

Noemi Calderon

From: notices_of_permitting_actions-central_region@lists.valleyair.org
Sent: Wednesday, September 2, 2015 4:35 PM
To: Noemi Calderon
Subject: Public Notice on Permitting Action C-1130364
Attachments: ATT00001.txt

The District has posted a new permitting public notice. The public notice can be viewed on our website at: [http://www.valleyair.org/notices/Docs/2015/08-26-15_\(C-1130364\)/Newspaper.pdf](http://www.valleyair.org/notices/Docs/2015/08-26-15_(C-1130364)/Newspaper.pdf)

For a list of public notices and public notice packages, please visit our website at: http://www.valleyair.org/notices/public_notices_idx.htm#PermittingandEmissionReductionCreditCertificateNotices

Thank you,

Noemi Calderon, OA
San Joaquin Valley APCD
1990 E Gettysburg Avenue
Fresno, CA 93726
559-230-6006
noemi.calderon@valleyair.org

Noemi Calderon

From: avisos_sobre_acciones_de_permisos-todos@lists02.valleyair.org
Sent: Wednesday, September 2, 2015 4:40 PM
To: Noemi Calderon
Subject: Aviso Publico Sobre Acciones de Permisos C-1130364
Attachments: ATT00001.txt

El Distrito del Aire a publicado un nuevo aviso público de permiso. El aviso público se puede ver en nuestro sitio de web en: [http://www.valleyair.org/notices/Docs/2015/08-26-15_\(C-1130364\)/Aviso.pdf](http://www.valleyair.org/notices/Docs/2015/08-26-15_(C-1130364)/Aviso.pdf)

Para obtener una lista de avisos públicos y paquetes de avisos públicos, por favor visite nuestro sitio de web en: http://www.valleyair.org/notices/public_notices_idx.htm#PermittingandEmissionReductionCreditCertificateNotices

Gracias,

Noemi Calderon, OA
San Joaquin Valley APCD
1990 E Gettysburg Avenue
Fresno, CA 93726
559-230-6006
noemi.calderon@valleyair.org

PUBLIC NOTICE CHECK LIST

PROJECT #: C-2885 PROJECT #: C-1130364

REQST. COMPL.

ERC PRELIMINARY PUBLIC NOTICE

Newspaper Notice Emailed to Clerical (Check box and tab to generate Notice)

Send email to "OA-PublicNotices" containing the following:

SUBJECT: facility name, facility id#, project #, type of notice (prelim/final)

BODY: project description and why it is being noticed (Emission Reduction Credit Banking)

ENCLOSED DOCUMENTS REQUIRE:

Enter Correct Date, Print All Documents from File and Obtain Director's Signature

Determine date comment period will end, enter date on Newspaper Notice and Aviso en Español, and Email **PRELIMINARY** Newspaper Notice for Publication in Hanford Sentinel Pub Date: 9/11 Due Date: 10/1

Mail/email **PRELIMINARY** Notice Letter to Applicant (email address: [Lance.Ericksen@chevron.com]) with the following attachments:

Application Evaluation

Newspaper Notice

Email **PRELIMINARY** Public Notice package to EPA

Email **PRELIMINARY** Public Notice package to CARB

Email **PRELIMINARY** Newspaper Notice, Aviso en Español and Public Notice package to "webmaster"

After posted on website, send email with weblink of Newspaper notice, Aviso en Español, and full public notice package to:

specific [C, S, or N] region **and** District wide permitting notification list-serves (both English and Spanish list serves)

facility specific distribution list, (AQE – enter email address from PAS facility details notifications tab, if none enter NONE below): [email address]

Mail the newspaper notice and aviso en español (NN/AE), or full public notice package (FPNP) to the persons on facility specific distribution list, as follows (entered by AQE, if none, enter NONE below):

NN/AE or FPNP Name/address: none

NN/AE or FPNP Name/address: none

Send **PRELIMINARY** Public Notice package to EDMS

Other Special Instructions (please specify): _____

Date Completed 8/5/15/By Steve Roeder



AUG 26 2015

Lance Ericksen
Chevron USA Inc.
PO Box 1392
Bakersfield, CA 93302

Re: Notice of Preliminary Decision – Emission Reduction Credits
Facility Number: C-2885
Project Number: C-1130364

Dear Mr. Ericksen:

Enclosed for your review and comment is the District's analysis of Chevron USA Inc.'s application for Emission Reduction Credits (ERCs) resulting from the shutdown of two natural gas-fired engines powering compressors, at the Coalinga Nose unit in Fresno County. The quantity of ERCs proposed for banking is 137 lb-NOx/yr, 4 lb-SOx/yr, 125 lb-PM10/yr, 7,063 lb-CO/yr, 71 lb-VOC/yr and 161 metric tons-CO2e/yr.

The notice of preliminary decision for this project will be published approximately three days from the date of this letter. After addressing all comments made during the 30-day public notice comment period, the District intends to issue the ERCs. Please submit your written comments on this project within the 30-day public comment period, as specified in the enclosed public notice.

Thank you for your cooperation in this matter. If you have any questions regarding this matter, please contact Mr. Steve Roeder of Permit Services at (661) 392-5615.

