



JAN 07 2013

David Kandolha
Merced Power, LLC
P.O. Box 298
Chowchilla, CA 93610

**Re: Notice of Minor Title V Permit Modification
District Facility # N-4607
Project # N-1123090**

Dear Mr. Kandolha:

Enclosed is the District's analysis of your application for minor Title V permit modification for the facility identified above. You proposed a Title V minor permit modification to incorporate recently issued N-4607-10-3 into the Title V operating permit. The purpose of the modification is to increase the annual flyash loadout from 11,000 tons per year to 18,000 tons per year.

Enclosed is the engineering evaluation with the following attachments: proposed modified Title V permit, recently issued N-4607-10-3, emission increases, application, and previous Title V permit. This project will be subject to a 45-day EPA commenting period prior to the District taking final action.

Thank you for your cooperation in this matter. If you have any questions, please contact Mr. Jim Swaney at (559) 230-5900.

Sincerely,

David Warner
Director of Permit Services

Enclosures

Seyed Sadredin
Executive Director/Air Pollution Control Officer

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

Central Region (Main Office)
1990 E. Gettysburg Avenue
Fresno, CA 93726-0244
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



JAN 07 2013

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

Re: **Notice of Minor Title V Permit Modification**
District Facility # N-4607
Project # N-1123090

Dear Mr. Rios:

Enclosed for you to review is an application for minor Title V permit modification for the facility identified above. Merced Power, LLC is proposing a Title V minor permit modification to incorporate the recently issued N-4607-10-3 into the Title V operating permit. The purpose of the modification is to increase the annual flyash loadout from 11,000 tons per year to 18,000 tons per year.

Enclosed is the engineering evaluation with the following attachments: proposed modified Title V permit, recently issued N-4607-10-3, emission increases, application, and previous Title V permit. Please submit your written comments on this project within the 45-day comment period that begins on the date you receive this letter.

Thank you for your cooperation in this matter. If you have any questions, please contact Mr. Jim Swaney at (559) 230-5900.

Sincerely,

David Warner
Director of Permit Services

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TITLE V APPLICATION REVIEW

Minor Modification
Project #: N-1123090

Engineer: Sandra Lowe-Leseth
Date: December 31, 2012

Facility Number: N-4607
Facility Name: Merced Power LLC
Mailing Address: P.O. Box 298
Chowchilla, CA 93610

Contact Name: David Kandolha
Phone: 559-665-0819

Responsible Official: David Kandolha
Title: Manager

I. PROPOSAL

Merced Power LLC is proposing a Title V minor permit modification to incorporate the recently issued N-4607-10-3 into the Title V operating permit. The purpose of the modification is to increase the annual flyash loadout from 11,000 tons per year to 18,000 tons per year.

The purpose of this evaluation is to identify all applicable requirements, determine if the facility will comply with the applicable requirements and to provide the legal and factual basis for the proposed revisions.

II. FACILITY LOCATION

The facility is located at 30 West Sandy Mush Road in El Nido, CA.

III. EQUIPMENT DESCRIPTION

N-4607-10-4: FLY ASH HANDLING, AND LOADOUT OPERATION CONSISTING OF ROTARY FEEDERS, ENCLOSED SCREW/CHAIN CONVEYORS, A SURGE BIN, AND A WET CONDITIONING SCREW CONVEYOR

IV. SCOPE OF EPA AND PUBLIC REVIEW

This change to a Title V permit is considered to be a minor modification and, as such, requires no public review.

V. APPLICABLE REQUIREMENTS

District Rule 2520, Federally Mandated Operating Permits (Amended June 21, 2001)

VI. DESCRIPTION OF PROPOSED MODIFICATIONS

Merced Power, LLC is proposing to modify the fly ash handling, storage and load out operation listed in permit N-4607-10. The facility proposes to increase the annual maximum fly ash load out from 11,000 tons/year to 18,000 tons/year. The facility has been burning a higher percentage of urban wood waste as its source of biomass rather than agricultural wood waste. The urban fuel has a higher ash content as well as a higher sulfur content which requires more limestone injection to capture the resulting SO₂. Both of these result in more ash being generated at the facility.

All of the conditons of the current Title V operating permit for this unit (N-4607-10-2) except Condition #4 are transferred to the proposed permit without change. Condition 4 has increased the flyash throughput from 11,000 tons (dry) per rollling 12-month period to 18,000 tons (dry) per rolling 12-month period.

VII. COMPLIANCE

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.

