



NOV 23 2011

Clint Cooper
Covanta Mendota LP
PO Box 99
Mendota, CA 93640

**Re: Proposed Authorities to Construct / Certificate of Conformity (Minor Mod)
District Facility # C-825
Project # C-1112811**

Dear Mr. Cooper:

Enclosed for your review is the District's analysis of your application for Authorities to Construct for the facility identified above. You have requested that a Certificate of Conformity with the procedural requirements of 40 CFR Part 70 be issued with this project. The applicant proposes to modify visible emissions testing from EPA Method 9 to Method 22.

After addressing any EPA comments made during the 45-day comment period, the Authorities to Construct will be issued to the facility with a Certificate of Conformity. Prior to operating with modifications authorized by the Authorities to Construct, the facility must submit an application to modify the Title V permit as an administrative amendment, in accordance with District Rule 2520, Section 11.5.

If you have any questions, please contact Mr. Jim Swaney, Permit Services Manager, at (559) 230-5900.

Thank you for your cooperation in this matter.

Sincerely,



David Warner
Director of Permit Services

Enclosures
cc: Jesse A. Garcia, Permit Services

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
Tel: (559) 230-6000 FAX: (559) 230-6061

Southern Region
34946 Flyover Court
Bakersfield, CA 93308-9725
Tel: 661-392-5500 FAX: 661-392-5585



NOV 23 2011

Gerardo C. Rios, Chief
Permits Office
Air Division
U.S. EPA - Region IX
75 Hawthorne St
San Francisco, CA 94105

Re: **Proposed Authorities to Construct / Certificate of Conformity (Minor Mod)**
District Facility # C-825
Project # C-1112811

Dear Mr. Rios:

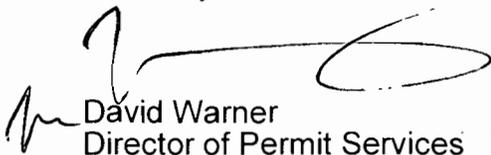
Enclosed for your review is the District's engineering evaluation of an application for Authorities to Construct for Covanta Mendota LP, located at 400 Guillen Parkway in Mendota, which has been issued a Title V permit. Covanta Mendota LP is requesting that a Certificate of Conformity, with the procedural requirements of 40 CFR Part 70, be issued with this project. The applicant proposes to modify visible emissions testing from EPA Method 9 to Method 22.

Enclosed is the engineering evaluation of this application, a copy of the current Title V permit, and proposed Authorities to Construct # C-825-3-7 and -4-7 with Certificate of Conformity. After demonstrating compliance with the Authorities to Construct, the conditions will be incorporated into the facility's Title V permit through an administrative amendment.

Please submit your written comments on this project within the 45-day comment period that begins on the date you receive this letter. If you have any questions, please contact Mr. Jim Swaney, Permit Services Manager, at (559) 230-5900.

Thank you for your cooperation in this matter.

Sincerely,



David Warner
Director of Permit Services

Enclosures
cc: Jesse A. Garcia, Permit Services

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
Tel: (559) 230-6000 FAX: (559) 230-6061

Southern Region
34946 Flyover Court
Bakersfield, CA 93308-9725
Tel: 661-392-5500 FAX: 661-392-5585

San Joaquin Valley Air Pollution Control District Authority to Construct Application Review

Replace Fugitive Dust Test Method from EPA Method 9 to Method 22 on
Biomass Fuel Handling Operations

Facility Name: Covanta Mendota LP
Mailing Address: PO Box 90
Mendota, CA 93640
Contact Person: Clint Cooper
Telephone: (559) 655-4921
Application #(s): C-825-3-7 and -4-7
Project #: C-1112811
Deemed Complete: October 11, 2011

Date: October 26, 2011
Engineer: Jesse A. Garcia
Lead Engineer: Joven Refuerzo

I. Proposal

Covanta Mendota LP has submitted Authority to Construct (ATC) applications to modify a fuel receiving and unloading operation and fuel handling, processing and storage operation (Permits to Operate C-825-3-6 and -4-5, Appendix A), by changing the visible emissions test method from EPA Method 9 to Method 22 (similar to Covanta Stanislaus, Inc. N-2073).

This modification is not considered a NSR modification because it will not involve any of the following:

- A change in hours of operation, production rate, or method of operation of an existing emissions unit, which would necessitate a change in permit conditions.
- A structural change or addition to an existing emissions unit which would necessitate a change in permit conditions.
- An increase in emissions from an emissions unit caused by a modification of the Stationary Source when the emissions unit is not subject to a daily emissions limitation.
- The addition of any new emissions unit which is subject to District permitting requirements.
- A change in a permit term or condition proposed by an applicant to obtain an exemption from an applicable requirement to which the source would otherwise be subject.

Covanta Mendota LP received their Title V Permit on November 30, 2011. This modification can be classified as a Title V minor modification pursuant to Rule 2520, Section 3.20, and can be processed with a Certificate of Conformity (COC). Since the facility has specifically requested that this project be processed in that manner, the 45-day EPA comment period will

be satisfied prior to the issuance of the Authority to Construct. Covanta Mendota LP must apply to administratively amend their Title V permit.

II. Applicable Rules

Rule 2201 New and Modified Stationary Source Review Rule (04/21/11)
Rule 2520 Federally Mandated Operating Permits (6/21/01)
Rule 4001 New Source Performance Standards (4/14/99)
Rule 4002 National Emission Standards for Hazardous Air Pollutants (5/20/04)
Rule 4101 Visible Emissions (02/17/05)
Rule 4102 Nuisance (12/17/92)
Rule 4202 Particulate Matter Emission Rate (12/17/92)
CH&SC 41700 Health Risk Assessment
CH&SC 42301.6 School Notice
Public Resources Code 21000-21177: California Environmental Quality Act (CEQA)
California Code of Regulations, Title 14, Division 6, Chapter 3, Sections 15000-15387: CEQA Guidelines

III. Project Location

The equipment is located at 400 Guillen Pkwy. in Mendota, CA. The District has verified that the equipment is not located within 1,000 feet of the outer boundary of a K-12 school. Therefore, the public notification requirement of California Health and Safety Code 42301.6 is not applicable to this project.