Sincerely,



Arnaud Marjollet
Director of Permit Services

AM:SR

Enclosures

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

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
ERC Application Review
Shutdown of Two Internal Combustion Engines**

Facility Name: Chevron USA, Inc
Mailing Address: PO Box 1392
Bakersfield, CA 93302

Date: August 10, 2015
Engineer: Steve Roeder
Lead Engineer: Richard Karrs

Contact Person: Lance Ericksen @ (661) 654-7145

Facility ID: C-2885

Project #: C-1130364

Submitted: February 15, 2013

Deemed Complete: January 16, 2014

I. Summary

The primary business of Chevron is the production of oil and natural gas.

Chevron has shutdown Coalinga Engines C-2885-49 and -53, on 4/11/12 and 8/5/11, respectively. The operating permits have been surrendered.

Chevron proposes to bank the emission reductions for criteria pollutants (NO_x, SO_x, CO, PM₁₀ and VOC) and greenhouse gasses (GHG) (CO₂, CH₄ and N₂O). The natural gas-fired IC engines were used to power natural gas compressors. The following emission reductions qualify for banking. See the operating permits in Appendix A.

Bankable Criteria ERCs (lb/quarter) ERC C-1372					
	NO _x	SO _x	PM ₁₀	CO	VOC
1st Quarter	27	1	26	1,473	14
2nd Quarter	70	2	61	3,471	36
3rd Quarter	23	1	29	1,533	12
4th Quarter	17	0	9	586	9

Bankable GHG ERCs (metric tons/year)	
GHG	161

II. Applicable Rules

Rule 2201 New and Modified Stationary Source Review Rule (4/21/11)
Rule 2301 Emission Reduction Credit Banking (1/19/12)
Rule 4201 Particulate Matter Concentration (12/17/92)
Rule 4701 Internal Combustion Engines - Phase 1 (8/21/03)
Rule 4702 Internal Combustion Engines (8/18/11)

III. Location of Reduction

The engines were located in the Coalinga Nose Unit in the Coalinga Oilfield in Fresno County, Section 7, Township 20S, Range 16E, near Coalinga, CA.

IV. Method of Generating Reductions

The method of emission reductions is the permanent shut down of two natural-gas fired compressor engines, permits C-2885-49 and -53. The engines ceased operating on 8/6/11 and 4/11/12, and the permits were cancelled on 8/27/12. The shutdown of these engines followed the shutdown of engine C-2885-57. All three of the compressor engines have been removed from the site and no other engines or electric motors are being used to compress the gas.

Chevron had banked ERCs from the first of the three engines (C-2885-57) during project C-1111565. According to the applicant, the Coalinga Nose Unit gas production has declined and can no longer produce gas.

V. Calculations

A. Assumptions

- Fuel use records have been provided by the applicant
- Emissions are based on fuel-use data and emission factors

B. Emission Factors

District Rule 2201, defines “actual emissions” as follows:

Actual Emissions: emissions having occurred from a source, based on source test or monitoring data, actual fuel consumption, and process data. If source test or monitoring data is not available, other appropriate, APCO-approved, emission factors may be used.

The applicant has provided source test data for NO_x, SO_x, CO and VOC, which are all lower than the permitted emission factors for each engine.

Since the engines had not been tested for PM₁₀ emissions, the District must consider using the permitted emission factor of 0.064 g/hp-hr. In order to determine if that number is accurate, it has been compared to the emission factor in EPA AP-42, Table 3.2-3, which is 0.01941 lb/MMBtu. According to the following calculation, the numbers are the same.

$$\frac{0.064 \text{ g} \cdot \text{PM}_{10}}{\text{hp} \cdot \text{hr}} \times \frac{1 \text{ lb}}{453.6 \text{ g}} \times \frac{\text{hp} \cdot \text{hr}}{2,546.5 \text{ Btu}} \times \frac{0.35\% \text{ hp}_{out}}{\text{hp}_{in}} \times \frac{1,000,000}{\text{MM}} = 0.0194 \frac{\text{lb} \cdot \text{PM}_{10}}{\text{MMBtu}}$$

Since the AP-42 emission factor has been derived from the testing of many natural gas-fired engines, it is considered to be accurate and shall be used in the proceeding calculations.

Finally, the CO_{2e} emission factor is taken from the District’s Spreadsheet “ARB – Greenhouse Gas Emission Factors,” and is converted into lb/MMBtu in the following table.

GHG Natural Gas Emission Factors					
Pollutant	kg/MMBtu x	2.205 lb/kg x	GWP =	CO ₂ e EF	
CO ₂	52.87	2.205	1.00	116.578	lb/MMBtu
CH ₄	0.0009	2.205	21.00	0.0417	lb/MMBtu
N ₂ O	0.0001	2.205	310.0	0.0684	lb/MMBtu
Total CO ₂ e				117	lb/MMBtu

The emission factors for calculating the HAE of each engine are presented in following table.

Emission Factors (lb/MMBtu)		
	C-2885-49	C-2885-53
NO _x	0.0382	0.0013
SO _x	0.0008	0.0007
PM ₁₀	0.0194	0.0194
CO	1.2605	0.8834
VOC	0.0205	0.00026
CO ₂ e	117	117

C. Baseline Period Determination

Pursuant to Rule 2201, the Baseline Period is a period of time equal to either:

The two consecutive years of operation immediately prior to the submission date of the Complete Application; or

At least two consecutive years within the five years immediately prior to the submission date of the Complete Application if determined by the APCO as more representative of normal source operation.

Chevron has banked ERCs from the shutdown of the first engine in the Coalinga Nose Unit Compressor Station (C-2885-57) in Project C-1111565. In order to preclude any load-shifting, the District has determined that the same baseline period shall be used for this project. The baseline period is May, 2008 through April, 2010 (see project C-1111565).

