



STATEMENT OF BASIS
SIGNIFICANT MODIFICATION OF
TITLE V FEDERAL OPERATING PERMIT

TITLE V PERMIT NO.:	<u>TV2008-02-02</u>
DATE:	<u>August 31, 2009</u>
REVIEWING ENGR:	<u>Ady R. Santos</u>

A. FACILITY INFORMATION:

FACILITY NAME	THE PROCTER & GAMBLE MANUFACTURING CO.
FACILITY LOCATION	8201 FRUITRIDGE RD. SACRAMENTO, CA 95826
MAILING ADDRESS	8201 FRUITRIDGE RD. SACRAMENTO, CA 95826
RESPONSIBLE OFFICIAL	VERNON MURDOCK PLANT MANAGER 916-383-3800
CONTACT PERSON	MATT CRISWELL ENVIRONMENTAL MANAGER 916-381-9712

B. PURPOSE OF THIS STATEMENT OF BASIS

The Title V Federal Operating Permit is intended to be a document containing only enforceable terms and conditions as well as any additional information, such as the identification of emission units, emission points, emission sources and processes that make the terms meaningful. 40 CFR Part 70.7(a)(5) requires that each Title V permit have an accompanying "... statement that sets forth the legal and factual basis for the draft permit conditions". The purpose of this Statement of Basis is to satisfy the above requirement by providing pertinent details regarding the permit/application data and permit conditions in a more easily understandable format. This report will also include background narrative and explanations of regulatory decisions made by the reviewer. It should be emphasized that this Statement of Basis, while based on information contained in the permit, is a separate document and is not itself an enforceable term and condition of the permit.

This Statement of Basis is limited to the permit actions in the facility's NSR permit review that were constructed and modified since the second Title V permit renewal, TV2008-02-01.

C. PROPOSAL:

The Procter & Gamble Manufacturing Company (P&G) submitted an application for a significant modification of the Title V Federal Operating Permit to incorporate the NSR permit actions on the modification of P&G's process throughputs and emissions. The permit reopening will also include a permit modification that will separate an emissions source, the South Vent Seal Tank, from the Fatty Alcohol Manufacturing Process permit into a stand-alone permit unit and an administrative amendment to update the company's responsible official.

D. PERMIT ACTION

This Statement of Basis is for the significant modification of Procter & Gamble Manufacturing Company's Title V Federal Operating Permit No. TV2008-02-01. The current Title V permit expires on April 30, 2014.

The following permit actions have been implemented since the issuance of the initial Title V Permit No. TV1996-02-01:

<u>Permit Actions</u>	<u>Date</u>	<u>Permit No.</u>
Initial Title V Federal Operating Permit	April 27, 1999	TV1996-02-01
1 st Renewal Title V Federal Operating Permit	April 30, 2004	TV2004-02-01
Minor Modification Title V Federal Operating Permit	Feb. 27, 2009	TV2004-02-02
2 nd Renewal Title V Federal Operating Permit	April 30, 2009	TV2008-02-01

The current Title V permit action (TV2008-02-02) involves a significant and administrative modification to Title V Permit No. TV2008-02-01. The modifications to the affected processes are described in a later section.

E. FACILITY DESCRIPTION:

The Procter & Gamble Manufacturing Company Sacramento plant is an integrated industrial facility comprised of four primary process areas. The processes include: (1) physically refined vegetable oil process (PROP); (2) fatty acid process; (3) methyl ester and glycerine process; and (4) fatty alcohol process. The facility converts natural oils, such as coconut and palm kernel oil, to produce various products.

Emissions units associated with these process areas generally include storage and process tanks, bulk silos, reactors, process vessels, condensers, filters, separators, centrifuges, evaporators, distillation and stripping equipment, dryers, cooling towers, sumps and traps, and other miscellaneous process equipment. Air pollution control devices include scrubbers, baghouses and thermal oxidizers. In addition to the process area, other emissions units include natural gas-fired heaters and boilers, and IC engines.

F. PROCESS DESCRIPTION:

STORAGE TANK FARM

This is storage for raw materials, intermediates and finished products, including coconut oil, esters, fatty alcohols and fatty acids. The tank farm includes rail car and tank truck loading and unloading capability.

PHYSICALLY REFINED OIL PROCESS

Also known as 'PROP', this process removes contaminants from vegetable oils, preparing them for further processing into esters and glycerine. PROP employs filtration aids, filtration, steam stripping and vacuum to remove particles, free fatty acids and odor bodies from the oil, resulting in an intermediate known as refined, bleached and deodorized oil.

METHYL ESTER & GLYCERINE MANUFACTURING PROCESS

Vegetable oils, predominantly coconut and palm kernel, are reacted with methyl alcohol in the presence of sodium methylate. The glycerides which make up the oils react to form methyl esters and crude glycerine. The mixture of glycerine and esters are gravity separated, washed and dried prior to entering interim storage. The esters are fractionated into short chain (C6-C10) and long chain (C12-C18) blends for further processing into finished product. The glycerine is shipped to a P&G facility for final processing.

FATTY ALCOHOL MANUFACTURING PROCESS

Long chain methyl esters (C12-C18) are heated and pressurized prior to mixing with hydrogen and catalyst. The mixture reacts in a four-stage plug flow reactor, hydrogenating the ester to a fatty alcohol and liberating methanol. The methanol and excess hydrogen are recovered for reuse. The mixture of fatty alcohol and catalyst are separated by means of centrifuges and filters. The fatty alcohol mixture is fractionated into C12-C14 blend used for surfactant making and pure forms of cetyl and stearyl alcohol which find many uses in the chemical and cosmetic industries.

FATTY ACIDS MANUFACTURING PROCESS

Short chain methyl esters (C6-C10) are reacted with sodium hydroxide, liberating methanol and producing a soapy material. The soap is reacted with sulfuric acid to produce a fatty acid, water and sodium sulfate salt. Following washing and gravity separation, the fatty acid is vacuum dried and distilled to finished product. The methanol is dried and returned to the ester making process.

G. SIGNIFICANT EMISSIONS UNIT DESCRIPTION:

There is one change in the list of equipment shown below. The South Vent Seal Tank was deleted from the list of emission sources in the Fatty Alcohol Manufacturing Process permit and became a separate emissions unit in the new SMAQMD Permit No. 21765.

