



AUG 19 2014

Mr. Daniel Lee
Paramount Farms International LLC
13646 Highway 33
Lost Hills, CA 93249-9719

**Re: Proposed Authority to Construct/Certificate of Conformity (Minor Mod)
District Facility # S-377
Project # 1143168**

Dear Mr. Lee:

Enclosed for your review is the District's analysis of an application for Authorities to Construct for the facility identified above. You requested that Certificates of Conformity with the procedural requirements of 40 CFR Part 70 be issued with this project. The project authorizes replacement of a flare with a wet scrubber for control of propylene oxide (PPO) emissions from pistachio/almond sterilization process S-377-9 and transferring an existing PPO degassing operation to a separate permit.

After addressing all comments made during the 45-day EPA comment period, the District intends to issue the Authorities to Construct with Certificates 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. Leonard Scandura, Permit Services Manager, at (661) 392-5500.

Seyed Sadredin
Executive Director/Air Pollution Control Officer

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Thank you for your cooperation in this matter.

Sincerely,

A handwritten signature in black ink, appearing to read 'Arnaud Marjollet', is written over the printed name.

Arnaud Marjollet
Director of Permit Services

Enclosures

cc: Gerardo C. Rios, EPA (w/enclosure) via email

Rule 4101 Visible Emissions

Rule 4102 Nuisance

Section 41700 of the California Health & Safety Code

Section 42301.6 of the California Health & Safety Code

Public Resources Code 21000-21177: California Environmental Quality Act (CEQA)
CCR, Title 14, Division 6, Chapter 3, Sections 15000-15387: CEQA Guidelines

II. PROJECT LOCATION:

The facility is located at 13646 Highway 33, Lost Hills, approximately four miles north of Blackwell's Corner, in northwestern Kern County. The facility is not within 1,000 feet of a K-12 school.

A facility location map and Plot Plan are included in in **Attachment II**.

Permit Unit	Section	Township	Range
PPO fumigation	23	26S	19E

III. PROCESS DESCRIPTION:

Almonds and/or pistachios are sterilized using gaseous PPO for the purpose of killing salmonella bacteria and/or vertebrate and invertebrate pest. The nuts loaded into the sterilization chamber on a batch basis. Because of the high vaporization temperature of PPO (its boiling point is 95 °F); the chamber is heated to approximately 105 °F by circulating hot water through coils inside of the chamber prior to PPO injection. After a four to six hour period, the fumigation chamber is exhausted through the "control device." A waste gas flare is the existing approved control device. Due to operational problems, applicant has requested that the flare be replaced by a wet scrubber (reactor). The scrubber solution (3% sulfuric acid solution) reacts very rapidly with the PPO to form propylene glycol.

Two sterilization cycles each processing 25 tons pistachios or 20 tons almonds are completed daily. The charge rates are 270 lbs PPO/cycle and 90 lb PPO/cycle for pistachios and almonds, respectively. Historically, 5162 tons of nuts have been sterilized annually.

Post Fumigation "Off-Gassing" Area

After the PPO fumigation treatment, the nutmeats are stored in an off-gassing area for a period of approximately two days, after which they are shipped to customers. The off-gassing area is a source of fugitive VOC emissions.

A process flow diagram is provided in **Attachment III**.

IV. EQUIPMENT LISTING:

Pre-Project Equipment Description:

S-377-9-6: PROPYLENE OXIDE FUMIGATION OPERATION WITH 3,428 CU FT STERILIZATION CHAMBER EXHAUSTING TO JOHN ZINK OPEN FLARE WITH TWO 50,000 BTU/HR PILOTS

Proposed Modification:

S-377-9-7: MODIFICATION OF PROPYLENE OXIDE FUMIGATION OPERATION WITH 3,428 CU FT STERILIZATION CHAMBER EXHAUSTING TO A JOHN ZINK OPEN FLARE WITH TWO 50,000 BTU/HR PILOTS: REMOVE JOHN ZINK OPEN FLARE WITH TWO 50,000 BTU/HR PILOTS AND REPLACE WITH WET SCRUBBER, DECREASE DAILY THROUGHPUT LIMIT FROM 600 LB-PPO PER DAY TO 540 LB-PPO PER DAY.

Post Project Equipment Description:

S-377-9-7: PROPYLENE OXIDE FUMIGATION OPERATION WITH 3,428 CU FT STERILIZATION CHAMBER EXHAUSTING TO A WET SCRUBBER

S-377-55-0: PROPYLENE OXIDE OFF-GASSING OPERATION CONDUCTED INSIDE BUILDING [APPROX. SIZE 59 FT (L) X 39 FT (W) X 23 FT (H)] WITH TWO EXHAUST FANS

V. EMISSION CONTROL TECHNOLOGY EVALUATION:

An aqueous scrubber will be used to control the PPO emissions being generated by the fumigation chamber. The scrubber contains 3% sulfuric acid in water which reacts very quickly with PPO to form propylene glycol, which is a non-toxic, stable liquid. Recent source test information provided by the applicant (7-18-14 email) indicates that the scrubber is expected to achieve a minimum control efficiency of 98%. No emission control equipment is used for the off-gassing operation.

VI. CALCULATIONS:

A. Assumptions

- PPO (in gaseous form) is 100% VOC.
- VOC is the only air contaminant emitted from this sterilization operation.
- Sterilization and PPO off-gassing of pistachios results in more VOC emissions than sterilization and PPO off-gassing for almonds and therefore is worst case (see application EE).
- Amount of pistachios processed is 50,000 lb nuts/cycle and 10,324,104 lb/yr
- PPO charged into the sterilization chambers is limited 270 lb PPO/cycle
- PPO charged into sterilization chambers is limited to 540 lb VOC/day (worst case 2 cycles/day of 270 lb PPO/cycle for pistachios) and 55,750 lb PPO/yr*

* 270 lb PPO/cycle x 10,324,104 lb nuts/yr/50,000 lb nuts/cycle = 55,750 lb PPO/yr

- The existing flare and scrubber control 99.9% (project 1000946) and 98% of the PPO emissions, respectively.
- The 3,428 ft³ chamber processes 50,000 lbs-pistachios/cycle.
- Off gassing room emissions (0.47 lb/day) were included in the emissions of S-377-9 (pp 3 and 4 of S-377, 1000946 EE). These emissions are recalculated in this project using a methodology recently approved by EPA (discussed below). The recalculated emissions are both PE1 (for S-377-9) and PE2 (S-377-55) consistent with District policy APR 1110 for "revised emissions factors." The transfer of these emissions from '9 to '55 is administrative and therefore this change is not subject to NSR considerations i.e. the degassing emissions included in '55 are not "new" emissions subject to BACT and offsets.
- No off-gassing occurs during sterilization i.e. uncontrolled emissions of PPO (VOC) correspond to the amount injected minus the amount initially absorbed by the nuts.
- The largest off gassing rate is assumed to be the difference in the amount of PPO absorbed by the nuts on day 0 and day 1.

B. Emission Factors

The proposed operation essentially has two emission sources: VOC emissions from the exhaust of the aqueous scrubber serving the sterilization chamber, and fugitive VOC emissions from the nuts after removal from the sterilization chamber. ABC Laboratories performed a study titled "Residues of Propylene Oxide, Propylene Chlorohydrin, and Propylene Bromohydrin in Nutmeats Following Fumigation with Propylene Oxide" as part of an analysis for the EPA for the purpose of quantifying the residual PPO concentrations (on a weight basis) in various nuts after sterilization treatment. Experimental data were obtained and a residual nutmeat PPO concentration equation was developed for two storage temperatures: 25 °C (77 °F) and 35 °C (95 °F). Since off gassing occurs more rapidly at higher temperatures, the 35 °C equation will be used to estimate the PPO off-gassing emissions.