IV. Process Description

AES Mendota, LP burns agricultural waste products, saw mill residues, forest residues, orchard and vineyard prunings, etc., supplemented by natural gas in a fluidized bed combustor. The resulting heat generates steam which powers a turbine. The turbine spins an electrical generator which produces up to 30 MW of electrical energy for the power grid.

Biomass fuel is received at either of the two truck tippers that lift the entire truck and trailer to a 55° angle for unloading.

Truck tipper #1 is equipped with a reclaim hopper and a drag conveyor and it can be loaded by either hydraulically tipping a truck to discharge into the hopper or by using a front end loader which can add biomass fuel to the hopper via an adjacent ramp. The hydraulic system on tipper #1 is powered by two 60 hp electric motors.

Truck tipper #2 is fully open and is equipped with water sprays and uses batch loading to move fuel to the storage yard. The hydraulic system on tipper #2 is powered by two 60 hp electric motors.

V. Equipment Listing

Pre-Project Equipment Description:

- C-825-3-3: FUEL RECEIVING AND UNLOADING OPERATION CONSISTING OF TWO (2) TRUCK TIPPERS, STORAGE YARD OPERATIONS, AND BATCH TRANSFER TO THE FUEL RECEIVING HOPPER
- C-825-4-5: BIOMASS FUEL HANDLING, PROCESSING, AND STORAGE OPERATION WITH ENCLOSED BELT CONVEYORS AND TRANSFER POINTS, RECLAIMERS, HAMMER HOG, HOG TOWER SERVED BY A BAGHOUSE AND A FUEL FEEDER SURGE BIN DUCTED TO THE MAIN BOILER EXHAUST PLENUM (C-825-5)

Proposed Modification:

- C-825-3-7: MODIFICATION OF FUEL RECEIVING AND UNLOADING OPERATION CONSISTING OF TWO (2) TRUCK TIPPERS, STORAGE YARD OPERATIONS, AND BATCH TRANSFER TO THE FUEL RECEIVING HOPPER: CHANGE VISIBLE EMISSIONS TEST FROM EPA METHOD 9 TO METHOD 22
- C-825-4-7: MODIFICATION OF BIOMASS FUEL HANDLING, PROCESSING, AND STORAGE OPERATION WITH ENCLOSED BELT CONVEYORS AND TRANSFER POINTS, RECLAIMERS, HAMMER HOG, HOG TOWER SERVED BY A BAGHOUSE AND A FUEL FEEDER SURGE BIN DUCTED TO THE MAIN BOILER EXHAUST PLENUM (C-825-5): CHANGE VISIBLE EMISSIONS TEST FROM EPA METHOD 9 TO METHOD 22

Post Project Equipment Description:

- C-825-3-7: FUEL RECEIVING AND UNLOADING OPERATION CONSISTING OF TWO (2) TRUCK TIPPERS, STORAGE YARD OPERATIONS, AND BATCH TRANSFER TO THE FUEL RECEIVING HOPPER
- C-825-4-7: BIOMASS FUEL HANDLING, PROCESSING, AND STORAGE OPERATION WITH ENCLOSED BELT CONVEYORS AND TRANSFER POINTS, RECLAIMERS, HAMMER HOG, HOG TOWER SERVED BY A BAGHOUSE AND A FUEL FEEDER SURGE BIN DUCTED TO THE MAIN BOILER EXHAUST PLENUM (C-825-5)

VI. Emission Control Technology Evaluation

There is no change in any of the control methods as a result of this project. Therefore, no further discussion of the emissions control system is required.

VII. General Calculations

This project does not meet the criteria for a Rule 2201 Modification, as defined in Section 3.26, and is not subject to the requirements of Rule 2201. Therefore, formal calculations for Rule 2201 are not necessary. Potential to emit calculations will be shown for reference purposes.

Potential to Emit

Emissions from each unit were taken from the project files and are summarized as follows:

Potential to Emit (C-825-3)		
Pollutant	[lb/day]	[lb/year]
NO _x	0.0	0
SO _x	0.0	0
PM10	114.2	41,680
CO	0.0	0
VOC	0.0	0

Potential to Emit (C-825-4)		
Pollutant	[lb/day]	[lb/year]
NO _x	0.0	0
SO _x	0.0	0
PM10	64.8	23,652
CO	0.0	0
VOC	0.0	0

VIII. Compliance

Rule 2201 New and Modified Stationary Source Review Rule

As noted in Section VII of this engineering evaluation, the proposed modification does not constitute an NSR modification; Pursuant to section 3.26 of District Rule 2201, a modification is defined as:

3.26.1.1 Any change in hours of operation, production rate, or method of operation of an existing emissions unit, which would necessitate a change in permit conditions.

The proposed modification does not result in a change in the hour of operation, production rate or method of operation which necessitates a change in permit conditions.

3.26.1.2 Any structural change or addition to an existing emissions unit which would necessitate a change in permit conditions. Routine replacement shall not be considered to be a structural change.

The proposed modification does not constitute a structural change or addition to an existing emissions unit which necessitates a change in permit conditions.

3.26.1.3 An increase in emissions from an emissions unit caused by a modification of the Stationary Source when the emissions unit is not subject to a daily emissions limitation.