SMAQMD PERMIT NO. 22004 – STORAGE TANK FARM CONSISTING OF:

1. LIQUID NITROGEN STORAGE TANK WITH REFRIGERATION SYSTEM
2. FIRE FIGHTING WATER STORAGE TANK, OPEN TOP
3. FOUR (4) SPOTS FOR CRUDE VEGETABLE OIL OFFLOADING FROM TANKER TRUCKS
4. TANK 460, 212,150 GALLONS, VEGETABLE OIL, VENTED TO ATMOSPHERE
5. TANK 461, 208,530 GALLONS, VEGETABLE OIL, VENTED TO ATMOSPHERE
6. TANK 470, 208,530 GALLONS, VEGETABLE OIL, VENTED TO ATMOSPHERE
7. TANK 471, 205,717 GALLONS, VEGETABLE OIL, VENTED TO ATMOSPHERE
8. TANK 480, 186,501 GALLONS, ESTERS, VENTED TO ATMOSPHERE
9. TANK 409, 312,363 GALLONS, VEGETABLE OIL, VENTED TO ATMOSPHERE
10. TANK 410, 523,661 GALLONS, ESTERS, VENTED TO ATMOSPHERE
11. TANK 408, 385,657 GALLONS, FATTY ALCOHOL, VENTED TO ATMOSPHERE
12. TANK 407, 381,979 GALLONS, FATTY ALCOHOL, VENTED TO ATMOSPHERE
13. TANK 420, 223,347 GALLONS, ESTERS, VENTED TO ATMOSPHERE
14. TANK 430, 223,374 GALLONS, ESTERS, VENTED TO ATMOSPHERE
15. TANK 440, 230,691 GALLONS, FATTY ALCOHOL, VENTED TO ATMOSPHERE
16. TANK 401, 227,975 GALLONS, ESTERS, VENTED TO ATMOSPHERE
17. TANK 411, 229,571 GALLONS, ESTERS, VENTED TO ATMOSPHERE
18. TANK 421, 232,148 GALLONS, ESTERS, VENTED TO ATMOSPHERE
19. TANK 431, 234,603 GALLONS, FATTY ALCOHOL, VENTED TO ATMOSPHERE
20. TANK 441, 233,866 GALLONS, FATTY ALCOHOL, VENTED TO ATMOSPHERE
21. TANK 402, 227,975 GALLONS, ESTERS, VENTED TO ATMOSPHERE
22. TANK 412, 232 148 GALLONS, ESTERS, VENTED TO ATMOSPHERE
23. TANK 422, 229,571 GALLONS, ESTERS, VENTED TO ATMOSPHERE
24. TANK 432, 229,571 GALLONS, FATTY ALCOHOL, VENTED TO ATMOSPHERE
25. TANK 442, 229,571 GALLONS, FATTY ALCOHOL, VENTED TO ATMOSPHERE
26. TANK 405, 80,909 GALLONS, ESTERS, VENTED TO ATMOSPHERE
27. TANK 403, 79,772 GALLONS, ESTERS, VENTED TO ATMOSPHERE
28. TANK 413, 79,472 GALLONS, ESTERS, VENTED TO ATMOSPHERE
29. TANK 423, 79,533 GALLONS, ESTERS, VENTED TO ATMOSPHERE
30. TANK 424, 79,533 GALLONS, FATTY ALCOHOL, VENTED TO ATMOSPHERE
31. TANK 433, 79,533 GALLONS, ESTERS, VENTED TO ATMOSPHERE
32. TANK 443, 80,819 GALLONS, ESTERS, VENTED TO ATMOSPHERE
33. TANK 444, 80,919 GALLONS, ESTERS, VENTED TO ATMOSPHERE
34. TANK 406, 8,388 GALLONS, ESTERS, VENTED TO ATMOSPHERE
35. TANK 404, 79,772 GALLONS, ESTERS, VENTED TO ATMOSPHERE
36. TANK 414, 79,383 GALLONS, ESTERS, VENTED TO ATMOSPHERE
37. TANK 425, 79,533 GALLONS, ESTERS, VENTED TO ATMOSPHERE
38. TANK 426, 79,533 GALLONS, FATTY ALCOHOL, VENTED TO ATMOSPHERE
39. TANK 434, 79,533 GALLONS, FATTY ALCOHOL, VENTED TO ATMOSPHERE
40. TANK 445, 80,840 GALLONS, FATTY ALCOHOL, VENTED TO ATMOSPHERE

41. TANK 446, 99,417 GALLONS, GLYCERINE, VENTED TO ATMOSPHERE
42. TANK 451, 15,062 GALLONS, FATTY ACID DISTILLATE, VENTED TO ATMOSPHERE
43. TANK 452, 15,062 GALLONS, FATTY ALCOHOL, VENTED TO ATMOSPHERE
44. TANK 453, 8,388 GALLONS, FATTY ALCOHOL, VENTED TO ATMOSPHERE
45. TANK 454, 32,542 GALLONS, ESTERS, VENTED TO ATMOSPHERE
46. TANK 450, 19,417 GALLONS, ESTERS, VENTED TO ATMOSPHERE
47. TANK 462, 9,264 GALLONS, GLYCERINE, VENTED TO ATMOSPHERE
48. TANK 463, 9,264 GALLONS, ESTERS, VENTED TO ATMOSPHERE
49. TANK 464, 9,264 GALLONS, FOOTS/BOTTOMS, VENTED TO ATMOSPHERE
50. TANK 465, 10,000 GALLONS, FAT TRAP SKIMS, VENTED TO ATMOSPHERE
51. TANK 466, 20,467 GALLONS, SODIUM HYDROXIDE, VENTED TO ATMOSPHERE
52. TANK 467, 20,467 GALLONS, SODIUM HYDROXIDE, VENTED TO ATMOSPHERE
53. TANK 468, 3,087 GALLONS, ESTERS, VENTED TO ATMOSPHERE

SMAQMD PERMIT NO. 22005 – PHYSICALLY REFINED OIL PROCESS CONSISTING OF:

1. ACID MIXER
2. DEGUMMING REACTOR
3. VACUUM BLEACHER
4. PRECOAT TANK
5. FILTERS
6. SPENT EARTH DUMPSTERS
7. DEODORIZER
8. FATTY ACID SCRUBBING VESSEL
9. EJECTOR CONDENSATE TANK
10. DISCHARGE PUMP
11. COOLING WATER SYSTEM
12. BLEACHING EARTH SILO VENTING TO BAGHOUSE
13. ACTIVATED CARBON SILO VENTING TO BAGHOUSE

SMAQMD PERMIT NO. 22006 – METHYL ESTER & GLYCERINE MANUFACTURING PROCESS CONSISTING OF:

1. SODIUM METHOXIDE CATALYST MAKING PROCESS
 - A. METHANOL ANALYSIS TANK
 - B. SODIUM METHOXIDE INTERCHANGE
 - C. SODIUM METHOXIDE ANALYSIS TANKS
 - D. SODIUM METHOXIDE PUMP
 - E. SODIUM METHOXIDE COLUMN
 - F. SODIUM METHOXIDE REBOILER
 - G. DRY METHANOL FINAL CONDENSER
2. ESTER MAKING, FLASHING, WASHING AND DRYING PROCESS
 - A. ESTERIFICATION 1ST, 2ND AND 3RD SETTLER MIXERS
 - B. ESTERIFICATION REACTOR
 - C. ESTERIFICATION 1ST, 2ND AND 3RD SETTLERS
 - D. ESTER PUMP
 - E. ESTER FLASH INTERCHANGERS