For this project, the amount of PPO absorbed in the pistachios after sterilization can be represented as the following exponential decay equation:

$$P (\text{ppm}_w) = 1,612.8 e^{-(0.282) (T)}$$

Where: P = Residual PPO concentration in nut in ppm by weight (ppm_w – i.e. lb-PPO/10⁶ lb-nuts)
T = Time after sterilization treatment in days

More details on the derivation of the above equation is provided in the application EE.

C. Calculations

1. Pre-Project Potential to Emit (PE1)

S-377-9 Off-Gassing

$$P(0) - P(1) = (1612.8 e^{-(0.282)(0)}) - (1612.8 e^{-(0.282)(1)}) = 396.3 \text{ lb-PPO}/10^6 \text{ lb-nuts}$$

$$\begin{aligned} PE_{\text{VOC}} &= 396.3 \text{ lb-PPO}/10^6 \text{ lb-nuts} \times 50,000 \text{ lb-nuts/cycle} \times 2 \text{ cycles/day} \\ &= \underline{39.6 \text{ lb-PPO/day}} \end{aligned}$$

$$396.3 \text{ lb-PPO}/10^6 \text{ lb-nuts} \times 10,324,104 \text{ nuts/year} = \underline{4,091 \text{ Lb}_{\text{VOC}}/\text{year}}$$

Permit Unit	VOC	
	lb/day	lb/yr
S-377-9-6	1.1 - 0.47 (0.5) = 0.6	402 - 0.47 (365) = 230
S-377-9-6 off-gassing	39.6	4,091
PE1	40.2	4,321

*DEL is lowered by 0.47 lb/day associated with off-gassing (see project 1000946)

2. Post-Project Potential to Emit (PE2)

S-377-9

The weight concentration of PPO in the pistachios immediately after removal (T = 0 in the above equation) from the sterilization chamber is:

$$\text{Pistachios: } P(0) = 1612.8 \text{ lb-PPO}/10^6 \text{ lb-nuts}$$

Therefore, the amount of absorbed PPO per cycle is:

$$\begin{aligned} &1612.8 \text{ lb-PPO}/10^6 \text{ lb-nuts} \times 50,000 \text{ lb-nuts/cycle} \times 2 \text{ cycles/day} \\ &= 161.2 \text{ lb-PPO/day} \end{aligned}$$

The amount of PPO remaining in the chamber following sterilization is the difference between the amounts initially injected into the chamber and the amounts (initially) absorbed by the nuts. Given the 98% control efficiency of the proposed scrubber, the amount of PPO venting from the proposed aqueous scrubber will be:

$$\begin{aligned} \text{Pistachios} &= (270 \text{ lb-PPO/cycle} \times 2 \text{ cycles/day} - 161.2 \text{ lb-PPO/day}) \\ &= 378.8 \text{ lb-VOC/day (189.4 lb-PPO/cycle)} \end{aligned}$$

$$(378.8 \text{ lb}_{\text{VOC}}/\text{day}) \times (1 - .98) = \underline{7.6 \text{ lb}_{\text{VOC}}/\text{day}}$$

$$\begin{aligned} \text{Lb}_{\text{VOC}}/\text{year} &= (10,324,104 \text{ lbs nuts/year}) \times (\text{cycle}/50,000 \text{ lb nuts}) \times 189.4 \text{ lb-PPO/cycle} \times (1 - .98) \\ &= \underline{782 \text{ lb}_{\text{VOC}}/\text{year}} \end{aligned}$$

PE2										
Permit Unit	NO _x		SO _x		PM ₁₀		CO		VOC	
	lb/day	lb/yr	lb/day	lb/yr	lb/day	lb/yr	lb/day	lb/yr	lb/day	lb/yr
S-377-9-7	0	0	0	0	0	0	0	0	7.6	782
S-377-55-0	0	0	0	0	0	0	0	0	39.6	4,091

Greenhouse Gas (GHG) Emissions

PPO is not a GHG and therefore no increase in GHG emissions is expected.

Emissions profiles are included in **Attachment IV**.

3. Pre-Project Stationary Source Potential to Emit (SSPE2)

Pursuant to District Rule 2201, the SSPE1 is the Potential to Emit (PE) from all units with valid Authorities to Construct (ATC) or Permits to Operate (PTO) at the Stationary Source and the quantity of Emission Reduction Credits (ERC) which have been banked since September 19, 1991 for Actual Emissions Reductions (AER) that have occurred at the source, and which have not been used on-site.

Applicant has provided a calculation of SSPE1 (**Attachment V**) listed below:

SSPE1 (lb/yr)				
NO _x	SO _x	PM ₁₀	CO	VOC
86,601	3,792	15,852	45,839	16,327 + (230 – 402) = 16,155*

*includes 4091 lb/yr degassing emissions and but corrected to remove degassing emissions from PTO S-377-9-6 (PE1) emissions as demonstrated in the calculations above

4. Post-Project Stationary Source Potential to Emit (SSPE2)

Pursuant to District Rule 2201, the SSPE2 is the PE from all units with valid ATCs or PTOs at the Stationary Source and the quantity of ERCs which have been banked since September 19, 1991 for AER that have occurred at the source, and which have not been used on-site.

SSPE2 is calculated below.

	SSPE2 (lb/yr)				
	NO _x	SO _x	PM ₁₀	CO	VOC
SSPE1	86,601	3,792	15,852	45,839	16,155
S-377-9-6 (not including degassing)	0	0	0	0	-230
S-377-9-7	0	0	0	0	782
SSPE2	86,601	3,792	15,852	45,839	16,707

Rule 2201 Major Source Determination:

Pursuant to District Rule 2201, a Major Source is a stationary source with a SSPE2 equal to or exceeding one or more of the following threshold values. For the purposes of determining major source status the following shall not be included:

- any ERCs associated with the stationary source
- Emissions from non-road IC engines (i.e. IC engines at a particular site at the facility for less than 12 months)
- Fugitive emissions, except for the specific source categories specified in 40 CFR 51.165

Rule 2201 Major Source Determination (lb/year)					
	NO _x	SO _x	PM ₁₀	CO	VOC
Facility emissions pre-project	86,601	3,792	15,852	45,839	16,155
Facility emissions – post project	86,601	3,792	15,852	45,839	16,707
Major Source Threshold	20,000	140,000	140,000	200,000	20,000
Major Source?	Yes	No	No	No	No

This source is an existing Major Source for NO_x emissions and will remain a Major Source for NO_x.

Rule 2410 Major Source Determination:

The facility or the equipment evaluated under this project is not listed as one of the categories specified in 40 CFR 52.21 (b)(1)(iii). Therefore the PSD Major Source threshold is 250 tpy for any regulated NSR pollutant and 100,000 tpy for CO₂e.

PSD Major Source Determination (tons/year)						
	NO ₂	VOC	SO ₂	CO	PM	PM ₁₀
Estimated Facility PE before Project Increase	43.3	8.1	1.9	22.9	7.9	7.0
PSD Major Source Thresholds	250	250	250	250	250	250
PSD Major Source ? (Y/N)	N	N	N	N	N	N

As shown above, the facility is not an existing PSD major source for any regulated NSR pollutant expected to be emitted at this facility.