The proposed modification does not result in an increase in emissions from any emissions unit.

3.26.1.4 Addition of any new emissions unit which is subject to District permitting requirements.

The proposed modification does not result in the addition of any new emissions units.

3.26.1.5 A change in a permit term or condition proposed by an applicant to obtain an exemption from an applicable requirement to which the source would otherwise be subject.

The proposed modification does not change a permit term or condition to obtain an exemption from an applicable requirement to which the source would otherwise be subject.

As discussed above, the modification to replace the fugitive dust test method EPA Method 9 with Method 22 does not meet any of the criteria for a modification. Therefore, it is not subject to the requirements of District Rule 2201.

Rule 2520 Federally Mandated Operating Permits

This facility is subject to this Rule, and has received their Title V Operating Permit. The proposed modification is a Minor Modification to the Title V Permit pursuant to Section 3.20 of this rule:

In accordance with Rule 2520, 3.20, these modifications:

1. Do not violate requirements of any applicable federally enforceable local or federal requirement;
2. Do not relax monitoring, reporting, or recordkeeping requirements in the permit and are not significant changes in existing monitoring permit terms or conditions;
3. Do not require or change a case-by-case determination of an emission limitation or other standard, or a source-specific determination for temporary sources of ambient impacts, or a visibility or increment analysis;
4. Do not seek to establish or change a permit term or condition for which there is no corresponding underlying applicable requirement and that the source has assumed to avoid an applicable requirement to which the source would otherwise be subject. Such terms and conditions include:
 - a. A federally enforceable emission cap assumed to avoid classification as a modification under any provisions of Title I of the Federal Clean Air Act; and
 - b. An alternative emissions limit approved pursuant to regulations promulgated under section 112(i)(5) of the Federal Clean Air Act; and
5. Are not Title I modifications as defined in District Rule 2520 or modifications as defined in section 111 or 112 of the Federal Clean Air Act; and
6. Do not seek to consolidate overlapping applicable requirements.

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

Section 9.3.2 requires that periodic monitoring be performed if none is associated with a given emission limit to assure compliance. Section 9.3.3 requires the permit to include conditions for use, maintenance and installation of monitoring equipment or methods. This section allows that recordkeeping requirements may be sufficient to meet these requirements.

Since no National Emission Standards for Hazardous Air Pollutants is applicable to the fuel receiving and unloading operations or fuel handling, processing and storage operation, the facility has proposed to comply with the fugitive ash emissions from municipal waste combustor, 40 CFR 60.55b, and the District concurs that the requirements for ash handling can be used to ensure compliance with the opacity limit from the subject permit units in this project.

40 CFR 60.55b(a) states on and after the date on which the initial performance test is completed or is required to be completed under §60.8 of subpart A of this part, no owner or operator of an affected facility shall cause to be discharged to the atmosphere visible emissions of combustion ash from an ash conveying system (including conveyor transfer points) [biomass fuel receiving and unloading and fuel handling, processing and storage] in excess of 5 percent of the observation period (i.e., 9 minutes per 3-hour period), as determined by EPA Reference Method 22 observations as specified in §60.58b(k), except as provided in paragraphs (b) and (c) of this section. Paragraphs (b) and (c) are not applicable to the method of operation of the subject permit units in this project.

40 CFR 60.58b(k) states the procedures specified in paragraphs (k)(1) through (k)(4) of this section shall be used for determining compliance with the fugitive ash emission limit under §60.55b.

- (1) The EPA Reference Method 22 shall be used for determining compliance with the fugitive ash emission limit under §60.55b. The minimum observation time shall be a series of three 1-hour observations. The observation period shall include times when the facility is transferring ash [biomass fuel] from the municipal waste combustor unit to the area where ash [biomass fuel] is stored or loaded into containers or trucks.
- (2) The average duration of visible emissions per hour shall be calculated from the three 1-hour observations. The average shall be used to determine compliance with §60.55b.
- (3) The owner or operator of an affected facility shall conduct an initial performance test for fugitive ash emissions as required under §60.8 of subpart A of this part.
- (4) Following the date that the initial performance test for fugitive ash emissions is completed or is required to be completed under §60.8 of subpart A of this part for an affected facility, the owner or operator shall conduct a performance test for fugitive ash [biomass fuel] emissions on an annual basis (no more than 12 calendar months following the previous performance test).

Therefore, the following revisions of existing conditions and new conditions will be included on the permits to ensure compliance with opacity limits:

C-825-3-7 – Fuel Receiving and Unloading Operation

Existing conditions 7 and 8 will be revised from:

- Visible emissions shall be inspected annually using EPA Method 9 under material and environmental conditions where high emissions are expected, such as dry and windy. [District Rule 2520, 9.3]
- The permittee shall maintain records of: (1) the date and time of visible emissions observations, (2) the opacity reading, and (3) a description of any corrective action taken to maintain the visible emissions within the acceptable range. [District Rule 2520, 9.4.1]

to:

- Visible emissions shall be inspected annually using EPA Method 22 under material and environmental conditions where high emissions are expected, such as dry and windy. [District Rule 2520, 9.3]
- The permittee shall maintain records of: (1) the date and time of visible emissions observations, (2) total time of visible emissions, and (3) a description of any corrective action taken to maintain the visible emissions within the acceptable range. [District Rule 2520, 9.4.1]

The following conditions will also be included to ensure compliance:

- Visible emissions shall not be discharged to the atmosphere in excess of 9 minutes per 3 hour period. [District Rules 4101 and 2520, 9.3]
- The minimum observation time for visible emissions shall be a series of three 1-hour observations. [District Rule 2520, 9.3]
- The average duration of visible emissions per hour shall be calculated from the three 1-hour observations. The average shall be used to determine compliance with the visible emissions limit. [District Rule 2520, 9.3]