D. Baseline Data

The baseline fuel-use data has been supplied by the applicant (see Appendix C), and is presented as quarterly averages for each engine in the following table.

Quarterly Baseline Fuel-Use (MMBtu)		
	C-2885-49	C-2885-53
Quarter 1	690	683
Quarter 2	1,770	1,404
Quarter 3	566	928
Quarter 4	456	12
Annual Total	3,482	3,027

E. Historical Actual Emissions (HAE)

The HAE for the engine are determined by multiplying the quarterly fuel-use by the emission factors presented above, as shown in the following tables.

1. C-2885-49

HAE from Fuel Use Quarter 1						
NO _x	0.0382	lb/MMBtu x	690	MMBtu/qtr =	26	lb/qtr
SO _x	0.0008	lb/MMBtu x	690	MMBtu/qtr =	1	lb/qtr
PM ₁₀	0.0194	lb/MMBtu x	690	MMBtu/qtr =	13	lb/qtr
CO	1.2605	lb/MMBtu x	690	MMBtu/qtr =	870	lb/qtr
VOC	0.0205	lb/MMBtu x	690	MMBtu/qtr =	14	lb/qtr

HAE from Fuel Use Quarter 2						
NO _x	0.0382	lb/MMBtu x	1,770	MMBtu/qtr =	68	lb/qtr
SO _x	0.0008	lb/MMBtu x	1,770	MMBtu/qtr =	1	lb/qtr
PM ₁₀	0.0194	lb/MMBtu x	1,770	MMBtu/qtr =	34	lb/qtr
CO	1.2605	lb/MMBtu x	1,770	MMBtu/qtr =	2,231	lb/qtr
VOC	0.0205	lb/MMBtu x	1,770	MMBtu/qtr =	36	lb/qtr

HAE from Fuel Use Quarter 3						
NO _x	0.0382	lb/MMBtu x	566	MMBtu/qtr =	22	lb/qtr
SO _x	0.0008	lb/MMBtu x	566	MMBtu/qtr =	0	lb/qtr
PM ₁₀	0.0194	lb/MMBtu x	566	MMBtu/qtr =	11	lb/qtr
CO	1.2605	lb/MMBtu x	566	MMBtu/qtr =	713	lb/qtr
VOC	0.0205	lb/MMBtu x	566	MMBtu/qtr =	12	lb/qtr

HAE from Fuel Use Quarter 4						
NO _x	0.0382	lb/MMBtu x	456	MMBtu/qtr =	17	lb/qtr
SO _x	0.0008	lb/MMBtu x	456	MMBtu/qtr =	0	lb/qtr
PM ₁₀	0.0194	lb/MMBtu x	456	MMBtu/qtr =	9	lb/qtr
CO	1.2605	lb/MMBtu x	456	MMBtu/qtr =	575	lb/qtr
VOC	0.0205	lb/MMBtu x	456	MMBtu/qtr =	9	lb/qtr

The HAE for GHG is expressed in metric tons per year as follows:

$$CO_2e \text{ HAE} = \frac{3,482 \text{ MMBtu}}{\text{year}} \times \frac{117 \text{ lb}}{\text{MMBtu}} \times \frac{1 \text{ Metric Ton}}{2,205 \text{ lb}} = 185 \frac{\text{metric tons}}{\text{year}}$$

2. C-2885-53

HAE from Fuel Use Quarter 1						
NO _x	0.0013	lb/MMBtu x	683	MMBtu/qtr =	1	lb/qtr
SO _x	0.0007	lb/MMBtu x	683	MMBtu/qtr =	0	lb/qtr
PM ₁₀	0.0194	lb/MMBtu x	683	MMBtu/qtr =	13	lb/qtr
CO	0.8834	lb/MMBtu x	683	MMBtu/qtr =	603	lb/qtr
VOC	0.00026	lb/MMBtu x	683	MMBtu/qtr =	0	lb/qtr

HAE from Fuel Use Quarter 2						
NO _x	0.0013	lb/MMBtu x	1,404	MMBtu/qtr =	2	lb/qtr
SO _x	0.0007	lb/MMBtu x	1,404	MMBtu/qtr =	1	lb/qtr
PM ₁₀	0.0194	lb/MMBtu x	1,404	MMBtu/qtr =	27	lb/qtr
CO	0.8834	lb/MMBtu x	1,404	MMBtu/qtr =	1,240	lb/qtr
VOC	0.00026	lb/MMBtu x	1,404	MMBtu/qtr =	0	lb/qtr

HAE from Fuel Use Quarter 3						
NO _x	0.0013	lb/MMBtu x	928	MMBtu/qtr =	1	lb/qtr
SO _x	0.0007	lb/MMBtu x	928	MMBtu/qtr =	1	lb/qtr
PM ₁₀	0.0194	lb/MMBtu x	928	MMBtu/qtr =	18	lb/qtr
CO	0.8834	lb/MMBtu x	928	MMBtu/qtr =	820	lb/qtr
VOC	0.00026	lb/MMBtu x	928	MMBtu/qtr =	0	lb/qtr

HAE from Fuel Use Quarter 4						
NO _x	0.0013	lb/MMBtu x	12	MMBtu/qtr =	0	lb/qtr
SO _x	0.0007	lb/MMBtu x	12	MMBtu/qtr =	0	lb/qtr
PM ₁₀	0.0194	lb/MMBtu x	12	MMBtu/qtr =	0	lb/qtr
CO	0.8834	lb/MMBtu x	12	MMBtu/qtr =	11	lb/qtr
VOC	0.00026	lb/MMBtu x	12	MMBtu/qtr =	0	lb/qtr

The HAE for GHG is expressed in metric tons per year as follows:

$$CO_2e \text{ HAE} = \frac{3,027 \text{ MMBtu}}{\text{year}} \times \frac{117 \text{ lb}}{\text{MMBtu}} \times \frac{1 \text{ Metric Ton}}{2,205 \text{ lb}} = 161 \frac{\text{metric tons}}{\text{year}}$$

3. Total HAE

The HAE from both engines are added together in the following tables.