6. Baseline Emissions (BE)

BE = Pre-project Potential to Emit for:

- Any unit located at a non-Major Source,
- Any Highly-Utilized Emissions Unit, located at a Major Source,
- Any Fully-Offset Emissions Unit, located at a Major Source, or
- Any Clean Emissions Unit, located at a Major Source.

otherwise,

BE = Historic Actual Emissions (HAE), calculated pursuant to Section 3.22

As shown in Section VII.C.5 above, the facility is not a major source for VOC emissions. Therefore

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BE = PE1

= 4,321 lb/yr

7. Rule 2201 SB 288 Major Modification

SB 288 Major Modification is defined in 40 CFR Part 51.165 as "any physical change in or change in the method of operation of a major stationary source that would result in a significant net emissions increase of any pollutant subject to regulation under the Act."

Since this facility is a not a Major Source for VOCs and the affected permit units emit only VOCs, this project does not constitute an SB 288 Major Modification.

8. Rule 2201 Federal Major Modification

District Rule 2201 states that a Federal Major Modification is the same as a "Major Modification" as defined in 40 CFR 51.165 and part D of Title I of the CAA.

Since this facility is a not a Major Source for VOCs and the affected permit units emit only VOCs, this project does not constitute a Federal Major Modification.

9. Rule 2410 – Prevention of Significant Deterioration (PSD) Applicability Determination

Rule 2410 applies to pollutants for which the District is in attainment or for unclassified, pollutants. The pollutants addressed in the PSD applicability determination are listed as follows:

- NO₂ (as a primary pollutant)
- SO₂ (as a primary pollutant)
- CO
- PM
- PM₁₀

I. Project Emissions Increase - New Major Source Determination

The post-project potentials to emit from all new and modified units are compared to the PSD major source thresholds to determine if the project constitutes a new major source subject to PSD requirements.

The facility or the equipment evaluated under this project is not listed as one of the categories specified in 40 CFR 52.21 (b)(1)(i). The PSD Major Source threshold is 250 tpy for any regulated NSR pollutant.

PSD Major Source Determination: Potential to Emit (tons/year)						
	NO2	VOC	SO2	CO	PM	PM10
Total PE from New and Modified Units	0	0.4	0	0	0	0
PSD Major Source threshold	250	250	250	250	250	250
New PSD Major Source?	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N

As shown in the table above, the potential to emit for the project, by itself, does not exceed any PSD major source threshold. Therefore Rule 2410 is not applicable and no further analysis is required.

10. Quarterly Net Emissions Change (QNEC)

The Quarterly Net Emissions Change is used to complete the emission profile screen for the District's PAS database. The QNEC for each pollutant is shown in the table(s) below and reported in the PAS database emissions profile.

The QNEC shall be calculated as follows:

QNEC = (PE2 – BE)/4, where:

- QNEC = Quarterly Net Emissions Change for each emissions unit, lb/qtr.
- PE2 = Post Project Potential to Emit for each emissions unit, lb/yr.
- BE = Baseline Emissions (per Rule 2201) for each emissions unit, lb/yr

QNEC (lb/qtr) — S-377-9-7					
Pollutant	NO _x	SO _x	PM ₁₀	CO	VOC
PE2 (lb/yr)	0	0	0	0	782
BE (lb/yr)	0	0	0	0	4,321
QNEC	0	0	0	0	-885

QNEC (lb/qtr) — S-377-55-0					
Pollutant	NO _x	SO _x	PM ₁₀	CO	VOC
PE2 (lb/yr)	0	0	0	0	4,091
BE (lb/yr)	0	0	0	0	0
QNEC	0	0	0	0	1,023

VII. COMPLIANCE:

Rule 2201 New and Modified Stationary Source Review Rule

A. Best Available Control Technology (BACT)

1. BACT Applicability

BACT requirements are triggered on a pollutant-by-pollutant basis and on an emissions unit-by-emissions unit basis for the following*:

- a. Any new emissions unit with a potential to emit exceeding two pounds per day,
- b. The relocation from one Stationary Source to another of an existing emissions unit with a potential to emit exceeding two pounds per day,
- c. Modifications to an existing emissions unit with a valid Permit to Operate resulting in an AIPE exceeding two pounds per day, and/or
- d. Any new or modified emissions unit, in a stationary source project, which results in an SB288 Major Modification or a Federal Major Modification, as defined by the rule.

*Except for CO emissions from a new or modified emissions unit at a Stationary Source with an SSPE2 of less than 200,000 pounds per year of CO.

a. New emissions units – PE > 2 lb/day

As discussed in Section I above, there are no new emissions units being installed as part of this project; therefore BACT, for new emissions units with PE > 2 lb/day purposes, is not triggered.

b. Relocation of emissions units – PE > 2 lb/day

As discussed in Section I above, there are no emissions units being relocated from one stationary source to another; therefore BACT, for relocation of emissions units with PE > 2 lb/day purposes, is not triggered.

c. Modification of emissions units – AIPE > 2 lb/day

$$\text{AIPE} = \text{PE2} - \text{HAPE}$$

Where,

AIPE = Adjusted Increase in Permitted Emissions, (lb/day)

PE2 = Post-Project Potential to Emit, (lb/day)

HAPE = Historically Adjusted Potential to Emit, (lb/day)

$$\text{HAPE} = \text{PE1} \times (\text{EF2}/\text{EF1})$$

Where,

PE1 = The emissions unit's PE prior to modification or relocation, (lb/day)

EF2 = The emissions unit's permitted emission factor for the pollutant after modification or relocation. If EF2 is greater than EF1 then EF2/EF1 shall be set to 1

EF1 = The emissions unit's permitted emission factor for the pollutant before the modification or relocation

$$\text{AIPE} = \text{PE2} - (\text{PE1} * (\text{EF2} / \text{EF1}))$$

$$\text{EF1} = 0.001, \text{EF2} = 0.02, \text{EF2}/\text{EF1} = 1$$

S-377-9:

Sterilization

$$\begin{aligned} \text{AIPE} &= 7.6 - (0.6 * (1)) \\ &= 7.0 \text{ lb/day} \end{aligned}$$

As discussed in Section I above, PFI is proposing the modification of an emissions unit with this project which will result in an AIPE of more than 2.0 lb/day for VOC; therefore BACT, for AIPE greater than 2.0 lb/day purposes, is triggered.

d. SB 288/Federal Major Modification

As discussed in Section VII.C.7 above, this project does not constitute a SB 288 or Federal Major Modification; therefore BACT, for SB 288 or Federal Major Modification purposes, is not triggered.

2. BACT Guideline

BACT Guideline 5.2.8 applies to the PPO fumigation chamber and off-gassing. (See **Attachment VI**).

3. Top-Down BACT Analysis

Per Permit Services Policies and Procedures for BACT, a Top-Down BACT analysis shall be performed as a part of the application review for each application subject to the BACT requirements pursuant to the District's NSR Rule.

Pursuant to the attached Top-Down BACT Analysis (see **Attachment VII**), BACT has been satisfied with the following:

VOC: 98% Control efficiency (wet scrubber, flare or equal)

B. Offsets

1. Offset Applicability

Pursuant to Section 4.5.3, offset requirements shall be triggered on a pollutant by pollutant basis and shall be required if SSPE2 equals to or exceeds the offset threshold levels in Table 4-1 of Rule 2201.

The following table compares the post-project facility-wide annual emissions in order to determine if offset calculations will be required for this project.