- F. ESTER FLASH PREHEATER
 - G. ESTER FLASH TANK
 - H. ESTER FLASH COOLER
 - I. ESTER FLASH PUMP
 - J. ESTER WASH WATER COOLER
 - K. FOUR (4) ESTER WASH COLUMNS
 - L. ESTER DRYER
 - M. ESTER DRYER PUMP
 - N. ESTER DRYER CONDENSER
 - O. ESTER DRYER VACUUM SYSTEM
 - P. ESTER DRYER METHANOL CONDENSER
 - Q. ESTER DRYER CONDENSATE PUMP
3. LIGHT CUT ESTER FRACTIONATION PROCESS
- A. LIGHT CUT ESTER PREHEATER
 - B. LIGHT CUT ESTER STILL
 - C. LIGHT CUT ESTER CONDENSER
 - D. LIGHT CUT ESTER VENT CONDENSER
 - E. SINGLE STAGE EJECTOR
 - F. LIGHT CUT ESTER PUMPS
 - G. LIGHT CUT ESTER PRODUCT COOLER
 - H. LIGHT CUT ESTER REBOILER
 - I. LIGHT CUT ESTER POT PUMPS
4. INTERMEDIATE ESTER FRACTIONATION PROCESS
- A. INTERMEDIATE ESTER STILL
 - B. INTERMEDIATE ESTER CONDENSER
 - C. INTERMEDIATE ESTER VENT CONDENSER
 - D. HEAVY CUT ESTER DISTILLATE PUMP
 - E. INTERMEDIATE ESTER DISTILLATE PUMP
 - F. INTERMEDIATE ESTER COOLER
 - G. INTERMEDIATE ESTER REBOILER
 - H. INTERMEDIATE ESTER POT PUMPS
 - I. THREE (3) ESTER BOTTOMS TANKS
 - J. ESTER BOTTOMS TO REFINERY TANKS
 - K. TWO (2) ESTER FEED TO REFINERY TANKS
 - L. ESTER SCALE TANK
 - M. TWO (2) ESTER SWING TANKS
 - N. WCE BOTTOMS TANKS
5. ESTER FRACTIONATION PROCESS
- A. ESTER STILL
 - B. ESTER CONDENSER
 - C. ESTER VENT CONDENSER
 - D. ESTER DISTILLATE RECEIVER
 - E. ESTER DISTILLATE PUMP
 - F. ESTER COOLER
 - G. ESTER REBOILER
 - H. ESTER POT PUMPS

- I. FIVE (5) ESTER TO SCALE TANKS
- J. THREE (3) ESTERS TO HFA
- K. ESTER TO HFA TANK
- L. TWO (2) ESTERS TO LCFA TANKS
- M. FOUR (4) ESTERS TO LCFA/SCALES TANKS
- 6. METHANOL CONCENTRATOR PROCESS
 - A. METHANOL CONCENTRATOR FEE/BOTTOMS INTERCHANGER
 - B. METHANOL CONCENTRATOR
 - C. METHANOL CONCENTRATOR BOTTOM PUMP
 - D. METHANOL CONCENTRATOR RE BOILER
- 7. METHANOL RECOVERY/DRYING PROCESS
 - A. ESTER VENT SEAL TANK
 - B. METHANOL DRYER FEED TANK
 - C. METHANOL DRYER FEED PUMP
 - D. METHANOL DRYER INTERCHANGER
 - E. METHANOL DRYER PUMP
 - F. METHANOL DRYER
 - G. WEST VENT CONDENSER
 - H. WEST VENT FINAL STORAGE
 - I. METHANOL STORAGE TANK
 - J. METHANOL CONDENSER
 - K. METHANOL DISTILLATE TANK
 - L. METHANOL DISTILLATE PUMP
- 8. GLYCERINE COLUMN PROCESS
 - A. DRY GLYCERINE TANK
 - B. DRY GLYCERINE FEED PUMP
 - C. GLYCERINE COLUMN
 - D. GLYCERINE COLUMN PUMP
 - E. GLYCERINE COLUMN REBOILER
 - F. GLYCERINE INTERCHANGER
 - G. GLYCERINE BOTTOMS COOLER
- 9. GLYCERINE ACIDULATION AND NEUTRALIZATION PROCESS
 - A. GLYCERINE ACIDULATION MIXER
 - B. GLYCERINE ACIDULATION REACTOR/SETTLER
 - C. ACIDULATED GLYCERINE PUMP
 - D. DILUTE CAUSTIC PUMP
 - E. GLYCERINE NEUTRALIZATION MIXER
 - F. ACIDULATED SOAPSTONE SURGE TANK
 - G. ACIDULATED SOAPSTONE SURGE PUMP
- 10. GLYCERINE CONCENTRATION FEED TANK
 - A. GLYCERINE EVAPORATOR FEED TANK
 - B. GLYCERINE EVAPORATOR
 - C. GLYCERINE EVAPORATOR REBOILER
 - D. GLYCERINE EVAPORATOR PUMP
 - E. GLYCERINE PRODUCT PUMP

- F. GLYCERINE EVAPORATOR CONDENSER
- G. GLYCERINE EVAPORATOR CONDENSER PUMP
- H. 3-STAGE EJECTOR
- I. GLYCERINE TO SHIPMENT TANK

SMAQMD PERMIT NO. 22007 – FATTY ALCOHOL MANUFACTURING PROCESS CONSISTING OF:

1. BOTTOMS WASHING/COOLING PROCESS
 - A. ESTER BOTTOMS SURGE TANK
 - B. ESTER BOTTOMS SURGE TANK PUMP
 - C. ALCOHOL BOTTOMS SURGE TANK
 - D. ALCOHOL BOTTOMS WASH WATER HEATER
 - E. ALCOHOL BOTTOMS WASH COLUMN
 - F. ALCOHOL BOTTOMS WASH COLUMN FEED PUMP
 - G. WASHES ALCOHOL BOTTOMS SURGE TANK
 - H. ALCOHOL BOTTOMS RECYCLE PUMP
 - I. REWORK ALCOHOL HFA
 - J. REWORK SCALE TANK
2. CATALYST SLURRY MAKING PROCESS
 - A. CATALYST MIX TANK
 - B. CATALYST BOOSTER PUMP
 - C. CATALYST EDUCTOR
 - D. CATALYST FEED SYSTEM
 - E. CATALYST HOPPER
 - F. DUST CONTROL SYSTEM WITH FAN
3. CATALYST FEED PROCESS
 - A. CATALYST FEED TANK
 - B. CATALYST BOOSTER PUMP
 - C. ESTER FEED TANK
 - D. ESTER BOOSTER PUMP
 - E. ESTER PREHEATER
4. HIGH PRESSURE HYDROGENATION PROCESS
 - A. CATALYST HIGH PRESSURE FEED PUMPS
 - B. HYDROGEN HEATER (964 KW)
 - C. ONE-STAGE RECYCLE COMPRESSOR
 - D. FOUR-STAGE COMPRESSOR
 - E. CRUDE SEPARATOR
 - F. HYDROGEN/OVERHEADS INTERCHANGER
 - G. ESTER/CRUDE INTERCHANGER
5. PRESSURE LET DOWN PROCESS
 - A. BOILING WATER COOLING
 - B. OVERHEADS COOLING WATER COOLER
 - C. OVERHEADS SEPARATOR
 - D. OVERHEADS BLOWDOWN TANK
 - E. CRUDE COOLING WATER COOLER