C-825-4-7 – Fuel Handling, Processing and Storage Operation

The following conditions will be included to ensure compliance:

- Visible emissions shall not be discharged to the atmosphere in excess of 9 minutes per 3 hour period. [District Rules 4101 and 2520, 9.3]
- The minimum observation time for visible emissions shall be a series of three 1-hour observations. [District Rule 2520, 9.3]
- The average duration of visible emissions per hour shall be calculated from the three 1-hour observations. The average shall be used to determine compliance with the visible emissions limit. [District Rule 2520, 9.3]

Existing condition 9 will be revised from:

- Visible emissions shall be checked monthly during operation. If visible emissions are observed, corrective action shall be taken to eliminate visible emissions. If visible emissions cannot be corrected within 24 hours, a visible emissions test using EPA

Method 9 shall be conducted within 24 hours and the District shall be notified. [District Rule 2520, 9.3.2]

to:

- Visible emissions shall be checked monthly during operation. If visible emissions are observed, corrective action shall be taken to eliminate visible emissions. If visible emissions cannot be corrected within 24 hours, a visible emissions test using EPA Method 22 shall be conducted within 24 hours and the District shall be notified. [District Rule 2520, 9.3.2]

Rule 4001 New Source Performance Standards

This rule incorporates NSPS from Part 60, Chapter 1, Title 40, Code of Federal Regulations (CFR); and applies to all new sources of air pollution and modifications of existing sources of air pollution listed in 40 CFR Part 60. The subparts of 40 CFR Part 60 that apply are from subpart A (General Provisions) and Da (Standards of Performance for Fossil-Fuel-Fired Steam Generators for Which Construction Is Commenced After August 17, 1971) and are for the fluidized bed boiler operation. These requirements were previously incorporated into the permit for this unit. Since there are no newly constructed or reconstructed units proposed in this project, nor is the unit being modified, continued compliance is expected

Rule 4002 - National Emission Standards for Hazardous Air Pollutants (NESHAPs)

This rule incorporates NESHAPs from Part 61, Chapter I, Subchapter C, Title 40, CFR and the NESHAPs from Part 63, Chapter I, Subchapter C, Title 40, CFR; and applies to all sources of hazardous air pollution listed in 40 CFR Part 61 or 40 CFR Part 63. However, no subparts of 40 CFR Part 61 or 40 CFR Part 63 apply to biomass fuel receiving and unloading operations or fuel handling, processing and storage operations.

Rule 4101 Visible Emissions

Per Section 5.0, no person shall discharge into the atmosphere emissions of any air contaminant aggregating more than 3 minutes in any hour which is as dark as or darker than Ringelmann 1 (or 20% opacity). As long as the equipment is properly maintained and operated, compliance with the visible emissions limit is expected under normal operating conditions. Also, based on past inspections of the facility continued compliance is expected.

Rule 4102 Nuisance

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

California Health & Safety Code 41700 (Health Risk Assessment)

District Policy APR 1905 – Risk Management Policy for Permitting New and Modified Sources specifies that for an increase in emissions associated with a proposed new source

or modification, the District perform an analysis to determine the possible impact to the nearest resident or worksite.

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

Rule 4202 – Particulate Matter Emission Rate

The purpose of this rule is to limit particulate matter emissions by establishing allowable emission rates. To meet the requirements of this rule the maximum allowable emission rate specified in the rule must be met. This is determined as follows:

$$E = 3.59 \times P^{0.62}, \text{ when } P \leq 30 \text{ ton/hr}$$

or

$$E = 17.31 \times P^{0.16}, \text{ when } P > 30 \text{ ton/hr}$$

Where:

E = Maximum allowable emissions in lb-PM/hr

P = Process weight in ton/hr

For unit -3-7, the fuel receiving and unloading operation:

Thus:

$$P = 3,600 \text{ ton-fuel/day} \div 24 \text{ hr/day (per condition limits, see Appendix A)}$$

$$P = 150.0 \text{ ton/hr}$$

$$E = 17.31 \times (150.0)^{0.16}$$

$$E = 38.6 \text{ lb-PM/hr}$$

From Section previous evaluation:

$$PE2_{\text{Total}} = 114.2 \text{ lb-PM}_{10}/\text{day}$$

$$PE2_{\text{Hourly}} = 114.2 \text{ lb-PM}_{10}/\text{day} \div 24 \text{ hr/day}$$

$$PE2_{\text{Hourly}} = 4.8 \text{ lb-PM}_{10}/\text{hr}$$

Assuming 50% of PM is PM₁₀, then:

$$PM \text{ PE2}_{\text{Hourly}} = (4.8 \text{ lb-PM}_{10}/\text{hr}) \div 0.5$$

$$PM \text{ PE2}_{\text{Hourly}} = 9.6 \text{ lb-PM/hr}$$

For this project the emissions rate is 9.6 lb-PM/hr for the fuel receiving and unloading operation, which is well less than the Rule limit of 38.6 lb-PM/hr. Therefore, the following condition will be listed on ATC C-0825-3-7 to ensure compliance:

- Particulate matter emissions shall not exceed the hourly rate as calculated in District Rule 4202 using the equation $E = 3.59 \times P^{0.62}$; if P is less than or equal to 30 tons per hour, or $E = 17.31 \times P^{0.16}$; P is greater than 30 tons per hour. [District Rule 4202]

For unit -4-7, the fuel handling, processing and storage operation:

Thus:

$$P = 1,200 \text{ ton-fuel/day} \div 24 \text{ hr/day (per condition limits, see Appendix A)}$$

$$P = 50 \text{ ton/hr}$$

$$E = 17.31 \times (50.0)^{0.16}$$

$$\mathbf{E = 32.4 \text{ lb-PM/hr}}$$

From Section permit:

$$PE2_{\text{Total}} = 64.8 \text{ lb-PM}_{10}/\text{day}$$

$$PE2_{\text{Hourly}} = 64.8 \text{ lb-PM}_{10}/\text{day} \div 24 \text{ hr/day}$$

$$\mathbf{PE2_{\text{Hourly}} = 2.7 \text{ lb-PM}_{10}/\text{hr}}$$

Assuming 50% of PM is PM₁₀, then:

$$PM \text{ PE2}_{\text{Hourly}} = (2.7 \text{ lb-PM}_{10}/\text{hr}) \div 0.5$$

$$\mathbf{PM \text{ PE2}_{\text{Hourly}} = 5.4 \text{ lb-PM/hr}}$$

For this project the emissions rate is 5.4 lb-PM/hr for the fuel handling, processing and storage operation, which is well less than the Rule limit of 32.4 lb-PM/hr. Therefore, the following condition will be listed on ATC C-0825-4-7 to ensure compliance:

- For a given material process rate P (tons/hour), particulate matter (PM) emissions shall not exceed the hourly rate (E) as calculated in District Rule 4202 using the equation $E = 3.59 \times P^{0.62}$, if P is less than or equal to 30 tons per hour; or $E = 17.31 \times P^{0.16}$, P is greater than 30 tons per hour. [District Rule 4202]

California Health & Safety Code 42301.6 (School Notice)

The District has verified that this site is located within 1,000 feet of a school. However, pursuant to California Health and Safety Code 42301.6, since this project will not result in an increase in emissions, a school notice is not required.

California Environmental Quality Act (CEQA)

The California Environmental Quality Act (CEQA) requires each public agency to adopt objectives, criteria, and specific procedures consistent with CEQA Statutes and the CEQA Guidelines for administering its responsibilities under CEQA, including the orderly evaluation of projects and preparation of environmental documents. The San Joaquin Valley Unified Air Pollution Control District (District) adopted its *Environmental Review Guidelines* (ERG) in 2001. The basic purposes of CEQA are to:

- Inform governmental decision-makers and the public about the potential, significant environmental effects of proposed activities;
- Identify the ways that environmental damage can be avoided or significantly reduced;
- Prevent significant, avoidable damage to the environment by requiring changes in projects through the use of alternatives or mitigation measures when the governmental agency finds the changes to be feasible; and
- Disclose to the public the reasons why a governmental agency approved the project in the manner the agency chose if significant environmental effects are involved.

The District performed an Engineering Evaluation (this document) for the proposed project and determined that all project specific emission unit(s) are exempt from Best Available Control Technology (BACT) requirements. Furthermore, the District conducted a Risk Management Review and concludes that potential health impacts are less than significant.

Issuance of permits for emissions units not subject to BACT requirements and with health impact less than significant is a matter of ensuring conformity with applicable District rules and regulations and does not require discretionary judgment or deliberation. Thus, the District concludes that this permitting action constitutes a ministerial approval. Section 21080 of the Public Resources Code exempts from the application of CEQA those projects over which a public agency exercises only ministerial approval. Therefore, the District finds that this project is exempt from the provisions of CEQA.

IX. Recommendation

Compliance with all applicable rules and regulations is expected. Issue Authority to Construct permits C-825-3-7 and -4-7 subject to the permit conditions on the attached draft Authority to Construct permits in Appendix D.

X. Billing Information

Annual Permit Fees			
Permit Number	Fee Schedule	Fee Description	Annual Fee
C-1059-19-4	3020-08A-C	3,500 kW	\$1,533.00
C-1059-20-4	3020-08A-C	3,500 kW	\$1,533.00

Appendixes

- A: Current Permits
- B: Draft ATCs
- C: Compliance Certification

APPENDIX A
Current Permits

San Joaquin Valley Air Pollution Control District

PERMIT UNIT: C-825-3-3

EXPIRATION DATE: 11/30/2010

EQUIPMENT DESCRIPTION:

FUEL RECEIVING AND UNLOADING OPERATION CONSISTING OF TWO (2) TRUCK TIPPERS, STORAGE YARD OPERATIONS, AND BATCH TRANSFER TO THE FUEL RECEIVING HOPPER

PERMIT UNIT REQUIREMENTS

1. Particulate Matter (PM10) emissions from this fuel receiving, unloading, and storage operation shall not exceed 114.2 lb/day. [District NSR Rule] Federally Enforceable Through Title V Permit
2. Water sprays shall be operated on material handling points whenever material is being transferred. [District NSR Rule] Federally Enforceable Through Title V Permit
3. Fuel receiving rate shall not exceed 3,600 tons per day. [District NSR Rule] Federally Enforceable Through Title V Permit
4. Records of daily fuel materials received shall be maintained, retained on the premises for at least five years, and provided to the District upon request. [District NSR Rule and District Rule 2520, 9.3.2] Federally Enforceable Through Title V Permit
5. Water truck shall be used to spray the grounds to control fugitive dust from vehicle and equipment traffic. [District NSR Rule] Federally Enforceable Through Title V Permit
6. For a given material process rate P (tons/hour), particulate matter (PM) emissions shall not exceed the hourly rate (E) as calculated in District Rule 4202 using the equation $E = 3.59 \times P^{0.62}$, if P is less than or equal to 30 tons per hour; or $E = 17.31 \times P^{0.16}$, P is greater than 30 tons per hour. [District Rule 4202] Federally Enforceable Through Title V Permit
7. Visible emissions shall be inspected annually using EPA Method 9 under material and environmental conditions where high emissions are expected, such as dry and windy. [District Rule 2520, 9.3] Federally Enforceable Through Title V Permit
8. The permittee shall maintain records of: (1) the date and time of visible emissions observations, (2) the opacity reading, and (3) a description of any corrective action taken to maintain the visible emissions within the acceptable range. [District Rule 2520, 9.4.1] Federally Enforceable Through Title V Permit
9. Records shall be retained on-site for a period of at least five years and made available for District inspection upon request. [District Rule 2520, 9.4.2] Federally Enforceable Through Title V Permit