Total HAE - Quarter 1 (lb)			
Pollutant	C-2885-49	C-2885-53	Total
NO _x	26	1	27
SO _x	1	0	1
PM ₁₀	13	13	26
CO	870	603	1,473
VOC	14	0	14

Total HAE - Quarter 2 (lb)			
Pollutant	C-2885-49	C-2885-53	Total
NO _x	68	2	70
SO _x	1	1	2
PM ₁₀	34	27	61
CO	2,231	1,240	3,471
VOC	36	0	36

Total HAE - Quarter 3 (lb)			
Pollutant	C-2885-49	C-2885-53	Total
NO _x	22	1	23
SO _x	0	1	1
PM ₁₀	11	18	29
CO	713	820	1,533
VOC	12	0	12

Total HAE - Quarter 4 (lb)			
Pollutant	C-2885-49	C-2885-53	Total
NO _x	17	0	17
SO _x	0	0	0
PM ₁₀	9	0	9
CO	575	11	586
VOC	9	0	9

The total HAE for GHG is calculated as follows:

$$CO_2e \text{ HAE} = \frac{185 \text{ Metric tons}}{\text{year}} + \frac{161 \text{ Metric Tons}}{\text{year}} = 346 \frac{\text{Metric Tons}}{\text{year}}$$

F. Adjustments to HAE

1. Rule 2201 - New and Modified Stationary Source Review Rule

Pursuant to Section 3.22, HAE must be discounted for any emissions reduction which is:

- Required or encumbered by any laws, rules, regulations, agreements, orders, or
- Attributed to a control measure noticed for workshop, or proposed or contained in a State Implementation Plan, or
- Proposed in the District Air Quality Plan for attaining the annual reductions required by the California Clean Air Act.
- Any Actual Emissions in excess of those required or encumbered by any laws, rules, regulations, orders, or permits. For units covered by a Specific Limiting Condition (SLC), the total overall HAE for all units covered by SLC must be discounted for any emissions in excess of that allowed by the SLC.
 - a. There are no agreements or orders regarding the operation or emissions reductions associated with the engine. The discounts for any Rules will be discussed under the applicable Rules listed below. Therefore, no adjustments will be made to the HAE under this section.
 - b. There are no reductions from the engine that are attributed to a control measure noticed for workshop, or proposed or contained in a State Implementation Plan. Therefore, no adjustment to the HAE will be made in this section.
 - c. There are no reductions for engines proposed in the District Air Quality Plan for attaining the annual reductions required by the California Clean Air Act. Therefore, no adjustments will be made to the HAE under this section.
 - d. There are no SLCs related to the operation of the engine. In addition, the fuel-use did not exceed the permitted maximum daily use (full-power, full-time operation for fuel use)) for any month represented. Therefore, no adjustments will be made to the HAE under this section.

The engines have undergone permitting under Rule 2201 and EPA review under Title V. The permit complied with all NSR and Federal Requirements. No adjustments to the HAE are necessary under Rule 2201.

2. Rule 4201 - Particulate Matter Concentration

Section 3.1 prohibits discharge of dust, fumes, or total particulate matter into the atmosphere from any single source operation in excess of 0.1 grain per dry standard cubic foot.

The maximum particulate matter concentration is calculated for the engines as follows.

Assumptions

F-Factor for NG:	8,578 dscf/MMBtu
PM ₁₀ Emission Factor:	0.0194 lb-PM ₁₀ /MMBtu
Percentage of PM as PM ₁₀ in Exhaust:	100%
Exhaust Oxygen (O ₂) Concentration:	15%
Heat input:	$\frac{600 \text{ hp}}{35\%} \times \frac{2,543 \text{ Btu}}{\text{hp}\cdot\text{hr}} = 4.4 \frac{\text{MMBtu}}{\text{hr}}$

Based upon the maximum heat input rating:

$$\frac{0.0194 \text{ lb} \cdot \text{PM}}{\text{MMBtu}} \times \frac{7,000 \text{ grain}}{\text{lb}} \times \frac{\text{MMBtu}}{8,578 \text{ ft}^3} = 0.0158 \frac{\text{grain} \cdot \text{PM}}{\text{ft}^3}$$

Since 0.0158 grain·PM/ft³ is less than 0.1, no adjustment is necessary for Rule 4201.

3. Rule 4701 Internal Combustion Engines - Phase 1

The purpose of Rule 4701 is to limit emissions of NO_x, CO and VOC from IC engines.

Table 3 limits NO_x, CO and VOC emissions for rich burn engines to 50 ppmv, 2,000 ppmv and 250 ppmv, at 15% oxygen, respectively. Since this engine was permitted to operate at 25 ppmv-NO_x, 2,000 ppmv-CO and 60 ppmv-VOC, at 15% oxygen, no adjustment is necessary for Rule 4701.