Offset Determination (lb/year)					
	NO_x	SO_x	PM₁₀	CO	VOC
SSPE2	86,601	3,792	15,852	45,839	16,707
Offset Threshold	20,000	54,750	29,200	200,000	20,000
Offsets triggered?	Yes	No	No	No	No

2. Quantity of Offsets Required

As seen above, the facility is an existing Major Source for NO_x, and the SSPE2 is greater than the offset thresholds. This project does not propose and increase in permitted emissions for NO_x; therefore, offset calculations are not required for this project.

C. Public Notification

1. Applicability

Public noticing is required for:

- a. New Major Sources, Federal Major Modifications, and SB 288 Major Modifications,

- b. Any new emissions unit with a Potential to Emit greater than 100 pounds during any one day for any one pollutant,
- c. Any modification that increases the SSPE1 above offset thresholds,
- d. Any New Stationary Source project with a SSPE2 which results in the offset thresholds being surpassed, and/or
- e. Any project with an SSIPE of greater than 20,000 lb/year for any pollutant.

a. New Major Sources, Federal Major Modifications, and SB 288 Major Modifications

New Major Sources are new facilities, which are also Major Sources. Since this is not a new facility, public noticing is not required for this project for New Major Source purposes. The project is not a SB 288 nor Federal Major Modification.

Public notice is not required for these categories.

b. PE > 100 lb/day

Applications which include a new emissions unit with a Potential to Emit greater than 100 pounds during any one day for any pollutant will trigger public noticing requirements. As seen in Section VII.C.2 above, this project does not include a new emissions unit; therefore, public noticing for PE > 100 lb/day purposes is not required.

c. Offset Threshold

The SSPE1 and SSPE2 are compared to the offset thresholds in the following table.

Offset Thresholds				
Pollutant	SSPE1 (lb/year)	SSPE2 (lb/year)	Offset Threshold	Public Notice Required?
NO _x	86,601	86,601	20,000 lb/year	No
SO _x	3,792	3,792	54,750 lb/year	No
PM ₁₀	15,852	15,852	29,200 lb/year	No
CO	45,839	45,839	200,000 lb/year	No
VOC	16,155	16,707	20,000 lb/year	No

As detailed above, there were no thresholds surpassed with this project; therefore public noticing is not required for offset purposes.

e. SSIPE > 20,000 lb/year

Public notification is required for any permitting action that results in a SSIPE of more than 20,000 lb/year of any affected pollutant. According to District policy, the SSIPE = SSPE2 – SSPE1. The SSIPE is compared to the SSIPE Public Notice thresholds in the following table.

SSIPE Public Notice Thresholds					
Pollutant	SSPE2 (lb/year)	SSPE1 (lb/year)	SSIPE (lb/year)	SSIPE Public Notice Threshold	Public Notice Required?
NO _x	86,601	86,601	0	20,000 lb/year	No
SO _x	3,792	3,792	0	20,000 lb/year	No
PM ₁₀	15,852	15,852	0	20,000 lb/year	No
CO	45,839	45,839	0	20,000 lb/year	No
VOC	16,155	16,707	552	20,000 lb/year	No

As demonstrated above, the SSIPEs for all pollutants were less than 20,000 lb/year; therefore public noticing for SSIPE purposes is not required.

2. Public Notice Action

As discussed above, this project will not result in emissions, for any criteria pollutant, which would subject the project to any of the noticing requirements listed above. Therefore, NSR Public Notice will not be required for this project.

D. Daily Emission Limits (DELs)

DELs and other enforceable conditions are required by Section 3.15 to restrict a unit's maximum daily emissions, to a level at or below the emissions associated with the maximum design capacity. Per Sections 3.15.1 and 3.15.2, the DEL must be contained in the latest ATC and contained in or enforced by the latest PTO and enforceable, in a practicable manner, on a daily basis. DELs are also required to enforce the applicability of BACT.

Proposed Rule 2201 (DEL) Conditions:

The amount of fumigant used in this chamber shall not exceed 270 lb-PPO/cycle. [District Rule 2201] Y

VOC emissions from the exhaust of the scrubber, when serving this fumigation chamber, shall not exceed 7.6 lb/day, equivalent to the maximum use of 540 lb-PPO fumigant/day. [District Rule 2201] Y

The amount of nuts fumigated in this chamber shall not exceed 50 ton in any one day (equivalent to 25 ton (50,000 lb) nutmeats/cycle and 2 cycles/day). [District Rule 2201] Y

E. Compliance Assurance

1. Source Testing

Pursuant to District Policy APR 1705, source testing is not required to demonstrate compliance with Rule 2201.

2. Monitoring

No monitoring is required to demonstrate compliance with Rule 2201.

3. Record keeping

Record keeping is required to demonstrate compliance with the offset, public notification, and daily emission limit requirements of Rule 2201. The following conditions will appear on the permit to operate:

The permittee shall maintain a record of the daily and cumulative annual (for the calendar year) usage of propylene oxide, and all scrubber pH measurements made. [District Rules 1070 and 2201] Y

Records of the amount of nuts (in pounds) fumigated shall be maintained and updated daily. [District Rules 1070 and 2201] Y

4. Reporting

No reporting is required to demonstrate compliance with Rule 2201.

Rule 2410 Prevention of Significant Deterioration

As shown in Section VII. C. 9. above, this project does not result in a new PSD major source or PSD major modification. No further discussion is required.

Rule 2520 Federally Mandated Operating Permits

As discussed above, this facility is a major source. Pursuant to Rule 2520 and as required by permit condition, the facility will have up to 12 months from the date of ATC issuance to either submit a Title V Application or comply with District Rule 2530 *Federally Enforceable Potential to Emit*.

Since this facility's potential emissions do not exceed any major source thresholds of Rule 2201, this facility is not a major source, and Rule 2520 does not apply.

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.

In accordance with Rule 2520, 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.

PFI's Title V Compliance Certification form is included in **Attachment VIII**.

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; visible emissions are not expected to exceed Ringelmann 1 or 20% opacity. 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.

An HRA is not required for a project with a total facility prioritization score of less than one. (**Attachment IX**)

HRA Summary		
Emission Unit	Cancer Risk	T-BACT Required
S-377-9: PPO Sterilization Chamber	0.05 per million	No

Discussion of T-BACT

BACT for toxic emission control (T-BACT) is required if the cancer risk exceeds one in one million. As demonstrated above, T-BACT should not be required for this project because the HRA indicates that the risk is not above the District's thresholds for triggering T-BACT requirements; therefore, compliance with the District's Risk Management Policy is expected.

California Health & Safety Code 42301.6 (School Notice)

The District has verified that this site is not located within 1,000 feet of a school; therefore, pursuant to California Health and Safety Code 42301.6, a school notice is not required.

California Environmental Quality Act (CEQA)

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 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.

Greenhouse Gas (GHG) Significance Determination

It is determined that no other agency has or will prepare an environmental review document for the project. Thus the District is the Lead Agency for this project. The District's engineering evaluation (this document) demonstrates that the project would not result in an increase in project specific greenhouse gas emissions. The District therefore concludes that the project would have a less than cumulatively significant impact on global climate change.

District CEQA Findings

The District is the Lead Agency for this project because there is no other agency with broader statutory authority over this project. The District performed an Engineering Evaluation (this document) for the proposed project and determined that the activity will occur at an existing facility and the project involves negligible expansion of the existing use. Furthermore, the District determined that the activity will not have a significant effect on the environment. The District finds that the activity is categorically exempt from the provisions of CEQA pursuant to CEQA Guideline § 15301 (Existing Facilities), and finds that the project is exempt per the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment (CEQA Guidelines §15061(b)(3)).