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

San Joaquin Valley Air Pollution Control District

PERMIT UNIT: C-825-4-5

EXPIRATION DATE: 11/30/2010

EQUIPMENT DESCRIPTION:

BIOMASS FUEL HANDLING, PROCESSING, AND STORAGE OPERATION WITH ENCLOSED BELT CONVEYORS AND TRANSFER POINTS, RECLAIMERS, HAMMER HOG, HOG TOWER SERVED BY A BAGHOUSE AND A FUEL FEEDER SURGE BIN DUCTED TO THE MAIN BOILER EXHAUST PLENUM (C-825-5)

PERMIT UNIT REQUIREMENTS

1. All equipment shall be maintained in good operating condition and shall be operated in a manner to minimize emissions of air contaminants into the atmosphere. [District NSR Rule] Federally Enforceable Through Title V Permit
2. Particulate matter emissions shall not exceed 0.1 grains/dscf in concentration. [District Rule 4201] Federally Enforceable Through Title V Permit
3. Particulate Matter (PM10) emissions from baghouse #1 serving the hammer hog tower (emergency reclaimer, fuel rationing conveyors, disc screens) shall not exceed 0.0005 lb/ton of handled fuel material. [District NSR Rule] Federally Enforceable Through Title V Permit
4. Particulate Matter (PM10) emissions from this fuel handling, processing, and storage operation shall not exceed 64.8 lb/day. [District NSR Rule] Federally Enforceable Through Title V Permit
5. Material removed from dust collectors shall be disposed of in a manner preventing entrainment into the atmosphere. [District NSR Rule] Federally Enforceable Through Title V Permit
6. The baghouse cleaning frequency and duration shall be adjusted to optimize the control efficiency. [District NSR Rule] Federally Enforceable Through Title V Permit
7. The baghouses shall be equipped with an operational pressure differential gauge to indicate the pressure drop across each compartment. [District NSR Rule] Federally Enforceable Through Title V Permit
8. Fuel processing rate shall not exceed 1,200 tons per day. [District NSR Rule] Federally Enforceable Through Title V Permit
9. Visible emissions shall be checked monthly during operation. If visible emissions are observed, corrective action shall be taken to eliminate visible emissions. If visible emissions cannot be corrected within 24 hours, a visible emissions test using EPA Method 9 shall be conducted within 24 hours and the District shall be notified. [District Rule 2520, 9.3.2] Federally Enforceable Through Title V Permit
10. Dust collection system shall be completely inspected annually while in operation for evidence of particulate matter leaks and repaired as needed, [District Rule 2520, 9.3.2] Federally Enforceable Through Title V Permit
11. Dust collector filter shall be thoroughly inspected annually for tears, scuffs, abrasions, holes or any evidence of particulate matter leaks and shall be replaced as needed. [District Rule 2520, 9.3.2] Federally Enforceable Through Title V Permit
12. Records of dust collector maintenance, inspections and repair shall be maintained. The records shall include identification of the equipment, date of inspection, corrective action taken, and identification of the individual performing the inspection. [District Rule 2520, 9.4.2] 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.

13. Records of daily fuel materials handled shall be maintained, retained on the premises for at least five years, and provided to the District upon request. [District Rules 1070 and 2520, 9.4.2] Federally Enforceable Through Title V Permit
14. For a given material process rate P (tons/hour), particulate matter (PM) emissions shall not exceed the hourly rate (E) as calculated in District Rule 4202 using the equation $E = 3.59 \times P^{0.62}$, if P is less than or equal to 30 tons per hour; or $E = 17.31 \times P^{0.16}$, P is greater than 30 tons per hour. [District Rule 4202] Federally Enforceable Through Title V Permit
15. The differential pressure gauge reading range for the baghouse shall be established per manufacturer's recommendation. [District Rule 2520, 9.3] Federally Enforceable Through Title V Permit
16. Differential operating pressure shall be monitored and recorded on each day that the baghouse operates. [District Rule 2520, 9.3] Federally Enforceable Through Title V Permit
17. Records shall be retained on-site for a period of at least five years and made available for District inspection upon request. [District Rule 2520, 9.4.2] Federally Enforceable Through Title V Permit

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

APPENDIX B
Draft ATCs

San Joaquin Valley
Air Pollution Control District

AUTHORITY TO CONSTRUCT

ISSUANCE DATE: DRAFT

PERMIT NO: C-825-3-7

LEGAL OWNER OR OPERATOR: COVANTA MENDOTA LP
MAILING ADDRESS: P O BOX 99 (400 GUILLEN PKWY)
MENDOTA, CA 93640

LOCATION: 400 GUILLEN PARKWAY
MENDOTA, CA 93640

EQUIPMENT DESCRIPTION:

MODIFICATION OF FUEL RECEIVING AND UNLOADING OPERATION CONSISTING OF TWO (2) TRUCK TIPPERS, STORAGE YARD OPERATIONS, AND BATCH TRANSFER TO THE FUEL RECEIVING HOPPER: CHANGE VISIBLE EMISSIONS TEST FROM EPA METHOD 9 TO METHOD 22