4. Rule 4702 Internal Combustion Engines

The purpose of this rule is to limit the emissions of NO_x, CO, VOC and SO_x from internal combustion engines.

NO_x, CO and VOC

Table 2 requires rich burn engines that are not ag-only, waste gas-fired, cyclic loaded field-gas-fueled or limited use engines to be limited to 11 ppmv-NO_x, 2,000 ppmv-CO and 250 ppmv-VOC by the compliance date of 1/1/16.

The emission factors used to calculate the HAE for NO_x, CO and VOC are compared to the Rule 4702 limits in the following table (in ppmv @ 15% O₂).

Rule 4702 Emission Factors				
Pollutant	Rule 4702	HAE for 49-2	HAE for 53-5	Adjustment?
NO _x	25	10.4	0.4	No
CO	2,000	566	396	No
VOC	250	16.2	0.2	No

Since none of the emission factors used to calculate the HAE for the engines are above the Rule 4702 limits, no adjustment is necessary for these pollutants for Rule 4702.

SO_x

Section 5.7 requires that engines be fired on either PUC-regulated natural gas, or gas that does not exceed a sulfur content of 5 grains of sulfur per 100 scf of gas.

According to the District Policy *Generally Accepted SO_x Emission Factor for Combustion of PUC-quality Natural Gas*, PUC regulated gas contains 1.0 grains of sulfur per 100 scf of gas, which is equivalent to 0.00285 lb-SO_x/MMBtu. Since the HAE for these engines were calculated using no more than 0.0029 lb-SO_x/MMBtu, no adjustment is necessary.

5. Actual Emissions Reductions (AER)

Since no adjustments have been to the HAE, the AER is the same as the HAE posted in Section V.E above.

6. Air Quality Improvement Deduction (AQID)

Pursuant to Rule 2201 Section 3.5, the AQID is a 10% discount factor applied to AER (for criteria pollutants) before the AER is eligible for banking. GHG banking is covered by Rule 2301, and no AQID applies to GHG AER. The HAE is adjusted for the AQID for criteria pollutants in the following tables.

Total HAE			
Quarter 1 (lb)			
Pollutant	HAE	AQID	HAE Adjusted for AQID
NO _x	27	2.7	24
SO _x	1	0.1	1
PM ₁₀	26	2.6	23
CO	1,473	147.3	1,326
VOC	14	1.4	13

Total HAE			
Quarter 2 (lb)			
Pollutant	HAE	AQID	Adjusted for AQID
NO _x	70	7	63
SO _x	2	0.2	2
PM ₁₀	61	6.1	55
CO	3,471	347.1	3,124
VOC	36	3.6	32

Total HAE			
Quarter 3 (lb)			
Pollutant	HAE	AQID	Adjusted for AQID
NO _x	23	2.3	21
SO _x	1	0.1	1
PM ₁₀	29	2.9	26
CO	1,553	155.3	1,398
VOC	12	1.2	11

Total HAE			
Quarter 4 (lb)			
Pollutant	HAE	AQID	Adjusted for AQID
NO _x	17	1.7	15
SO _x	0	0.0	0
PM ₁₀	9	0.9	8
CO	586	58.6	527
VOC	9	0.9	8

7. Increase in Permitted Emissions (IPE)

The unit has been shut down and there are no increases in emissions associated with this project. Therefore no adjustment is necessary.

8. Bankable Emissions Reduction Credits

The bankable ERCs for criteria pollutants are presented in pounds/quarter in the following tables, while the bankable GHG ERCs are expressed in metric tons per year.

Bankable ERCs (lb)	
Quarter 1	
NO _x	24
SO _x	1
PM ₁₀	23
CO	1,326
VOC	13

Bankable ERCs (lb)	
Quarter 2	
NO _x	63
SO _x	2
PM ₁₀	55
CO	3,124
VOC	32

Bankable ERCs (lb)	
Quarter 3	
NO _x	21
SO _x	1
PM ₁₀	26
CO	1,398
VOC	11

Bankable ERCs (lb)	
Quarter 4	
NO _x	15
SO _x	0
PM ₁₀	8
CO	527
VOC	8

VI. Compliance

Rule 2201 - New and Modified Stationary Source Review Rule

Pursuant to Section 3.2, any AER must be real, enforceable, quantifiable, permanent, and surplus.

A. Real

The emissions reductions were generated by the shutdown of two engines. The emissions were calculated from historic fuel-use data and recognized emission factors and source test data, therefore the emissions were real. The engines have been removed. Therefore, the emission reductions are real.

B. Enforceable

The associated permits for these units have been surrendered to the District, and the engines have been removed. Operation of the equipment without a valid permit would subject the permittee to enforcement action, and this facility is subject to annual inspections. Therefore, the reductions are enforceable.

C. Quantifiable

The reductions are quantifiable since they were calculated from historic fuel use records, source testing data, established and accepted emission factors and methods according to District Rule 2201. Therefore, the reductions are quantifiable and have been quantified.

D. Permanent

The equipment has been shut down and removed and the permits have been surrendered. The gas in the field has been depleted, all compressor engines have been removed and there are no other engines or electric motors connected to compress any remaining gas. Since no emissions have been shifted, the reductions are permanent.