- F. CRUDE BLOWDOWN TANK
- G. CENTRIFUGAL SEPARATOR
- 6. CRUDE FILTRATION PROCESS
 - A. CRUDE FILTER FEED TANK
 - B. CRUDE FILTER FEED PUMPS
 - C. DISPOSAL FILTER FEED PUMP
 - D. CRUDE POLISH FILTERS
- 7. CATALYST DISPOSAL PROCESS
 - A. TWO (2) DISPOSAL FILTERS
 - B. TWO (2) DISPOSAL FILTER SHOCK TANKS
 - C. DISPOSAL SHOCK PUMP
 - D. TWO (2) DISPOSAL FILTER SURGE TANK
 - E. DISPOSAL FILTER SURGE PUMP
- 8. OVERHEADS FILTRATION
 - A. OVERHEADS FILTER FEED TANK
 - B. OVERHEADS FILTER FEED PUMP
 - C. OVERHEADS FILTER
 - D. OVERHEADS FILTER SURGE TANK
 - E. OVERHEADS FILTER SURGE PUMP
 - F. OVERHEADS POLISH FILTERS
- 9. METHANOL STRIPPING
 - A. STRIPPER OVERHEADS FEED TANK
 - B. STRIPPER OVERHEADS FEED PUMP
 - C. CROSS FLOW FILTERS TANK
 - D. CROSS FLOW FILTER BACKFLASH PUMPS
 - E. STRIPPER CRUDE FEED PUMP
 - F. STRIPPER FEED POLISH FILTERS
 - G. STRIPPER TWO-BAR HEATER
 - H. STRIPPER TEN-BAR HEATER
 - I. METHANOL STRIPPER
- 10. SCAVENGER DISTILLATION
 - A. SCAVENGER STILL
 - B. SCAVENGER REBOILER
 - C. SCAVENGER STILL PUMPS
 - D. SCAVENGER CONDENSER
 - E. SCAVENGER DISTILLATE RECEIVER
 - F. SCAVENGER DISTILLATE PUMP
 - G. SCAVENGER VENT CONDENSER
 - H. SCAVENGER VACUUM EJECTOR
- 11. FRACTIONATED ALCOHOL PRODUCTION
 - A. STILL
 - B. REBOILER
 - C. STILL PUMPS
 - D. CONDENSER

- E. DISTILLATE RECEIVER
 - F. DISTILLATE PUMP
 - G. COOLER
 - H. VENT CONDENSER
 - I. VACUUM EJECTORS
 - J. ALCOHOL REWORK TANK
 - K. ALCOHOL SCALE TANK
 - L. FIVE (5) ALCOHOL SCALE TANKS
 - M. FOUR (4) BACK-UP ALCOHOL SCALES TANK
12. STEARYL STILL
- A. STEARYL STILL
 - B. STEARYL BOILING WATER CONDENSER
 - C. STEARYL COLD WATER CONDENSER
 - D. STEARYL DISTILLATE RECEIVER
 - E. STEARYL EJECTOR SYSTEM
 - F. STEARYL TOPPING PUMP
 - G. STEARYL TOPPING COOLER
 - H. STEARYL PRODUCT PUMP
 - I. STEARYL PRODUCT COOLER
 - J. STEARYL BOTTOMS PUMP
 - K. STEARYL REBOILER

SMAQMD PERMIT NO. 22008 – APC METHANOL RAILCAR LOADING SCRUBBER SYSTEM
(PORTABLE) CONSISTING OF

- 1. TWO (2) 65-GALLON CAPACITY PACKED BED SCRUBBERS VENTING EMISSIONS FROM THE TRANSFER OF METHANOL INTO RAIL CARS

SMAQMD PERMIT NO. 21765 – SOUTH VENT SEAL TANK

Note: This emission source has been deleted from the Fatty Alcohol Manufacturing Process SMAQMD Permit No. 22007 to become a separate permit unit. The emissions limit and source testing requirement will remain the same.

H. INSIGNIFICANT EMISSIONS UNIT DESCRIPTION:

Equipment Description	Basis for the Exemption
Storm Pond	SMAQMD Rule 201, Section 122 Other equipment which would emit any pollutants without the benefit of air pollution control devices less than 2 pounds in any 24-hour period.
Plant Transportation Vehicles	SMAQMD Rule 201, Section 111.1 Vehicles used to transport passengers or freight.
Internal Combustion Engines ≤50 bhp	SMAQMD Rule 201, Section 112.1 Internal combustion engines with a manufacturer's maximum continuous rating of 50 BHP or less.
Small Combustion Equipment <1MMBtu (Natural gas- or liquefied petroleum gas-fired)	SMAQMD Rule 201, Section 112.2 Combustion equipment with a maximum heat input of less than 1,000,000 Btu per hour (gross) fired with natural gas, liquefied petroleum gas or any combination thereof.
Miscellaneous Storage and Transfer Equipment ≤100 gallons	SMAQMD Rule 201, Section 117 Unheated solvent dispensing containers of 380 liters (100 gallons) capacity or less.
Laboratory	SMAQMD Rule 201, Section 120 Laboratory equipment used exclusively for chemical or physical analysis and bench scale tests.
Repairs & Maintenance	SMAQMD Rule 201, Section 121 Repairs and maintenance not involving changes to any equipment for which a permit has been granted under Section 301 of this rule.
Degreaser ≤100 gallons	Rule 201, Section 118.3 Unheated non-conveyorized solvent rinsing containers of 380 liters (100 gallons) capacity or less.
Three (3) Cooling Towers	Rule 201, Section 122 Other equipment which would emit any pollutants without the benefit of air pollution control devices less than 2 pounds in any 24-hour period.
Process Cooling Water System	SMAQMD Rule 464, Section 232. Noncontact cooling water is not considered a wastewater.

I. ALTERNATIVE OPERATING SCENARIOS

There are no alternative operating scenarios identified by the applicant.