CONDITIONS

1. Particulate Matter (PM10) emissions from this fuel receiving, unloading, and storage operation shall not exceed 114.2 lb/day. [District NSR Rule] Federally Enforceable Through Title V Permit
2. Water sprays shall be operated on material handling points whenever material is being transferred. [District NSR Rule] Federally Enforceable Through Title V Permit
3. Fuel receiving rate shall not exceed 3,600 tons per day. [District NSR Rule] Federally Enforceable Through Title V Permit
4. Records of daily fuel materials received shall be maintained, retained on the premises for at least five years, and provided to the District upon request. [District NSR Rule and District Rule 2520, 9.3.2] Federally Enforceable Through Title V Permit
5. Water truck shall be used to spray the grounds to control fugitive dust from vehicle and equipment traffic. [District NSR Rule] Federally Enforceable Through Title V Permit
6. For a given material process rate P (tons/hour), particulate matter (PM) emissions shall not exceed the hourly rate (E) as calculated in District Rule 4202 using the equation $E = 3.59 \times P^{0.62}$, if P is less than or equal to 30 tons per hour; or $E = 17.31 \times P^{0.16}$, P is greater than 30 tons per hour. [District Rule 4202] Federally Enforceable Through Title V Permit

CONDITIONS CONTINUE ON NEXT PAGE

YOU **MUST** NOTIFY THE DISTRICT COMPLIANCE DIVISION AT (559) 230-5950 WHEN CONSTRUCTION IS COMPLETED AND PRIOR TO OPERATING THE EQUIPMENT OR MODIFICATIONS AUTHORIZED BY THIS AUTHORITY TO CONSTRUCT. This is NOT a PERMIT TO OPERATE. Approval or denial of a PERMIT TO OPERATE will be made after an inspection to verify that the equipment has been constructed in accordance with the approved plans, specifications and conditions of this Authority to Construct, and to determine if the equipment can be operated in compliance with all Rules and Regulations of the San Joaquin Valley Unified Air Pollution Control District. Unless construction has commenced pursuant to Rule 2050, this Authority to Construct shall expire and application shall be cancelled two years from the date of issuance. The applicant is responsible for complying with all laws, ordinances and regulations of all other governmental agencies which may pertain to the above equipment.

Seyed Sadredin, Executive Director APCO

DAVID WARNER, Director of Permit Services

C-825-3-7, Oct 27 2011 9:27AM - GARCIAJ : Joint Inspection NOT Required

7. Visible emissions shall not be discharged to the atmosphere in excess of 9 minutes per 3 hour period. [District Rules 4101 and 2520, 9.3] Federally Enforceable Through Title V Permit
8. Visible emissions shall be inspected annually using EPA Method 22 under material and environmental conditions where high emissions are expected, such as dry and windy. [District Rule 2520, 9.3] Federally Enforceable Through Title V Permit
9. The minimum observation time shall be a series of three 1-hour observations. [District Rule 2520, 9.3] Federally Enforceable Through Title V Permit
10. The average duration of visible emissions per hour shall be calculated from the three 1-hour observations. The average shall be used to determine compliance with the visible emissions limit. [District Rule 2520, 9.3] Federally Enforceable Through Title V Permit
11. The permittee shall maintain records of: (1) the date and time of visible emissions observations, (2) total time of visible emissions, and (3) a description of any corrective action taken to maintain the visible emissions within the acceptable range. [District Rule 2520, 9.4.1] Federally Enforceable Through Title V Permit
12. Records shall be retained on-site for a period of at least five years and made available for District inspection upon request. [District Rule 2520, 9.4.2] Federally Enforceable Through Title V Permit

DRAFT

San Joaquin Valley
Air Pollution Control District

AUTHORITY TO CONSTRUCT

ISSUANCE DATE: DRAFT

PERMIT NO: C-825-4-7

LEGAL OWNER OR OPERATOR: COVANTA MENDOTA LP
MAILING ADDRESS: P O BOX 99 (400 GUILLEN PKWY)
MENDOTA, CA 93640

LOCATION: 400 GUILLEN PARKWAY
MENDOTA, CA 93640

EQUIPMENT DESCRIPTION:

MODIFICATION OF BIOMASS FUEL HANDLING, PROCESSING, AND STORAGE OPERATION WITH ENCLOSED BELT CONVEYORS AND TRANSFER POINTS, RECLAIMERS, HAMMER HOG, HOG TOWER SERVED BY A BAGHOUSE AND A FUEL FEEDER SURGE BIN DUCTED TO THE MAIN BOILER EXHAUST PLENUM (C-825-5); CHANGE VISIBLE EMISSIONS TEST FROM EPA METHOD 9 TO METHOD 22

CONDITIONS

1. All equipment shall be maintained in good operating condition and shall be operated in a manner to minimize emissions of air contaminants into the atmosphere. [District NSR Rule] Federally Enforceable Through Title V Permit
2. Particulate matter emissions shall not exceed 0.1 grains/dscf in concentration. [District Rule 4201] Federally Enforceable Through Title V Permit
3. Particulate Matter (PM10) emissions from baghouse #1 serving the hammer hog tower (emergency reclaimer, fuel rationing conveyors, disc screens) shall not exceed 0.0005 lb/ton of handled fuel material. [District NSR Rule] Federally Enforceable Through Title V Permit
4. Particulate Matter (PM10) emissions from this fuel handling, processing, and storage operation shall not exceed 64.8 lb/day. [District NSR Rule] Federally Enforceable Through Title V Permit
5. Material removed from dust collectors shall be disposed of in a manner preventing entrainment into the atmosphere. [District NSR Rule] Federally Enforceable Through Title V Permit
6. The baghouse cleaning frequency and duration shall be adjusted to optimize the control efficiency. [District NSR Rule] Federally Enforceable Through Title V Permit
7. The baghouses shall be equipped with an operational pressure differential gauge to indicate the pressure drop across each compartment. [District NSR Rule] Federally Enforceable Through Title V Permit