VIII. Recommendation:

Compliance with all applicable rules and regulations is expected. Pending successful EPA noticing period, issuance of the requested Authorities to Construct S-377-9-7 and '-55-0. Draft ATCs are included in **Attachment X**.

IX. Billing Information:

Filing fees have been submitted with this application. The annual permit fees will be based on the following schedule.

Permit Number	Fee Schedule	Fee Description	Equipment	Annual Fee
S-377-9-7	3020-01C	50 – 100 hp	PPO Sterilization	\$ 197.00
S-377-55-0	3020-6	Miscellaneous	PPO Degassing	\$ 105.00

X. Attachments:

- I: PTO S-377-9-6
- II: Facility Location Map and Plot Plan
- III: Process Flow Diagram
- IV: Emissions Profiles
- V: SSPE Calculation
- VI: BACT Guideline
- VII: Top Down BACT Analysis
- VIII: Compliance Certification Form
- IX: HRA
- X: Draft ATCs

ATTACHMENT I
PTO S-377-9-6

San Joaquin Valley Air Pollution Control District

PERMIT UNIT: S-377-9-6

EXPIRATION DATE: 10/31/2016

SECTION: 23 **TOWNSHIP:** 26S **RANGE:** 19E

EQUIPMENT DESCRIPTION:

PROPYLENE OXIDE FUMIGATION OPERATION WITH 3,428 CU FT STERILIZATION CHAMBER EXHAUSTING TO JOHN ZINK OPEN FLARE WITH TWO 50,000 BTU/HR PILOTS

PERMIT UNIT REQUIREMENTS

1. Operation shall include one Intervac vacuum pump exhausting to flare with restricting orifice limiting gas flowrate to 150 scfm. [District NSR Rule] Federally Enforceable Through Title V Permit
2. Flare shall operate without visible emissions (i.e. less than 5% opacity). [District NSR Rule, District Rule 4101, 5.1 and 40 CFR 60.18(c)(1)] Federally Enforceable Through Title V Permit
3. Propylene oxide in concentrations greater than 2% propylene oxide by volume released from fumigation chamber shall be vented through operating flare. [District NSR Rule] Federally Enforceable Through Title V Permit
4. Only natural gas consisting primarily of methane and ethane shall be used as pilot fuel. [District NSR Rule] Federally Enforceable Through Title V Permit
5. No more than 600 lbs of propylene oxide shall be charged to sterilization system in any one day. [District NSR Rule] Federally Enforceable Through Title V Permit
6. Sterilization chamber shall only vent to flare during sterilization and air wash cycles. [District NSR Rule] Federally Enforceable Through Title V Permit
7. Maximum daily VOC emission rate shall not exceed 1.1 lb/day. [District NSR Rule] Federally Enforceable Through Title V Permit
8. Permittee shall maintain daily records of usage of propylene oxides and description of each cycle. [District Rule 2520, 9.4] Federally Enforceable Through Title V Permit
9. The flare in this permit shall be inspected every two weeks while in operation for visible emissions. If visible emissions are observed, corrective action shall be taken. If visible emissions continue, an EPA method 9 test shall be conducted within 72 hours. [District Rule 2520, 9.3] Federally Enforceable Through Title V Permit
10. Visible emissions monitoring shall be conducted at least annually, using EPA Method 22. [40CFR 60.18(f)(1)] Federally Enforceable Through Title V Permit
11. The flame shall be present at all times when combustible gases are vented through the flare. [District Rule 4311, 5.2 and 40CFR 60.18(c)(2)] Federally Enforceable Through Title V Permit
12. The outlet shall operate with a pilot flame present at all times when combustible gases are vented through the flare, except during purge periods for automatic-ignition equipped flares. [District Rule 4311, 5.3 and 40CFR 60.18(f)(2)] Federally Enforceable Through Title V Permit
13. A thermocouple heat sensing device shall be installed and operated. [District Rule 4311, 5.4 and 40CFR 60.18(f)(2)] Federally Enforceable Through Title V Permit
14. The flare shall be operated in such a manner that meets the provisions of 40 CFR 60.18. [District Rule 4311, 5.6] Federally Enforceable Through Title V Permit

PERMIT UNIT REQUIREMENTS CONTINUE ON NEXT PAGE

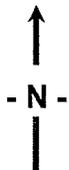
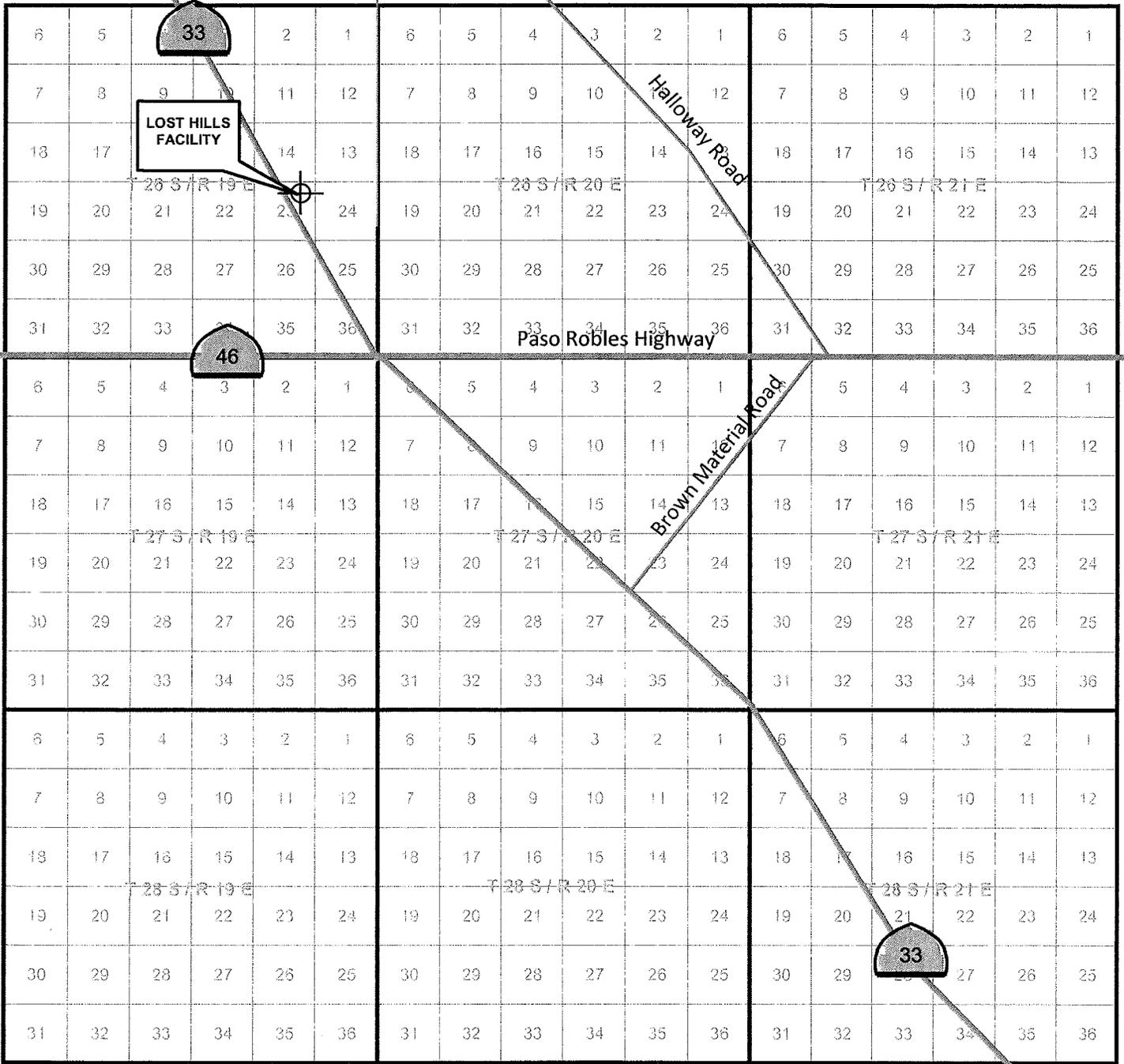
These terms and conditions are part of the Facility-wide Permit to Operate.