E. Surplus

To be considered surplus, AER shall be in excess, at the time the application for an ERC is deemed complete, of any emissions reduction which:

- Is required or encumbered by any laws, rules, regulations, agreements, orders, or
- Is attributed to a control measure noticed for workshop, or proposed or contained in a State Implementation Plan, or
- Is proposed in the adopted air quality plan pursuant to the California Clean Air Act.

As discussed in Section V above, there are no rules, regulations, plans, etc., that would serve to reduce the bankable emissions for criteria pollutants. Therefore the reductions are surplus.

F. Not used for the Approval of an Authority to Construct or as Offsets

The emission reduction credits generated by the shutdown of the engine have not been used for the approval of any ATC or as offsets or mitigation. The PTO has been surrendered.

Rule 2301 – Emission Reduction Credit Banking

Section 5.5 states that ERC Certificate applications shall be submitted within 180 days after the emission reduction occurs. The engines were removed from operation and the permits were cancelled on 8/27/12. The applicant filed the ERC application on 2/15/13. Since the application was received within 180 days of the surrender of the permit, the application was submitted in a timely fashion.

Section 6.1.2 states that if the emission reductions were created as a result of the shutdown of a permitted emissions unit, the relevant Permit to Operate shall have been surrendered and voided. The Permits to Operate were surrendered and canceled by the District on 8/27/12.

Regarding GHG, the purpose of this Rule is to:

- 1.2.1 Provide an administrative mechanism for sources to bank voluntary greenhouse gas emission reductions for later use.
- 1.2.2 Provide an administrative mechanism for sources to transfer banked greenhouse gas emission reductions to others for any use.
- 1.2.3 Define eligibility standards, quantitative procedures and administrative practices to ensure that banked greenhouse gas emission reductions are real, permanent, quantifiable, surplus, and enforceable.

Section 4.5 specifies eligibility criteria for GHG emission reductions to qualify for banking. Below is a summary of each criteria and a description of how the emission reductions satisfy the criteria.

Section 4.5.1 requires that the emission reduction must have occurred after 1/1/05.

The emission reductions occurred when the engines were removed in 2012. As the emission reduction occurred after 1/1/05, this criteria has been satisfied.

Section 4.5.2 requires that the emissions must have occurred in the District.

The emissions occurred at the Coalinga Nose Unit in Coalinga, CA. Since this location is within the District, this criteria has been satisfied.

Section 4.5.3 requires that the emission reductions must be real, surplus, permanent, quantifiable, and enforceable.

Real:

The emissions reductions were generated by the shutdown of an engine. The emissions were calculated from actual historic fuel-use data and recognized emission factors and source test data, therefore the emissions were real. The engine has been removed. Therefore, the emission reductions are real.

Surplus:

There are no laws, rules, regulations, agreements, orders, or permits requiring any GHG emission reductions from the natural gas-fired compressors. Therefore, the emission reductions satisfy the surplus requirement in Section 4.5.3.2.

The emission reductions are not the result of an action taken by the permittee to comply with any requirement.

However, this facility is subject to the CARB Cap and Trade regulation. Pursuant to Section 4.5.3.1, *greenhouse gas emission reductions that occur at a facility subject to the CARB greenhouse gas cap and trade regulation on or after January 1, 2012 are not surplus.*

The AER from the shutdown of C-2885-53 occurred on 8/5/11, and therefore qualify as surplus. The AER from C-2885-49 occurred on 4/11/12, which is after 1/1/12, therefore the associated AER are not surplus, and do not qualify for ERC banking.

The total bankable AER for GHG is adjusted by eliminating the GHG AER from C-2885-49 as follows:

$$CO_2e \text{ AER} = \frac{185 \rightarrow 0 \text{ Metric tons}}{\text{year}} + \frac{161 \text{ Metric Tons}}{\text{year}} = 161 \frac{\text{Metric Tons}}{\text{year}}$$

Permanent:

The equipment has been shut down and removed and the permit has been surrendered. The gas in the field has been depleted, all compressor engines have been removed and there are no other engines or electric motors connected to compress any remaining gas. Since no emissions have been shifted, the reductions are permanent.

When determining the geographical boundary in which the emission reduction is determined to be permanent the applicant may consider how the GHG ERC may likely be used.

Please note that while Rule 2301 allows facilities to receive ERCs for GHG emission reductions, the District does not have any requirements on the use of GHG ERCs. However, it is anticipated that the likely uses of such GHG ERCs would be their future retirement as GHG mitigation in the CEQA process.

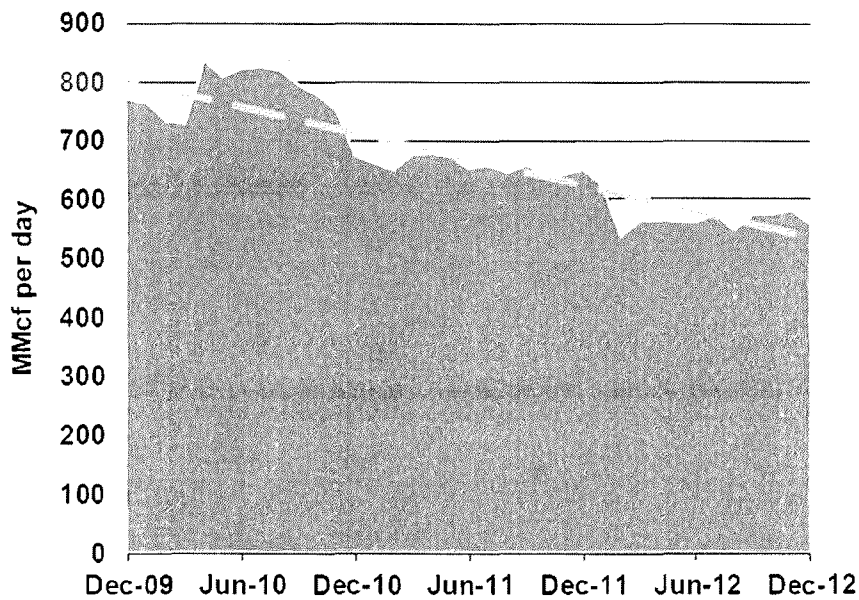
Pursuant to CEQA, lead agencies must consider the environmental impact of GHG emissions from a project and may require that such GHG emissions be mitigated. In evaluating various mitigation techniques, including the retirement of GHG ERCs, the lead agency must determine if the proposed mitigation technique adequately mitigates the project's GHG emission increase.