CONDITIONS CONTINUE ON NEXT PAGE

YOU **MUST** NOTIFY THE DISTRICT COMPLIANCE DIVISION AT (559) 230-5950 WHEN CONSTRUCTION IS COMPLETED AND PRIOR TO OPERATING THE EQUIPMENT OR MODIFICATIONS AUTHORIZED BY THIS AUTHORITY TO CONSTRUCT. This is NOT a PERMIT TO OPERATE. Approval or denial of a PERMIT TO OPERATE will be made after an inspection to verify that the equipment has been constructed in accordance with the approved plans, specifications and conditions of this Authority to Construct, and to determine if the equipment can be operated in compliance with all Rules and Regulations of the San Joaquin Valley Unified Air Pollution Control District. Unless construction has commenced pursuant to Rule 2050, this Authority to Construct shall expire and application shall be cancelled two years from the date of issuance. The applicant is responsible for complying with all laws, ordinances and regulations of all other governmental agencies which may pertain to the above equipment.

Seyed Sadredin, Executive Director APCO

DAVID WARNER, Director of Permit Services

C-825-4-7 : Oct 27 2011 9:27AM -- GARCIAJ : Joint Inspection NOT Required

8. Fuel processing rate shall not exceed 1,200 tons per day. [District NSR Rule] Federally Enforceable Through Title V Permit
9. Visible emissions shall not be discharged to the atmosphere in excess of 9 minutes per 3 hour period. [District Rules 4101 and 2520, 9.3] Federally Enforceable Through Title V Permit
10. Visible emissions shall be checked monthly during operation. If visible emissions are observed, corrective action shall be taken to eliminate visible emissions. If visible emissions cannot be corrected within 24 hours, a visible emissions test using EPA Method 22 shall be conducted within 24 hours and the District shall be notified. [District Rule 2520, 9.3.2] Federally Enforceable Through Title V Permit
11. The minimum observation time for visible emissions shall be a series of three 1-hour observations. [District Rule 2520, 9.3] Federally Enforceable Through Title V Permit
12. The average duration of visible emissions per hour shall be calculated from the three 1-hour observations. The average shall be used to determine compliance with the visible emissions limit. [District Rule 2520, 9.3] Federally Enforceable Through Title V Permit
13. Dust collection system shall be completely inspected annually while in operation for evidence of particulate matter leaks and repaired as needed, [District Rule 2520, 9.3.2] Federally Enforceable Through Title V Permit
14. Dust collector filter shall be thoroughly inspected annually for tears, scuffs, abrasions, holes or any evidence of particulate matter leaks and shall be replaced as needed. [District Rule 2520, 9.3.2] Federally Enforceable Through Title V Permit
15. Records of dust collector maintenance, inspections and repair shall be maintained. The records shall include identification of the equipment, date of inspection, corrective action taken, and identification of the individual performing the inspection. [District Rule 2520, 9.4.2] Federally Enforceable Through Title V Permit
16. Records of daily fuel materials handled shall be maintained, retained on the premises for at least five years, and provided to the District upon request. [District Rules 1070 and 2520, 9.4.2] Federally Enforceable Through Title V Permit
17. For a given material process rate P (tons/hour), particulate matter (PM) emissions shall not exceed the hourly rate (E) as calculated in District Rule 4202 using the equation $E = 3.59 \times P^{0.62}$, if P is less than or equal to 30 tons per hour; or $E = 17.31 \times P^{0.16}$, P is greater than 30 tons per hour. [District Rule 4202] Federally Enforceable Through Title V Permit
18. The differential pressure gauge reading range for the baghouse shall be established per manufacturer's recommendation. [District Rule 2520, 9.3] Federally Enforceable Through Title V Permit
19. Differential operating pressure shall be monitored and recorded on each day that the baghouse operates. [District Rule 2520, 9.3] Federally Enforceable Through Title V Permit
20. Records shall be retained on-site for a period of at least five years and made available for District inspection upon request. [District Rule 2520, 9.4.2] Federally Enforceable Through Title V Permit

DRAFT

APPENDIX C
Compliance Certification

**San Joaquin Valley
Unified Air Pollution Control District**

TITLE V MODIFICATION - COMPLIANCE CERTIFICATION FORM

I. TYPE OF PERMIT ACTION (Check appropriate box)

- SIGNIFICANT PERMIT MODIFICATION ADMINISTRATIVE
 MINOR PERMIT MODIFICATION AMENDMENT

COMPANY NAME: Covanta Mendota, LP	FACILITY ID: C-825
1. Type of Organization: <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Sole Ownership <input type="checkbox"/> Government <input type="checkbox"/> Partnership <input type="checkbox"/> Utility	
2. Owner's Name: Covanta Energy	
3. Agent to the Owner: n/a	

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

- Based on information and belief formed after reasonable inquiry, the equipment identified in this application will continue to comply with the applicable federal requirement(s).
- Based on information and belief formed after reasonable inquiry, the equipment identified in this application will comply with applicable federal requirement(s) that will become effective during the permit term, on a timely basis.
- Corrected information will be provided to the District when I become aware that incorrect or incomplete information has been submitted.
- Based on information and belief formed after reasonable inquiry, information and statements in the submitted application package, including all accompanying reports, and required certifications are true accurate and complete.

I declare, under penalty of perjury under the laws of the state of California, that the forgoing is correct and true:



Signature of Responsible Official

8-11-11

Date

Clint Cooper

Name of Responsible Official (please print)

Southern Biomass General Manager

Title of Responsible Official (please print)