]
19. If permittee fails any compliance demonstration for NOx or CO emissions limits when testing not less than once every 36 months, compliance with NOx and CO emission limits shall be demonstrated not less than once every 12 months. [District Rules 2520, 9.3.2 and 4306, 6.3.1] Federally Enforceable Through Title V Permit
20. Annual test results submitted to the District from unit(s) representing a group of units may be used to measure NOx and CO emissions of this permit for that group, provided the selection of the representative unit(s) is approved by the APCO prior to testing. Should any of the representative units exceed the required NOx emission limits of this permit, each of the units in the group shall demonstrate compliance by emissions testing within 90 days of the failed test. [District Rules 4306 and 6.3.2] Federally Enforceable Through Title V Permit
21. The following conditions must be met for representative unit(s) to be used to test for NOx and CO limits for a group of units: 1) all units are initially source tested and emissions from each unit in group are less than 90% of the permitted value and vary 25% or less from the average of all runs, 2) all units in group are similar in terms of rated heat input (rating not to exceed 100 MMBtu/hr), make and series, operation conditions, and control method, and 3) the group is owned by a single owner and located at a single stationary source. [District Rules 2520, 9.3.2 and 4306, 6.3.2] Federally Enforceable Through Title V Permit

PERMIT UNIT REQUIREMENTS CONTINUE ON NEXT PAGE

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22. All units in a group for which representative units are source for NOx and CO emissions shall have received the same maintenance and tune-up procedures as the representative unit(s). These tune-up procedures shall be completed according to District Rule 4304 (Adopted October 19, 1995) and tune-up test results shall show comparable results for each unit in the group. Records shall be maintained for the each unit of the group including all preventative and corrective maintenance work done. [District Rules 2520, 9.3.2 and 4306, 6.3.2] Federally Enforceable Through Title V Permit
23. All units in a group for which representative units are source tested to for NOx and CO emissions of this permit shall be fired on the same fuel type during the entire compliance period. If a unit switches for any time to an alternate fuel type (e.g. from natural gas to oil) then that unit shall not be considered part of the group and shall be required to undergo a source test for all fuel types used, within one year of the switch. [District Rules 2520, 9.3.2 and 4306, 6.3.2] Federally Enforceable Through Title V Permit
24. The number of representative units source tested for NOx and CO emissions shall be at least 30% of the total number of units in the group. The units included in the 30% shall be rotated, so that in 3 years, all units in the entire group will have been tested at least once. [District Rules 2520, 9.3.2, 4306, 6.3.2] Federally Enforceable Through Title V Permit
25. The following test methods shall be used: NOx (ppmv) - EPA Method 7E or ARB Method 100, NOx (lb/MMBtu) - EPA Method 19, CO (ppmv) - EPA Method 10 or ARB Method 100 and stack gas oxygen - EPA Method 3 or 3A or ARB Method 100. [District Rules 1081 and 4306, 6.2] Federally Enforceable Through Title V Permit
26. Source testing shall be conducted using the methods and procedures approved by the District. The District must be notified 30 days prior to any compliance source test, and a source test plan must be submitted for approval 15 days prior to testing. [District Rules 1081, 7.1 and 2520, 9.3.2] Federally Enforceable Through Title V Permit
27. Source sampling to determine the compliance status of an emissions source shall be witnessed or authorized by District personnel. [District Rules 1081, 7.2 and 2520, 9.3.2] Federally Enforceable Through Title V Permit
28. The results of each source test shall be submitted to the District within 60 days thereafter. [District Rules 1081, 7.3 and 2520, 9.3.2] Federally Enforceable Through Title V Permit
29. Operation shall be equipped with flue gas recirculation valve setting indicator. [District NSR Rule and District Rule 4306, 5.4.2] Federally Enforceable Through Title V Permit
30. The flue gas recirculation valve setting shall be monitored at least on a weekly basis. 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 week. Records must be maintained of the dates of non-operation to validate extended monitoring frequencies. [District Rule 4306, 5.4.2] Federally Enforceable Through Title V Permit
31. The acceptable settings for the flue gas recirculation valve shall be established by source testing this unit or other representative units as approved by the District. The normal range/level shall be that for which compliance with applicable NOx and CO emissions rates have been demonstrated through source testing at a similar firing rate. [District Rule 4306, 5.4.2] Federally Enforceable Through Title V Permit
32. If the flue gas recirculation valve setting is less than the normal range/level, the permittee shall return the flue gas recirculation valve setting to the normal range/level as soon as possible, but no longer than 1 hour of operation after detection. If the flue gas recirculation valve setting is not returned to the normal range/level within 1 hour of operation after detection, the permittee shall notify the District within the following 1 hour, and conduct a source test within 60 days of the first exceedance, to demonstrate compliance with the applicable emission limits at the new flue gas recirculation valve setting. A District-approved portable analyzer may be used in lieu of a source test to demonstrate compliance. 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 District Rule 1100, the permittee may fully comply with Rule 1100 in lieu of the performing the notification and testing required by this condition. [District Rule 4306, 5.4.2] Federally Enforceable Through Title V Permit

PERMIT UNIT REQUIREMENTS CONTINUE ON NEXT PAGE

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33. The permittee shall maintain records of the date and time of flue gas recirculation valve settings, the observed setting, and the firing rate at the time of the flue gas recirculation valve setting measurements. The records must also include a description of any corrective action taken to maintain the flue gas recirculation valve setting within the acceptable range. [District Rule 4306, 5.4.2] Federally Enforceable Through Title V Permit
34. Operator shall maintain all records on the premises for at least five years and made available for District inspection upon request. Recordkeeping shall conform to the recordkeeping requirements described in District Rule 2520. [District Rules 2201 and 2520, 9.4.2] Federally Enforceable Through Title V Permit
35. Prior to January 1, 2010, the permittee shall submit an Emission Control Plan (ECP) to the APCO for approval. The plan shall include the following: Permit to Operate number, fuel type, hhv, annual fuel consumption (in Btu/yr), current emission level (including method to determine current emission level), NOx limit to be satisfied (standard or enhanced) or emission fee payment to be made, and a plan of actions, including a schedule of increments of progress, which will be taken to comply with the requirements of District Rule 4320 according to the compliance schedule in Section 7.0 of the Rule. [District Rule 4320] Federally Enforceable Through Title V Permit

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