In accordance with Rule 2520, the application meets the procedural requirements of section 11.4 by including;

1. A description of the change, the emissions resulting from the change, and any new applicable requirements that will apply if the change occurs;
2. The source's suggested draft permit; and
3. Certification by a responsible official that the proposed modification meets the criteria for use of minor permit modification procedures and a request that such procedures be used.

VIII. ATTACHMENTS

- A. Proposed Modified Title V Operating Permit No. N-4607-10-4
- B. Authority to Construct No. N-4607-10-3
- C. Emissions Increases
- D. Application
- E. Previous Title V Operating Permit No. N-4607-10-2

ATTACHMENT A

Proposed Modified Title V Operating
Permit No. N-4607-10-4

San Joaquin Valley Air Pollution Control District

PERMIT UNIT: N-4607-10-4

EXPIRATION DATE: 10/31/2016

EQUIPMENT DESCRIPTION:

MODIFICATION OF FLY ASH HANDLING, AND LOADOUT OPERATION CONSISTING OF ROTARY FEEDERS, ENCLOSED SCREW/CHAIN CONVEYORS, A SURGE BIN, AND A WET CONDITIONING SCREW CONVEYOR: CONVERT ATC ASSOCIATED WITH MODIFICATION OF FLY ASH HANDLING AND LOADOUT OPERATION UNIT -10 TO INCREASE THE ANNUAL LOADOUT [ATC PROJECT N1123085]

PERMIT UNIT REQUIREMENTS

1. The enclosed conveyors include: economizer conveyor to boiler ash conveyor, multiclone conveyor #1 to the boiler ash conveyor, multiclone conveyor #2 to the boiler ash conveyor, boiler conveyor to the boiler ash conveyor, super heater conveyor to the boiler ash conveyor, boiler ash conveyor to the collecting conveyor, baghouse conveyor #1 to the collecting conveyor, baghouse conveyor #2 to the collecting conveyor, collecting conveyor to surge bin, surge bin to truck loadout via a wet conditioning screw conveyor. [District NSR Rule] Federally Enforceable Through Title V Permit
2. PM10 emissions from each flyash transfer operation shall not exceed 0.000046 pounds per ton of flyash loadout. [District NSR Rule] Federally Enforceable Through Title V Permit
3. The flyash loadout shall not exceed 96 tons (dry) in any one day. [District NSR Rule] Federally Enforceable Through Title V Permit
4. The flyash loadout shall not exceed 18,000 tons (dry) in a rolling 12 consecutive month period. [District NSR Rule] Federally Enforceable Through Title V Permit
5. The moisture content in the flyash being loaded shall be at least 6% (by weight). The permittee shall keep records of the date and the amount of water injected (gallons) in a wet conditioning screw conveyor for each flyash loadout. [District NSR Rule] Federally Enforceable Through Title V Permit
6. The permittee shall keep records of the date and flyash loadout (dry-tons). [District NSR Rule] Federally Enforceable Through Title V Permit
7. The permittee shall keep records of cumulative flyash loadout (dry-tons) for each month. These records shall be used to demonstrate compliance with the flyash loadout limit for a rolling 12 consecutive month period. [District NSR Rule] Federally Enforceable Through Title V Permit
8. All records shall be maintained and retained on-site for a period of at least 5 years and shall be made available for District inspection upon request. [District Rule 1070 and 2520, 9.4.2] Federally Enforceable Through Title V Permit
9. Particulate matter emissions shall not exceed the hourly rate as calculated using the equation $E = 3.59 \times P^{0.62}$; P is less than or equal to 30 tons per hour. [District Rule 4202] Federally Enforceable Through Title V Permit
10. Compliance with permit conditions in the Title V permit shall be deemed compliance with SJVUAPCD Rule 4202, Section 4.0 (Amended December 17, 1992). A permit shield is granted from this requirements. [District Rule 2520, 13.2] Federally Enforceable Through Title V Permit

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

ATTACHMENT B

Authority to Construct No. N-4607-10-3



AUTHORITY TO CONSTRUCT

PERMIT NO: N-4607-10-3

ISSUANCE DATE: 11/07/2012

LEGAL OWNER OR OPERATOR: MERCED POWER, LLC
MAILING ADDRESS: P O BOX 298
CHOWCHILLA, CA 93610

LOCATION: 30 W SANDY MUSH ROAD
EL NIDO, CA

EQUIPMENT DESCRIPTION:

MODIFICATION OF FLY ASH HANDLING, AND LOADOUT OPERATION CONSISTING OF ROTARY FEEDERS, ENCLOSED SCREW/CHAIN CONVEYORS, A SURGE BIN, AND A WET CONDITIONING SCREW CONVEYOR: INCREASE ANNUAL FLY ASH LOADOUT FROM 11,000 TONS/YEAR TO 18,000 TONS/YEAR

CONDITIONS

1. The facility shall submit an application to modify the Title V permit in accordance with the timeframes and procedures of District Rule 2520. [District Rule 2520] Federally Enforceable Through Title V Permit
2. No air contaminant shall be released into the atmosphere which causes a public nuisance. [District Rule 4102]
3. No air contaminant shall be discharged into the atmosphere for a period or periods aggregating more than three minutes in any one hour which is as dark as, or darker than, Ringelmann 1 or 20% opacity. [District Rule 4101] Federally Enforceable Through Title V Permit
4. The enclosed conveyors include: economizer conveyor to boiler ash conveyor, multiclone conveyor #1 to the boiler ash conveyor, multiclone conveyor #2 to the boiler ash conveyor, boiler conveyor to the boiler ash conveyor, super heater conveyor to the boiler ash conveyor, boiler ash conveyor to the collecting conveyor, baghouse conveyor #1 to the collecting conveyor, baghouse conveyor #2 to the collecting conveyor, collecting conveyor to surge bin, surge bin to truck load out via a wet conditioning screw conveyor. [District Rule 2201] Federally Enforceable Through Title V Permit
5. PM10 emissions from each fly ash transfer operation shall not exceed 0.000046 pounds per ton of fly ash load out. [District Rule 2201] Federally Enforceable Through Title V Permit
6. The fly ash load out shall not exceed 96 tons (dry) in any one day. [District Rule 2201] Federally Enforceable Through Title V Permit

CONDITIONS CONTINUE ON NEXT PAGE

YOU MUST NOTIFY THE DISTRICT COMPLIANCE DIVISION AT (209) 557-6400 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
N-4607-10-3 : Dec 12 2012 4:59PM - LOWELES : Joint Inspection NOT Required



7. The fly ash load out shall not exceed 18,000 tons (dry) in a rolling 12 consecutive month period. [District Rule 2201]
8. The moisture content in the fly ash being loaded shall be at least 6% (by weight). The permittee shall keep records of the date and the amount of water injected (gallons) in a wet conditioning screw conveyor for each fly ash load out. [District Rule 2201] Federally Enforceable Through Title V Permit
9. The permittee shall keep records of the date and fly ash load out (dry-tons). [District Rule 2201] Federally Enforceable Through Title V Permit
10. The permittee shall keep records of cumulative fly ash load out (dry-tons) for each month. These records shall be used to demonstrate compliance with the fly ash load out limit for a rolling 12 consecutive month period. [District Rule 2201] Federally Enforceable Through Title V Permit
11. All records shall be maintained and retained on-site for a period of at least 5 years and shall be made available for District inspection upon request. [District Rules 1070 and 2520] Federally Enforceable Through Title V Permit
12. Particulate matter emissions shall not exceed the hourly rate as calculated using the equation $E = 3.59 \times P^{0.62}$; P is less than or equal to 30 tons per hour. [District Rule 4202] Federally Enforceable Through Title V Permit
13. Compliance with permit conditions in the Title V permit shall be deemed compliance with SJVUAPCD Rule 4202, Section 4.0 (Amended December 17, 1992). A permit shield is granted from this requirements. [District Rule 2520] Federally Enforceable Through Title V Permit



ATTACHMENT C

Emissions Increases

Stationary Source Increase in Permitted Emissions [SSIPE] (lb/yr)					
Permit Unit	NO _x	SO _x	PM ₁₀	CO	VOC
N-4607-6-2	0	0	0	0	0
N-4607-7-1	0	0	0	0	0
N-4607-8-3	0	0	0	0	0
N-4607-9-1	0	0	0	0	0
N-4607-10-4	0	0	3	0	0
N-4607-11-1	0	0	0	0	0
Total SSIPE	0	0	3	0	0

ATTACHMENT D

Application

San Joaquin Valley Air Pollution Control District
www.valleyair.org

RECEIVED
OCT 04 2012

Permit Application For:

ERIP
SJVAPCD

[] ADMINISTRATIVE AMENDMENT [X] MINOR MODIFICATION [] SIGNIFICANT MODIFICATION

1. PERMIT TO BE ISSUED TO: Merced Power LLC	
2. MAILING ADDRESS: STREET/P.O. BOX: <u>PO Box 298</u> CITY: <u>Chowchilla</u> STATE: <u>CA</u> ZIP CODE: <u>93610</u>	
3. LOCATION WHERE THE EQUIPMENT WILL BE OPERATED: STREET: <u>30 W. Sandy Mush Road</u> CITY: <u>El Nido</u> _____ 1/4 SECTION _____ TOWNSHIP _____ RANGE _____	INSTALLATION DATE: No equipment installed
4. GENERAL NATURE OF BUSINESS: Generation of Electricity from Biomass Combustion	
5. DESCRIPTION OF EQUIPMENT OR MODIFICATION FOR WHICH APPLICATION IS MADE (include Permit #'s if known, and use additional sheets if necessary) Permit to Operate No. N-4607-10-2 Please see attached sheet	
6. TYPE OR PRINT NAME OF APPLICANT: David Kandolha	TITLE OF APPLICANT: Manager
7. SIGNATURE OF APPLICANT: 	DATE: October 3, 2012 PHONE: (559) 665-0819 FAX: () EMAIL: ebomgardner@chowchilla.com

For APCD Use Only:

DATE STAMP: RECEIVED OCT 04 2012 FINANCL SJVUAPC	FILING FEE RECEIVED: \$ <u>71.00</u> CHECK#: <u>6275</u> DATE PAID: <u>10/4/12</u> <u>SV</u> PROJECT NO: <u>N-112308590</u> FACILITY ID: <u>N-4607</u>
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**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: Merced Power, LLC	FACILITY ID: N - 4607
1. Type of Organization: <input type="checkbox"/> Corporation <input checked="" type="checkbox"/> Sole Ownership <input type="checkbox"/> Government <input type="checkbox"/> Partnership <input type="checkbox"/> Utility	
2. Owner's Name: Global Ampersand, LLC	
3. Agent to the Owner:	

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

- Based on information and belief formed after reasonable inquiry, the source identified in this application will continue to comply with the applicable federal requirement(s).
- Based on information and belief formed after reasonable inquiry, the source 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

October 3, 2012

Date

David Kandolha

Name of Responsible Official (please print)

Manager

Title of Responsible Official (please print)

ATTACHMENT E

Previous Title V Operating
Permit No. N-4607-10-2

San Joaquin Valley Air Pollution Control District

PERMIT UNIT: N-4607-10-2

EXPIRATION DATE: 10/31/2016

EQUIPMENT DESCRIPTION:

FLY ASH HANDLING, AND LOADOUT OPERATION CONSISTING OF ROTARY FEEDERS, ENCLOSED SCREW/CHAIN CONVEYORS, A SURGE BIN, AND A WET CONDITIONING SCREW CONVEYOR

PERMIT UNIT REQUIREMENTS

1. The enclosed conveyors include: economizer conveyor to boiler ash conveyor, multiclone conveyor #1 to the boiler ash conveyor, multiclone conveyor #2 to the boiler ash conveyor, boiler conveyor to the boiler ash conveyor, super heater conveyor to the boiler ash conveyor, boiler ash conveyor to the collecting conveyor, baghouse conveyor #1 to the collecting conveyor, baghouse conveyor #2 to the collecting conveyor, collecting conveyor to surge bin, surge bin to truck loadout via a wet conditioning screw conveyor. [District NSR Rule] Federally Enforceable Through Title V Permit
2. PM10 emissions from each flyash transfer operation shall not exceed 0.000046 pounds per ton of flyash loadout. [District NSR Rule] Federally Enforceable Through Title V Permit
3. The flyash loadout shall not exceed 96 tons (dry) in any one day. [District NSR Rule] Federally Enforceable Through Title V Permit
4. The flyash loadout shall not exceed 11,000 tons (dry) in a rolling 12 consecutive month period. [District NSR Rule] Federally Enforceable Through Title V Permit
5. The moisture content in the flyash being loaded shall be at least 6% (by weight). The permittee shall keep records of the date and the amount of water injected (gallons) in a wet conditioning screw conveyor for each flyash loadout. [District NSR Rule] Federally Enforceable Through Title V Permit
6. The permittee shall keep records of the date and flyash loadout (dry-tons). [District NSR Rule] Federally Enforceable Through Title V Permit
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10. Compliance with permit conditions in the Title V permit shall be deemed compliance with SJVUAPCD Rule 4202, Section 4.0 (Amended December 17, 1992). A permit shield is granted from this requirements. [District Rule 2520, 13.2] Federally Enforceable Through Title V Permit

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