15. The flare shall be operated according to the manufacturer's specifications, a copy of which shall be maintained on site. [40CFR 60.18(d)] Federally Enforceable Through Title V Permit
16. The flare shall only be used when the net heating value of the gas being combusted is 200 Btu/scf or greater. [40 CFR 60.18 (c)(3)(ii)] Federally Enforceable Through Title V Permit
17. The net heating value of the gas being combusted the flare shall be calculated pursuant to 40 CFR 60.18(f)(3) or by using EPA Method 18, ASTM D1946, and ASTM D2382 if published values are not available or cannot be calculated. [40 CFR 60.18 (f)(3)] Federally Enforceable Through Title V Permit
18. The permittee shall maintain, and make available for District inspection, all records of required monitoring data and support information for inspection at any time for a period of five years. [District Rule 2520, 9.4.2 and District Rule 4311, 6.2] Federally Enforceable Through Title V Permit

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

ATTACHMENT II LOCATION MAP AND PLOT PLAN

To Coalinga



PARAMOUNT FARMS INC.

LOCATION MAP

Lost Hills Facility

Section 23, T26S, R19E

Prepared by:

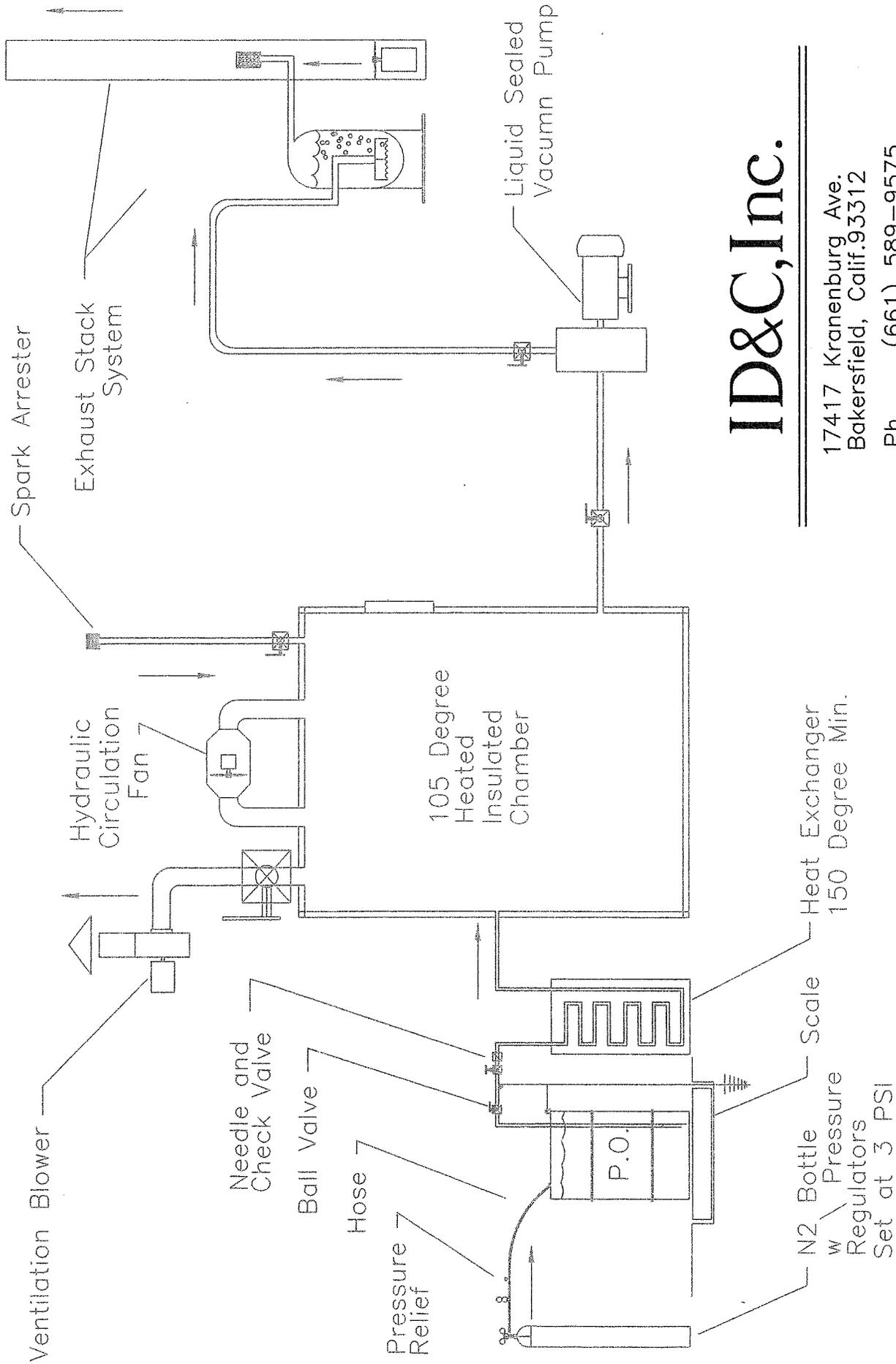
Insight
Environmental Consultants

June 2007

ATTACHMENT III PROCESS FLOW DIAGRAM

Typical Propylene Oxide Chamber Layout

Conceptual Drawing Only -- Not For Construction



ID&C, Inc.

17417 Kranenburg Ave.
Bakersfield, Calif. 93312

Ph. (661) 589-9575
Fax (661) 589-6650
Mobile (661) 331-0272

ATTACHMENT IV EMISSIONS PROFILES

Permit #: S-377-9-7	Last Updated
Facility: PARAMOUNT FARMS	07/19/2014 EDGEHILR

Equipment Pre-Baselined: NO

	<u>NOX</u>	<u>SOX</u>	<u>PM10</u>	<u>CO</u>	<u>VOC</u>
Potential to Emit (lb/Yr):	0.0	0.0	0.0	0.0	782.0
Daily Emis. Limit (lb/Day)	0.0	0.0	0.0	0.0	7.6
Quarterly Net Emissions Change (lb/Qtr)					
Q1:	0.0	0.0	0.0	0.0	-884.0
Q2:	0.0	0.0	0.0	0.0	-885.0
Q3:	0.0	0.0	0.0	0.0	-885.0
Q4:	0.0	0.0	0.0	0.0	-885.0
Check if offsets are triggered but exemption applies	N	N	N	N	N
Offset Ratio					
Quarterly Offset Amounts (lb/Qtr)					
Q1:					
Q2:					
Q3:					
Q4:					