J. SIGNIFICANT & MINOR PROCESS MODIFICATIONS:

The proposed significant and minor modifications will incorporate the changes to the process and throughput limits under the SMAQMD A/C Nos. 21765, 22004, 22005, 22006, 22007 & 22008 and modification to the permit conditions in the two APC Thermal Oxidizers in SMAQMD A/C Nos. 21601 & 21602.

- 1) SMAQMD PERMIT NO. 21765 – South Vent Seal Tank
The South Vent Seal Tank was separated from the Fatty Alcohol Manufacturing Process permit (SMAQMD PERMIT NO. 20165) as a stand-alone permit unit in line with P&G's compliance with the MON regulation.
- 2) SMAQMD PERMIT NO. 22004 – Storage Tank Farm
The potential to emit for two storage tanks, Tanks Nos. 446 & 480, were recalculated that showed a combined emissions increase of 64 lb ROC/quarter.
- 3) SMAQMD PERMIT NO. 22005 – Physically Refined Oil Process
The potential to emit for the oil vacuum dryer condenser was recalculated resulting in an emission increase of 75 lb ROC/quarter.
- 4) SMAQMD PERMIT NO. 22006 – Methyl Ester & Glycerine Manufacturing Process
Potential emission for the ester dryer was proposed to be increased from 903 to 1,400 lb ROC/quarter in order to be consistent with the product throughput and historical source test results.
- 5) SMAQMD PERMIT NO. 22007 – Fatty Alcohol Mfg. Process
Increase the daily and quarterly potential to emit for the Still Ejector After Condenser from 92 lb ROC/quarter to 276 lb ROC/quarter. The potential emission will be consistent with the associated throughput.
- 6) SMAQMD PERMIT NO. 22008 – APC Methanol Railcar Loading Scrubber
Throughput for volume of methanol transferred in the railcar loading system was increased from 1.5 million to 2 million lb/quarter. The associated net emission increase is 6 lb ROC/quarter.
- 7) SMAQMD PERMIT NO. 21601 – APC THERMAL OXIDIZER (STO)
Permit condition no. 12 on the annual source testing requirement shall be revised to state that the source test must demonstrate compliance with the outlet concentration for total organic compound as specified on Condition no. 8. There are no changes in the emission limitations.
- 8) SMAQMD PERMIT NO. 21602- APC THERMAL OXIDIZER (NTO)
Permit condition no. 12 on the annual source testing requirement shall be revised to state that the source test must demonstrate compliance with the outlet concentration for total organic compound as specified on Condition no. 8. There are no changes in the emission limitations.

K. FACILITY EMISSIONS:

The changes in the emission limits for the affected process permits are shown below. The modified emissions limit will be reflected in their respective permit conditions.

SMAQMD PERMIT NO. 22004 – STORAGE TANK FARM

POLLUTANT	MAXIMUM ALLOWABLE EMISSIONS LB/QUARTER
ROC	597

Refer to Table 1 in Appendix 'A'.

SMAQMD PERMIT NO. 22005 – PHYSICALLY REFINED OIL PROCESS

POLLUTANT	MAXIMUM ALLOWABLE EMISSIONS LB/QUARTER
ROC	733
PM10	365

Refer to Table 2 in Appendix 'A'.

SMAQMD PERMIT NO. 22006 – METHY ESTER/GLYCERINE MFG PROCESS

POLLUTANT	MAXIMUM ALLOWABLE EMISSIONS LB/QUARTER
ROC	5,142

Refer to Table 3 in Appendix 'A'.

SMAQMD PERMIT NO. 22007 – FATTY ALCOHOL MANUFACTURING PROCESS

POLLUTANT	MAXIMUM ALLOWABLE EMISSIONS LB/QUARTER
ROC	2,597
ROC - FUGITIVE EMISSIONS	27,624
Total	30,221

Refer to Table 4 in Appendix 'A'.

SMAQMD PERMIT NO. 22008 – APC METHANOL SCRUBBER

POLLUTANT	MAXIMUM ALLOWABLE EMISSIONS LB/QUARTER
ROC	24

SMAQMD PERMIT NO. 21765 – SOUTH VENT SEAL TANK

POLLUTANT	MAXIMUM ALLOWABLE EMISSIONS LB/QUARTER
ROC	3,036 (A)

(A) No change in the emissions limit when the South Vent Seal Tank was included in the Fatty Alcohol Manufacturing Process permit no. 20165.

L. APPLICABLE FEDERALLY ENFORCEABLE REQUIREMENTS:

FACILITY-WIDE REQUIREMENTS

SMAQMD RULE 101 – GENERAL PROVISIONS AND DEFINITIONS

- SIP Approved: 3-19-1999 (64 FR 13514)
[9-03-1988 adopted version]
- Rule Description: This rule provides definition of terms, specifies authority to arrest and specifies what data is public information.
- Compliance Status: The permittee complies with the rule requirements.

SMAQMD RULE 102 – CIRCUMVENTION

- SIP Approved: 12-05-1984 (49 FR 47490)
[5-15-1972 adopted; 11-29-1983 renumbered version]
- Rule Description: This rule prohibits concealment of emission and specifies how compliance determinations are made for combined and separated emissions.
- Compliance Status: The permittee complies with the rule requirements.

SMAQMD RULE 105 – EMISSION STATEMENT

- SIP Approved: 5-26-2004 (69 FR 29880)
[9-05-1996 amended version]
- Rule Description: This rule requires the facility to provide annual emission data for ROC and NOx.
- Compliance Status: The permittee complies with the rule requirements.

SMAQMD RULE 201 – GENERAL PERMIT REQUIREMENTS

- SIP Approved: 7-13-1987 (52 FR 26148)
[11-20-1984 amended version]
The current 08-24-2006 version of this rule is not SIP-approved.
- Rule Description: This rule provides an orderly procedure for the review of new sources of air pollution and of the modification and operation of existing sources through the issuance of permits.
- Compliance Status: The permittee complies with the rule requirements.

SMAQMD RULE 202 – NEW SOURCE REVIEW

SIP Approved: 6-19-1985 (50 FR 25417)
[11-20-1984 amended version]
The current 02-24-2005 version of this rule is not SIP-approved.

Rule Description: This rule sets the procedures for review of new and modified stationary sources and provides the mechanisms for evaluating the applicability of BACT and/or offset requirements.

Compliance Status: SMAQMD A/C Nos. 21765, 22004, 22005, 22006, 22007 and 22008 were processed under SMAQMD Rule 202, Section 404 (Enhanced New Source Review). Accordingly, the applications were reviewed following the procedures specified in SMAQMD Rule 207, Sections 401 ~ 408 (Title V Federal Operating Permit Program). The Engineering Evaluation and draft Authorities to Construct were submitted to the U.S. EPA for a 45-day review. EPA provided some procedural comments which were incorporated into the revised engineering evaluation.