Permit #: S-377-55-0	Last Updated
Facility: PARAMOUNT FARMS	07/19/2014 EDGEHILR

Equipment Pre-Baselined: NO

	<u>NOX</u>	<u>SOX</u>	<u>PM10</u>	<u>CO</u>	<u>VOC</u>
Potential to Emit (lb/Yr):	0.0	0.0	0.0	0.0	4091.0
Daily Emis. Limit (lb/Day)	0.0	0.0	0.0	0.0	39.6
Quarterly Net Emissions Change (lb/Qtr)					
Q1:	0.0	0.0	0.0	0.0	1022.0
Q2:	0.0	0.0	0.0	0.0	1023.0
Q3:	0.0	0.0	0.0	0.0	1023.0
Q4:	0.0	0.0	0.0	0.0	1023.0
Check if offsets are triggered but exemption applies	N	N	N	N	N
Offset Ratio					
Quarterly Offset Amounts (lb/Qtr)					
Q1:					
Q2:					
Q3:					
Q4:					

ATTACHMENT V SSPE CALCULATION

ATTACHMENT VI BACT Guideline

San Joaquin Valley
Unified Air Pollution Control District

Best Available Control Technology (BACT) Guideline 5.2.8*

Last Update 12/9/2002

Propylene Oxide Fumigation - Fumigation Chamber

Pollutant	Achieved in Practice or contained in the SIP	Technologically Feasible	Alternate Basic Equipment
VOC	98% Control Efficiency (Wet Scrubber, flare, or equal)		

BACT is the most stringent control technique for the emissions unit and class of source. Control techniques that are not achieved in practice or contained in a state implementation plan must be cost effective as well as feasible. Economic analysis to demonstrate cost effectiveness is required for all determinations that are not achieved in practice or contained in an EPA approved State Implementation Plan.

***This is a Summary Page for this Class of Source**

ATTACHMENT VII BACT ANALYSIS

Top Down BACT Analysis for the PPO Fumigation Chamber

S-377-9-7

Propylene Oxide (C₃H₆O) is highly volatile and forms various VOC compounds when emitted in the atmosphere. PPO is very soluble with water and other solvents; therefore, aqueous scrubbing is an effective control technology. As with most VOC's, incineration or carbon absorption is a control technique in removing PPO from an air stream. However, these options are expensive and have not commonly been achieved in practice for all fumigation operations.

1. BACT Analysis for VOC Emissions:

a. Step 1 - Identify all control technologies

SJVAPCD BACT Clearinghouse guideline 5.2.8, 1st quarter 2011, identifies achieved in practice BACT for propylene oxide fumigation chambers as the following:

- 98% Control Efficiency (Wet Scrubber, flare or equal)

No technologically feasible alternatives or control alternatives identified as alternate basic equipment for this class and category of source are listed.

b. Step 2 - Eliminate technologically infeasible options

There are no technologically infeasible options to eliminate from step 1.

c. Step 3 - Rank remaining options by control effectiveness

No ranking needs to be done because the applicant has proposed the achieved in practice option.

d. Step 4 - Cost Effectiveness Analysis

The applicant has proposed the only control achieved in practice in the ranking list from Step 3. Therefore, per SJVUAPCD BACT policy, the cost effectiveness analysis is not required.

e. Step 5 - Select BACT

BACT for VOC emissions from a PPO fumigation chamber is the use of control device with a minimum control efficiency of 98%. PFI is proposing to control the VOC emissions from the fumigation chambers with a wet scrubber with a minimum control efficiency of 98%. Therefore, BACT for VOC emissions is satisfied for this operation.

ATTACHMENT VIII
TITLE V COMPLIANCE CERTIFICATION FORM

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

TITLE V MODIFICATION - COMPLIANCE CERTIFICATION FORM

I. TYPE OF PERMIT ACTION (Check appropriate box)

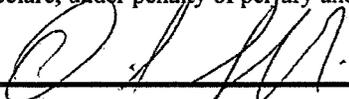
- SIGNIFICANT PERMIT MODIFICATION ADMINISTRATIVE AMENDMENT
 MINOR PERMIT MODIFICATION

COMPANY NAME: Paramount Farms International, LLC	FACILITY ID: S-377
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:	
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 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

July 14, 2014

Date

Dave Szeflin

Name of Responsible Official (please print)

Vice President of Operations

Title of Responsible Official (please print)

ATTACHMENT IX HRA

San Joaquin Valley Air Pollution Control District Risk Management Review

To: Richard Edgehill, AQE– Permit Services
 From: Esteban Gutierrez, AQS– Technical Services
 Date: August 6, 2014
 Facility Name: Paramount Farms
 Location: 13646 Highway 33 Lost Hills CA
 Application #(s): S-0377-9-5 & 55-0
 Project #: S-1143168

A. RMR SUMMARY

RMR Summary			
Categories	Propylene fumigation (Unit 9-5)	Project Totals	Facility Totals
Prioritization Score	0.05	0.05	>1.0
Acute Hazard Index	0.00	0.00	0.18
Chronic Hazard Index	0.00	0.00	0.57
Maximum Individual Cancer Risk (10^{-6})	0.05	0.05	0.56
T-BACT Required?	No		
Special Permit Conditions?	No		

Proposed Permit Conditions

To ensure that human health risks will not exceed District allowable levels; the following permit conditions must be included for:

Unit # 9-5

No special conditions are required.

B. RMR REPORT

I. Project Description

Technical Services received a request on July 18, 2014, to perform a Risk Management Review for a proposed modification to a Propylene oxide fumigation operation. The applicant proposes to replace the existing flare with a wet scrubber. VOC emissions are assumed to be all Propylene oxide.

II. Analysis

Technical Services performed a prioritization using the District's HEARTs database. Since the total facility prioritization score was greater than one, a refined health risk assessment was required. Emissions for this proposed unit were calculated using the Propylene emission factor since it was assumed all VOC emissions were Propylene oxide and were input into the HEARTs database. The AERMOD model was used, with the parameters outlined below and meteorological data for 2005-2009 from Bakersfield to determine the dispersion factors (i.e., the predicted concentration or X divided by the normalized source strength or Q) for a receptor grid. These dispersion factors were input into the Hot Spots Analysis and Reporting Program (HARP) risk assessment module to calculate the chronic and acute hazard indices and the carcinogenic risk for the project.

The following parameters were used for the review:

Analysis Parameters Unit 9-5			
Source Type	Point	Location Type	Rural
Stack Height (m)	6.4	Closest Receptor (m)	539
Stack Diameter. (m)	0.46	Type of Receptor	Business
Stack Exit Velocity (m/s)	22.71	Max Hours per Year	8760
Stack Exit Temp. (°K)	313	Type pollutant	Propylene Oxide
Max VOC (Lb/yr)	782		

III. Conclusion

The acute and chronic indices are below 1.0 and the cancer risk factor associated with the project is less than 1.0 in a million. **In accordance with the District's Risk Management Policy, the project is approved without Toxic Best Available Control Technology (T-BACT).**

To ensure that human health risks will not exceed District allowable levels; the permit conditions listed on page 1 of this report must be included for this proposed unit.

These conclusions are based on the data provided by the applicant and the project engineer. Therefore, this analysis is valid only as long as the proposed data and parameters do not change.