The permittee complies with the rule requirements.

SMAQMD RULE 207 – TITLE V FEDERAL OPERATING PERMIT PROGRAM

SIP Approved: This rule is not SIP-approved but the rule is applicable because it is part of the SMAQMD Title V Federal Operating Permit program approved by the U.S. EPA on 1-21-2003 (68 FR 65637).

Rule Description: This rule sets forth the procedures for review, issuance, modification and renewal of Title V operating permits.

Compliance Status: The permittee has submitted a timely and complete permit application for Title V permit modification. The permittee complies with the rule requirements.

By complying with the procedure specified in SMAQMD Rule 202, Section 404 (Enhanced New Source Review), the proposed significant modifications will be incorporated into the Title V permit without going through any further 45-day review by the U.S. EPA.

SMAQMD RULE 301 – PERMIT FEES - STATIONARY SOURCE (Title V related fees only)

SIP Approved: This rule is not SIP-approved but the portions of the rule related to Title V permit fees are applicable because they are part of the SMAQMD Title V Federal Operating Permit program approved by the U.S. EPA on 11-21-2003 (68 FR 65637).

Rule Description: This rule requires Title V sources to pay specified fees.

Compliance Status: The permittee complies with the rule requirements.

SMAQMD RULE 307 – CLEAN AIR ACT FEES

SIP Approved: 8-26-2003 (68 FR 51184)
[9-26-2002 adopted version]

Rule Description: This rule requires major sources of ROC and NOx to pay specified fees beginning after the U.S. EPA determines that the SMAQMD has failed to demonstrate attainment of the one hour ozone ambient air quality standard by the attainment year.

Compliance Status: The permittee complies with the rule requirements.

SMAQMD RULE 401 – RINGELMANN CHART

SIP Approved: 2-01-1984 (49 FR 3987)
[4-19-1983 amended version]

Rule Description: This rule limits the discharge of air contaminants into the atmosphere through visible emissions and opacity limitations.

Compliance Status: The permittee complies with the rule requirements.

SMAQMD RULE 403 – FUGITIVE DUST

SIP Approved: 12-05-1984 (49 FR 47490)
[8-03-1977 adopted version]

Rule Description: This rule regulates operations which may cause fugitive dust emissions into the atmosphere.

Compliance Status: The permittee complies with the rule requirements.

SMAQMD RULE 442 – ARCHITECTURAL COATINGS

SIP Approved: 11-09-1998 (63 FR 60214)
[9-05-1996 amended version]
The current 05-24-2001 version of this rule is not SIP-approved.

Rule Description: This rule limits the quantity of volatile organic compounds in architectural coatings supplied, sold, offered for sale, applied, solicited for application or manufactured for use within the SMAQMD.

Compliance Status: The affected coatings used by the permittee are received and stored in containers that display the required manufacturer's labels and demonstrate compliance with the rule requirements. The permittee complies with the rule requirements.

SMAQMD RULE 701 – EMERGENCY EPISODE PLAN

SIP Approved: 9-05-2000 (65 FR 53602)
[5-27-1999 amended version]

Rule Description: This rule requires a plan be prepared for specific actions to be taken when health related levels of ozone, carbon monoxide or PM10 are exceeded.

Compliance Status: The permittee has prepared the required Emergency Episode Plan and complies with the rule requirements.

EQUIPMENT-SPECIFIC REQUIREMENTS

SMAQMD RULE 404 – PARTICULATE MATTER

SIP Approved: 7-13-1987 (52 FR 26148)
[11-20-1984 amended version]

Rule Description: This rule limits the discharge of particulate matter into the atmosphere to 0.1 grains per dry standard cubic foot.

Compliance Status: The permittee complies with the rule requirements.

SMAQMD RULE 406 – SPECIFIC CONTAMINANTS

SIP Approved: 12-05-1984 (49 FR 47490)
[12-06-1978 amended version]

Rule Description: This rule regulates emissions of sulfur compounds and combustion contaminants by limiting the emission concentration of particulate matter and sulfur dioxide.

Compliance Status: The permittee complies with the rule requirements.

SMAQMD RULE 411 – NO_x FROM BOILERS, PROCESS HEATERS and STEAM GENERATORS

SIP Approved: 8-01-2007 (72 FR 41894)
[10-27-2005 amended version]

Rule Description: This rule limits NO_x and CO emissions from boilers, steam

generator and process heaters with heat input ratings of 1 MMBTU/hour or greater.

Compliance Status: The permittee complies with the rule requirements.

SMAQMD RULE 420 – SULFUR CONTENT OF FUELS

SIP Approved: 12-05-1984 (49 FR 47490)
[8-13-1981 amended version]

Rule Description: This rule regulates emissions of sulfur compounds from the combustion of fuels by limiting the sulfur content of the fuel. This rule limits the sulfur content of gaseous fuel to less than 50 grains per 100 cubic feet of sulfur compounds, calculated as hydrogen sulfide.

Compliance Status: The permittee complies with the rule requirements.

SMAQMD RULE 443 – LEAKS FROM SYNTHETIC ORGANIC CHEMICAL AND POLYMER MANUFACTURING

SIP Approved: 11-09-1998 (63 FR 60214)
[9-05-1996 amended version]

Rule Description: This rule limits emissions of VOCs from leaking components at chemical plants that manufacture synthetic organic chemicals and polymers.

Compliance Status: This rule specifies a Leak Detection and Repair program for fugitive VOC emitting components, including but not limited to flanges and affected devices (e.g. valves, pumps, compressors, pressure relief valves). The permittee has been implementing an LDAR program.

The permittee complies with the rule requirements.

SMAQMD RULE 464 – ORGANIC CHEMICAL MANUFACTURING OPERATIONS

SIP Approved: 4-19-2000 (65 FR 20912)
[9-25-2008 amended version]

Rule Description: This rule limits emissions of VOCs from organic chemical plants including but not limited to process tanks, reactors, distillation columns, crystallizers, evaporators, process tanks, centrifuges, filters, separators, and wastewater tanks.

Compliance Status: Section 301 – Reactors, Distillation Columns, Crystallizers,

Evaporators or Centrifuges:

P&G operates numerous affected devices such as reactors, distillation columns and centrifuges where process vents to common emission points like the North Vent Seal Tank, South Vent Seal Tank and Fire Pit Stack. These emissions units have maximum allowable emissions limits that comply with the standards in Section 301.1. Compliance is verified by annual compliance source testing. Process modifications are in-progress and control devices have been installed in accordance with the applicable Federal MON regulation. The permittee complies with the applicable requirements.

Section 302 – Separation Operations: This section applies to the operation of centrifuge, rotary vacuum filter or other devices with an exposed liquid surface.

P&G does not operate any device that is subject to this section.