IV. Attachments

- A. RMR request from the project engineer
- B. Additional information from the applicant/project engineer
- C. Toxic emissions summary
- D. Prioritization score
- E. Facility Summary

ATTACHMENT X
DRAFT ATCs

San Joaquin Valley
Air Pollution Control District

AUTHORITY TO CONSTRUCT

ISSUANCE DATE: DRAFT
DRAFT

PERMIT NO: S-377-9-7

LEGAL OWNER OR OPERATOR: PARAMOUNT FARMS
MAILING ADDRESS: ATTN: DANIEL LEE
13646 HIGHWAY 33
LOST HILLS, CA 93249-9719

LOCATION: 3.5 MILES NORTH OF HWY 46 ON HWY 33
LOST HILLS, CA

SECTION: 23 TOWNSHIP: 26S RANGE: 19E

EQUIPMENT DESCRIPTION:

MODIFICATION OF PROPYLENE OXIDE FUMIGATION OPERATION WITH 3,428 CU FT STERILIZATION CHAMBER EXHAUSTING TO A JOHN ZINK OPEN FLARE WITH TWO 50,000 BTU/HR PILOTS: REMOVE JOHN ZINK OPEN FLARE WITH TWO 50,000 BTU/HR PILOTS AND REPLACE WITH WET SCRUBBER, DECREASE DAILY THROUGHPUT LIMIT FROM 600 LB-PPO PER DAY TO 540 LB-PPO PER DAY.

CONDITIONS

1. {1830} This Authority to Construct serves as a written certificate of conformity with the procedural requirements of 40 CFR 70.7 and 70.8 and with the compliance requirements of 40 CFR 70.6(c). [District Rule 2201] Federally Enforceable Through Title V Permit
2. {1831} Prior to operating with modifications authorized by this Authority to Construct, the facility shall submit an application to modify the Title V permit with an administrative amendment in accordance with District Rule 2520 Section 5.3.4. [District Rule 2520, 5.3.4] Federally Enforceable Through Title V Permit
3. {98} No air contaminant shall be released into the atmosphere which causes a public nuisance. [District Rule 4102]
4. {15} 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]
5. Propylene oxide (PPO) shall be the only fumigant used in this fumigation chamber unless otherwise approved by the District. [District Rule 2201] Federally Enforceable Through Title V Permit
6. All fumigant shall be vented only to the scrubber. [District Rule 2201] Federally Enforceable Through Title V Permit

CONDITIONS CONTINUE ON NEXT PAGE

YOU **MUST** NOTIFY THE DISTRICT COMPLIANCE DIVISION AT (661) 392-5500 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

DRAFT

Arnaud Marjolle, Director of Permit Services

S-377-9-7 : Jul 28 2014 4:32PM -- EDGEHILL : Joint Inspection NOT Required

7. During fumigation operations, the chamber shall be tightly sealed or shall maintain negative pressure sufficient to prevent fumigant leakage. [District Rule 2201] Federally Enforceable Through Title V Permit
8. The control efficiency of the scrubber serving this fumigation operation shall be at least 98% for volatile organic compound (VOC) emissions from propylene oxide. [District Rule 2201] Federally Enforceable Through Title V Permit
9. The scrubber shall be adjusted and maintained to achieve optimum control efficiency according to manufacturer's recommendations. [District Rule 2201] Federally Enforceable Through Title V Permit
10. The scrubber liquid pH shall not exceed 2.0 during all fumigation chamber venting. [District Rule 2201] Federally Enforceable Through Title V Permit
11. The exhaust stack shall vent vertically upward. The vertical exhaust flow shall not be impeded by a rain cap (flapper ok), roof overhang, or any other obstruction. [District Rule 4102]
12. The amount of fumigant used in this chamber shall not exceed 270 lb-PPO/cycle. [District Rule 2201] Federally Enforceable Through Title V Permit
13. VOC emissions from the exhaust of the scrubber, when serving this fumigation chamber, shall not exceed 7.6 lb/day, equivalent to the maximum use of 540 lb-PPO fumigant/day. [District Rule 2201] Federally Enforceable Through Title V Permit
14. VOC emissions from the exhaust of the scrubber, when serving this fumigation chamber and equivalent to a maximum use of 55,750 lb-PPO fumigant/year, shall not exceed 782 lb/yr. [District Rule 2201] Federally Enforceable Through Title V Permit
15. The amount of nuts fumigated in this chamber shall not exceed 50 ton in any one day (equivalent to 25 ton (50,000 lb) nutmeats/cycle and 2 cycles/day). [District Rule 2201] Federally Enforceable Through Title V Permit
16. The permittee shall maintain a record of the daily and cumulative annual (for the calendar year) usage of propylene oxide, and all scrubber pH measurements made. [District Rules 1070 and 2201] Federally Enforceable Through Title V Permit
17. Records of the amount of nuts (in pounds) fumigated shall be maintained and updated daily. [District Rules 1070 and 2201] Federally Enforceable Through Title V Permit
18. {3246} 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]

DRAFT

San Joaquin Valley
Air Pollution Control District

AUTHORITY TO CONSTRUCT

ISSUANCE DATE: DRAFT
DRAFT

PERMIT NO: S-377-55-0

LEGAL OWNER OR OPERATOR: PARAMOUNT FARMS
MAILING ADDRESS: ATTN: DANIEL LEE
13646 HIGHWAY 33
LOST HILLS, CA 93249-9719

LOCATION: 3.5 MILES NORTH OF HWY 46 ON HWY 33
LOST HILLS, CA

EQUIPMENT DESCRIPTION:
PROPYLENE OXIDE OFF-GASSING OPERATION CONDUCTED INSIDE BUILDING [APPROX. SIZE 59 FT (L) X 39 FT (W) X 23 FT (H)] WITH TWO EXHAUST FANS

CONDITIONS

1. {1830} This Authority to Construct serves as a written certificate of conformity with the procedural requirements of 40 CFR 70.7 and 70.8 and with the compliance requirements of 40 CFR 70.6(c). [District Rule 2201] Federally Enforceable Through Title V Permit
2. {1831} Prior to operating with modifications authorized by this Authority to Construct, the facility shall submit an application to modify the Title V permit with an administrative amendment in accordance with District Rule 2520 Section 5.3.4. [District Rule 2520, 5.3.4] Federally Enforceable Through Title V Permit
3. {98} No air contaminant shall be released into the atmosphere which causes a public nuisance. [District Rule 4102]
4. 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
5. All off-gassing for the propylene oxide (PPO) fumigation operation shall be conducted inside the enclosed off-gas warehouse with exhaust fan operating and doors closed when not transferring nuts to and from the warehouse. [District Rule 2201] Federally Enforceable Through Title V Permit
6. The exhaust stack shall vent vertically upward. The vertical exhaust flow shall not be impeded by a rain cap (flapper ok), roof overhang, or any other obstruction. [District Rule 4102]

CONDITIONS CONTINUE ON NEXT PAGE

YOU MUST NOTIFY THE DISTRICT COMPLIANCE DIVISION AT (661) 392-5500 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

Arnaud Marjollet, Director of Permit Services

S-377-55-0 Jul 28 2014 4:32PM - EDGEHILR Joint Inspection NOT Required

7. The amount of fumigant used in the fumigation chamber shall not exceed 270 lb-PPO/cycle. [District Rule 2201] Federally Enforceable Through Title V Permit
8. The amount of fumigated nuts transferred to this warehouse from the fumigation chamber shall not exceed 50 ton in any one day. [District Rule 2201] Federally Enforceable Through Title V Permit
9. The amount of fumigated nuts stored in this warehouse for off-gassing shall not exceed 10,324,104 lb in one calendar year. [District Rule 2201] Federally Enforceable Through Title V Permit
10. VOC (PPO) emissions from this operation shall not exceed 39.6 lb in any one day. [District Rule 2201] Federally Enforceable Through Title V Permit
11. Records of the amount of nuts (in pounds) transferred to the post-fumigation off-gassing warehouse shall be maintained and updated daily. [District Rules 1070 and 2201] Federally Enforceable Through Title V Permit
12. {3246} 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]

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