Section 303 – Dryers or Production Equipment Exhaust Systems: Other equipment like dryers likewise vent to the common emission points mentioned above which have maximum allowable emissions limits that comply with the standards in Section 303.1.

The permittee complies with the applicable requirements.

Section 304 – Process Tanks: This section applies to process tanks with a VOC composite vapor pressure of greater than 26 mm HG at 20°C and which emits more than 15 lb/day of uncontrolled ROC emissions.

The standards in this section do not apply to P&G's process tanks because they do not fall within the conditions stated above. The permittee complies with this section.

Section 305 – Wastewater: This section prohibits the use of any equipment that receives, manages or treats wastewater with a VOC concentration of 500 ppm by weight or higher and a flow rate of greater than or equal to 1 liter per minute, or with a VOC concentration of 10,000 ppm per weight or higher at any flow rate, unless the equipment comply with the applicable standards.

P&G operates a system of open trench drains, sumps and two oil water separators that are subject to the requirements in Section 305. The permittee has complied with the inspection, monitoring and reporting requirements.

The permittee complies with the applicable requirements.

Section 306 – Liquid Transfer: This section applies to the transfer of liquids with a VOC composite partial vapor pressure of greater than 26 mm HG at 20°C into any tank truck, trailer, railroad tank car or storage tank with a capacity of 2,000 gallons or greater.

P&G's operations involve the transfer of methanol from process tanks into rail cars and vice versa. The transfer of methanol into the rail cars is controlled by passing the displaced vapor through two 60-gallon packed-bed scrubbers under SMAQMD Permit No. 12609. The APC Scrubbers were determined to have achieved a combined system efficiency of at least 85% by weight and a control efficiency of at least 90% by weight.

The permittee complies with the applicable requirements.

Section 307 – Storage Tanks: This section applies to any storage tank with a capacity of either less than or greater than 40,000 gallons with a VOC composite partial vapor pressure greater than 78 mm Hg at 20°C.

Most of P&G's storage tanks in the tank farms exceed 40,000 gallons but do not exceed a VOC composite partial vapor pressure of 78 mm Hg at 20°C. These storage tanks, though, are subject to SMAQMD Rule 446.

The permittee complies with the applicable requirements.

Section 308 – Cleanup and Storage Requirements: The requirements of this section have been incorporated in the Title V permit. The future effective date requirement for the new VOC content limit for maintenance solvent cleaning shall likewise be included in the permit.

The permittee complies with the applicable requirements.

40 CFR 60, SUBPART VV – STANDARDS OF PERFORMANCE FOR EQUIPMENT LEAKS OF VOC IN THE SYNTHETIC ORGANIC CHEMICALS MANUFACTURING INDUSTRY

Promulgated: 10-18-1983

Rule Description: This subpart specifies a Leak Detection and Repair Program (LDAR) for affected facilities in the synthetic organic chemicals manufacturing industry (SOCMI) which were constructed, reconstructed or modified after 1-05-81 and on or before 11-07-

06. Affected facilities are defined as process units that produce an intermediate or final product listed in Section 60.489. The facility's Methyl Ester/Glycerine Manufacturing process produces glycerine as a co-product. The process involves the transesterification of tri-glycerides to methylated esters and glycerine. The process both consumes methanol as a reactant, which is later liberated, recovered and recycled back into the process. The feedstock of the process unit is refined coconut oil (triglycerides).

Section 60.480(d)(3) exempts process units that produce heavy liquid chemicals only from heavy liquid feed. Heavy liquid chemicals are defined as mixtures with a vapor pressure of less than 0.3 kPa at 20°C or mixtures containing less than 20% by weight of a pure volatile organic substance with a vapor pressure greater than 0.3 kPa at 20°C. Coconut oil and glycerine meet the criteria of a heavy liquid. The methylated ester product contains a mix of esters ranging from C6 (methyl caproate) to C18 (methyl oleate). Only the C6 ester has a vapor pressure above the threshold. From information obtained from P&G, approximately 5% by weight of the C6 ester is present in the mixture. Therefore, the process is exempt from this regulation. However, P&G will still have to comply with the recordkeeping requirement specified in Section 486(i), by submitting a statement and analysis indicating that the raw materials, feedstock and products of the affected facility are exempt from the standards of this Subpart.

Compliance Status: The permittee complies with the rule requirements.

40 CFR 60, SUBPART NNN – STANDARDS OF PERFORMANCE FOR VOC EMISSIONS FROM SYNTHETIC ORGANIC CHEMICAL MANUFACTURING INDUSTRY (SOCMI) DISTILLATION OPERATIONS

Promulgated: 6-29-1990

Rule Description: This subpart applies to each affected facility that is part of a process unit that produces any one of the chemicals listed in Section 60.667 as a product, co-product, by-product, or intermediate. The affected facilities consist of distillation units and recovery systems (stearyl still, scavenger still and two distillation columns) which were constructed, modified or reconstructed after 12-30-83.

Compliance Status: The permittee complies with the rule requirements.

40 CFR 60, SUBPART RRR – STANDARDS OF PERFORMANCE FOR VOC EMISSIONS FROM SYNTHETIC ORGANIC CHEMICAL MANUFACTURING INDUSTRY (SOCMI) REACTOR PROCESSES

Promulgated: 8-31-1993

Rule Description: This subpart applies to each affected facility that is part of a process unit that produces any one of the chemicals listed in Section 60.707 as a product, by-product, or co-product, or intermediate. The fatty alcohol manufacturing process produces mixed alcohols and the methyl ester/glycerine manufacturing process produces glycerine. The affected facilities consist of all reactors and recovery systems (ester reactors and fatty alcohol reactors) which were constructed, modified or reconstructed after 6-29-90.

Compliance Status: The permittee complies with the rule requirements.

40 CFR 61, SUBPART V – NATIONAL EMISSION STANDARDS FOR EQUIPMENT LEAKS (FUGITIVE EMISSION SOURCES)

Promulgated: 6-06-1984

Rule Description: This subpart applies to pumps, compressors, pressure relief devices, sampling connection systems, open-ended valves or lines, connectors, surge control vessels, bottoms receivers, and control devices or systems operating in volatile hazardous air pollutant (VHAP) service. Several of the facility's processes involve the use of methanol, a VHAP. Those devices transporting liquid or vapor consisting of 10% or greater methanol by weight are subject to this subpart. The entire facility, including devices in VHAP service is subject to the Enhanced Leak Detection and Repair Program (LDAR).

Compliance Status: The permittee complies with the rule requirements.

40 CFR 63, SUBPART F – NATIONAL EMISSION STANDARDS FOR ORGANIC HAZARDOUS AIR POLLUTANTS FROM THE SYNTHETIC ORGANIC CHEMICAL MANUFACTURING INDUSTRY

Promulgated: 4-22-1994

Rule Description: This subpart provides applicability criteria for operators of chemical manufacturing process units where they :a) manufacture as a primary product one or more the chemicals listed in Table 1 of the subpart; b) use as a reactant or manufacture as a product, or co-product, one or more of the

organic hazardous air pollutants listed in Table 2 of the subpart; and c) are located at a site that is a major source with a potential to emit 10 TPY of any individual HAP and 25 TPY total HAPs. This subpart also includes provisions that are applicable in subparts G and H (the Hazardous Organic NESHAP).

P&G operates a process unit that produces methyl esters and glycerol from refined oil (triglycerides). The methyl esters are further processed into fatty acids and glycerol is purified and sold as a product. The reaction uses methanol, which is listed in Table 2, as a reactant. Of the two products in this process, only glycerol is listed in Table 1, as the methyl esters are C6 and higher. The term 'primary product' is not defined in this subpart or in subpart A. Glycerol was determined not to be a primary product of the process, but rather a co-product. This determination was made because the mass of methyl esters produced exceeds the mass of glycerine produced by several times and because other processes at the facility are designed to use methyl esters as a feed stock.

Compliance Status: The facility is not subject to this subpart because Procter & Gamble does not produce any of the products listed in Table 1, although it is referenced in other subparts of 40 CFR 63 that are applicable to P&G.

40 CFR 63, SUBPART Q – NATIONAL EMISSION STANDARDS FOR HAZARDOUS AIR POLLUTANTS FOR INDUSTRIAL PROCESS COOLING TOWERS

Promulgated: 9-08-1994

Rule Description: This subpart applies to all new and existing industrial cooling towers that are operated with chromium-based water treatment chemicals and are either major sources or are integral parts of facilities that are major sources. The cooling tower associated with the physically refined oil process does not use chromium-containing water treatment chemicals.

Compliance Status: The permittee complies with the rule requirements.

40 CFR 63, SUBPART EEEE – NATIONAL EMISSION STANDARDS FOR HAZARDOUS AIR POLLUTANTS: ORGANIC LIQUIDS DISTRIBUTION (NON-GASOLINE)

Promulgated: 2-03-2004

Rule Description: This subpart establishes emission limitations, operating limits and work practice standards for organic hazardous air pollutants emitted from organic liquids distribution (non-gasoline) operations

at major sources of HAP emissions.

Compliance Status: This facility is not subject to any requirements of this subpart other than to maintain documentation that its unloading transfer racks do not require control per the rule.

40 CFR 63, SUBPART FFFF – NATIONAL EMISSION STANDARDS FOR HAZARDOUS AIR POLLUTANTS: MISCELLANEOUS ORGANIC CHEMICAL MANUFACTURING

Promulgated: 11-10-2003

Rule Description: This Miscellaneous Organic NESHAP (MON) subpart establishes emission standards for hazardous air pollutants from miscellaneous organic chemical manufacturing operations by establishing maximum achievable control technology (MACT) standards to site-specific process units. It also establishes requirements to demonstrate initial and continuous compliance with the emission limits, operating limits and work practice standards.

Compliance Status: P&G was granted an extension of compliance date with the MON standards to 5-09-09. On 8-27-09, the permittee submitted a Semi-Annual Compliance Report for the period ending 6-30-09. The report contained, among other information, deviations from permit conditions and performance of the continuous monitoring system. Deviations that occurred during the reporting period with the two thermal oxidizers were described as either caused by: instrument malfunction due to component problem, power failure, or during startup or shutdown. During these periods, the process stream that vents to the South Thermal Oxidizer was automatically diverted, as specified in the Startup, Shutdown, and Malfunction Plan (SSMP), to the Distillation Scrubber as a backup. For the North Thermal Oxidizer, process stream was likewise diverted to the Knock-out Drum Scrubber. The report also showed that the deviations represent an average of 1.2% (89 hours) of total operating hours for the two emission control sources. There were 3 fugitive leaks detected in the light liquid service valves during the monthly inspection.

The permittee complies with the rule requirements.

M. FUTURE APPLICABLE FEDERALLY ENFORCEABLE REQUIREMENTS:

40 CFR 63 SUBPART DDDDD – National Emission Standards for Hazardous Air Pollutants for Industrial, Commercial, and Institutional Boilers and Process Heaters

This subpart establishes national emission limits and work practice standards for hazardous air pollutants (HAP) emitted from industrial, commercial, and institutional boilers and process heaters that are located at, or are part of, a major source of HAP.

This subpart was promulgated on 9-13-04. However, on 7-31-07 the U.S. Court of Appeals vacated the boiler NESHAP because of the lawsuit filed by environmental groups challenging EPA's use of health-based compliance alternative standards instead of MACT standards.

The vacating of this regulation by the court is as if the regulation was never promulgated. When EPA fails to meet the deadline for establishing emission limits for HAPs under Section 112 of the Clean Air Act or when the court vacates a rule, then Section 112(j) is triggered, also referred to as the "MACT Hammer".

The "hammer provisions" require a state or local permitting agency to develop MACT standards for the affected facility on a case-by-case basis. These standards may not be less stringent than the MACT floor, which is the average emission limitation achieved by the best performing 12% of existing sources in the industrial category.

As of August 31, 2009, the EPA has not release the revised MACT standards. In the meantime, an affected source is required to comply with a two-part permit process. Part 1 is a notification of applicability by providing the facility's location and other basic information. The Part 2 application is a more detailed description of emissions and controls, which will enable the agency to establish emission limits on a facility-by-facility basis.

To date, P&G has complied with the Section 112(j) requirements:

- P&G submitted the initial notification as required by the boiler NESHAP on 5-10-04.
- Resubmitted the initial notification, as Part 1 permit application, on 1-23-09.
- P&G submitted Part 2 permit application.

The following P&G SMAQMD permits shall be reviewed and evaluated for compliance with the future effective requirements under the boiler NESHAP:

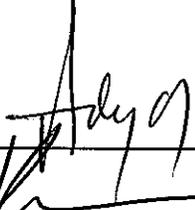
- SMAQMD Permit No. 17566 - Thermal Fluid Heater
- SMAMQD Permit No. 18614 - Hydrogen Heater
- SMAQMD Permit No. 13589 - PROP Heater
- SMAQMD Permit No. 18457 - Heater, Dowtherm #2

RECOMMENDATION:

It is recommended that The Procter & Gamble Manufacturing Company Title V Federal Operating Permit be modified to incorporate the significant and minor modifications specified above as TV2008-02-02.

TITLE V PERMIT CONDITIONS:

Refer to the proposed Title V Permit No. TV2008-02-02.

PREPARED BY:	<u>Ady R. Santos</u> 	DATE:	<u>Aug. 31, 2009</u>
REVIEWED BY:		DATE:	<u>9-21-09</u>