When a lead agency determines if the retirement of a particular GHG ERC provides adequate GHG mitigation for a project, the lead agency may choose to consider the location where the GHG ERC was generated and the geographical boundary used to determine the permanence of the emission reduction. In making this determination, the lead agency may conclude that the retirement of a particular GHG ERC would provide adequate mitigation for projects within that same geographical boundary. Again, that determination will be made by the lead agency for a particular project.

This applicant has selected the State of California as the geographical boundary for which the emission reduction is permanent. Information has been provided below to validate this geographical boundary selection.

As shown in the following chart from the Division of Oil, Gas and Geothermal Resources (DOGGR), the total natural gas production in the State of California has been on a decline since 2009. Gas production has declined from 800,000,000 cubic feet per day in 12/09 to 550,000,000 cubic feet per day in 12/12.

CALIFORNIA GAS PRODUCTION



Sources: EIA / DOGGR / Navigant

Chevron had three natural gas compressors serving the Coalinga Nose Unit, and due to a lack of gas to compress, all of the engines have been shut down and removed, and there are no other engines or electric motors compressing any of the remaining gas. Therefore there is no transfer of emissions to any other sources, and the emission reductions are permanent.

Based on this information, the geographical boundary for which the emission reduction is permanent is the State of California.

The ERC Certificate will include the following identifier:

"Shutdown of engine verified as permanent within the State of California"

Quantifiable:

The actual emissions were calculated from historic fuel-use records and accepted emission factors. Therefore, the emission reductions are quantifiable and have been quantified.

Enforceable:

The engine has been shut down and the PTO has been surrendered to the District. Operation of the equipment without a valid permit would subject the permittee to enforcement action. Therefore, the emission reductions are enforceable.

Section 4.5.4 requires that GHG emission reductions be calculated as the difference between the historic annual average GHG emissions (as CO₂e) and the PE2 after the reduction is complete. The historical GHG emissions must be calculated using the consecutive 24 month period immediately prior to the date the emission reductions occurred (the shutdown of the cotton gin), or another consecutive 24 month period in the 60 months prior to the date the emission reduction occurred if determined by the APCO as being more representative of normal operations.

The GHG emission reductions were calculated according to the baseline period identified above. Since this is a permanent shutdown of the compressor engine from a depleted natural gas field, with none of the load being shifted to any other compressor engines or electric motors in California, there is no post-project potential to emit GHG.

Section 4.5.5 requires that GHG emission reductions proposed to be quantified using CARB-approved emission reduction project protocols shall be calculated in accordance with the applicable protocol.

Since the GHG emission reductions are not subject to an applicable CARB-approved emission reduction project protocol, this section is not applicable.

Section 4.5.6 requires that ERCs shall be made enforceable through permit conditions or legally binding contract.

The compressor engine held a legal District operating permit. That permit has been surrendered to the District. Since the operation of a new engine would require a new Authority to Construct, as discussed above, the emission reduction is enforceable.

Section 5 identifies ERC Certificate application procedures.

Section 5.5.2 requires, for emission reductions occurring prior to 1/19/12, applications for ERCs must be submitted by 7/19/12.

The ERC application was submitted on 5/27/11, therefore the application is timely.

Section 6.15 specifies the registration requirements for GHG ERCs.

This emission reductions are surplus and additional of all requirements pursuant to Section 4.5.3.4. Therefore the ERC certificate shall include the following notation:

"This emission reduction is surplus and additional to all applicable regulatory requirements."

Compliance with Rule 2301 has been demonstrated and no further adjustments are necessary.

VII. Recommendation

Issue ERC Certificates in the amounts posted in the table below and on the Draft ERC Certificates in Appendix E.

Bankable Criteria ERCs (lb/quarter)					
	NO _x	SO _x	PM ₁₀	CO	VOC
1st Quarter	27	1	26	1,473	14
2nd Quarter	70	2	61	3,471	36
3rd Quarter	23	1	29	1,533	12
4th Quarter	17	0	9	586	9

Bankable GHG ERCs (metric tons/year)	
GHG	161

List of Appendixes

- A. Surrendered Permit to Operate
- B. Source Test Data
- C. Fuel Use Records
- D. Draft Emission Reduction Credit Certificates

Appendix A Surrendered Permits to Operate

INSPECTION

EXPIRATION DATE: 10/31/2017

LEGAL OWNER OR OPERATOR: CHEVRON USA, INC.
MAILING ADDRESS: P O BOX 1392
 BAKERSFIELD, CA 93302

WORKSHEET

LOCATION: S. 7F T. 20S R. 16E
 FRESNO COUNTY, CA

INSPECT PROGRAM PARTICIPANT: NO

EQUIPMENT DESCRIPTION:

600 BHP NATURAL GAS-FIRED SUPERIOR MODEL 6G825 INTERNAL COMBUSTION ENGINE POWERING A NATURAL GAS COMPRESSOR

CONDITIONS

1. Particulate matter emissions shall not exceed 0.1 grains/dscf in concentration. [District Rule 4201] Federally Enforceable Through Title V Permit
2. Unit shall be fired only on PUC quality natural gas with a sulfur content of less than or equal to 1 grain per 100 scf. [District NSR Rule and District Rule 4801] Federally Enforceable Through Title V Permit
3. Emissions from this IC engine shall not exceed any of the following limits: 25 ppmvd NOx @ 15% O2, equivalent to 0.349 g-NOx/hp-hr, 0.011 g-SOx/hp-hr, 0.064 g-PM10/hp-hr, 2,000 ppmvd CO @ 15% O2, equivalent to 16.981 g-CO/hp-hr, or 60 ppmvd VOC @ 15% O2, equivalent to 0.291 g-VOC/hp-hr. [District NSR Rule and District Rule 4702] Federally Enforceable Through Title V Permit
4. If the engine is not fired on PUC-regulated natural gas, then the sulfur content of the natural gas being fired in the IC engine shall be determined using ASTM method D 1072, D 3031, D 4084, D 3246, or grab sample analysis by GC-FPD/TCD performed in the laboratory. [District NSR Rule and District Rule 2520, 9.3] Federally Enforceable Through Title V Permit
5. If the engine is not fired on PUC-regulated natural gas, the sulfur content of each fuel source shall be tested weekly except that if compliance with the fuel sulfur content limit has been demonstrated for 8 consecutive weeks for a fuel source, then the testing frequency shall be quarterly. If a test shows noncompliance with the sulfur content requirement, the source must return to weekly testing until eight consecutive weeks show compliance. [District NSR Rule and District Rule 2520, 9.3] Federally Enforceable Through Title V Permit
6. If the engine is fired on PUC-regulated natural gas, then maintain on file copies of all natural gas bills. [District NSR Rule and District Rule 2520, 9.4] Federally Enforceable Through Title V Permit
7. This engine shall be equipped with an operational non-resettable elapsed time meter or other APCO approved alternative. [District Rule 4702] Federally Enforceable Through Title V Permit
8. This engine shall be operated and maintained in proper operating condition per the manufacturer's requirements as specified on the Inspection and Maintenance (I&M) plan submitted to the District. [District Rule 4702] Federally Enforceable Through Title V Permit
9. The permittee shall monitor and record the stack concentration of NOx, CO, and O2 at least once every month (in which a source test is not performed) using a portable emission monitor that meets District specifications. Monitoring shall not be required if the engine is not in operation, i.e. the engine need not be started solely to perform monitoring. Monitoring shall be performed within 5 days of restarting the engine unless monitoring has been performed within the last month. Records must be maintained of the dates of non-operation to validate extended monitoring frequencies. [District Rules 4701 and 4702] Federally Enforceable Through Title V Permit

10. If either the NO_x or CO concentrations corrected to 15% O₂, as measured by the portable analyzer, exceed the allowable emission concentration, the permittee shall return the emissions to within the acceptable range as soon as possible, but no longer than 8 hours after detection. If the portable analyzer readings continue to exceed the allowable emissions concentration after 8 hours, the permittee shall notify the District within the following 1 hour, and conduct a certified source test within 60 days of the first exceedance. In lieu of conducting a source test, the permittee may stipulate a violation has occurred, subject to enforcement action. The permittee must then correct the violation, show compliance has been re-established, and resume monitoring procedures. If the deviations are the result of a qualifying breakdown condition pursuant to Rule 1100, the permittee may fully comply with Rule 1100 in lieu of the performing the notification and testing required by this condition. [District Rules 4701 and 4702] Federally Enforceable Through Title V Permit
11. All alternate monitoring parameter emission readings shall be taken with the unit operating either at conditions representative of normal operations or conditions specified in the permit-to-operate. The analyzer shall be calibrated, maintained, and operated in accordance with the manufacturer's specifications and recommendations or a protocol approved by the APCO. Emission readings taken shall be averaged over a 15 consecutive-minute period by either taking a cumulative 15 consecutive-minute sample reading or by taking at least five (5) readings, evenly spaced out over the 15 consecutive-minute period. [District Rules 4701 and 4702] Federally Enforceable Through Title V Permit
12. Source testing to measure natural gas-combustion NO_x, CO, and VOC emissions from this unit shall be measured not less than once every 24 months. [District Rules 4701 and 4702] Federally Enforceable Through Title V Permit
13. The following test methods shall be used: NO_x (ppmv) - EPA Method 7E or ARB Method 100, CO (ppmv) - EPA Method 10 or ARB Method 100, stack gas oxygen - EPA Method 3 or 3A or ARB Method 100, and VOC (ppmv) - EPA Method 25 or EPA Method 18 referenced as methane. [District Rules 4701 and 4702] Federally Enforceable Through Title V Permit
14. Emissions source testing shall be conducted with the engine operating either at conditions representative of normal operations or conditions specified in the Permit to Operate. [District Rules 4701 and 4702] Federally Enforceable Through Title V Permit
15. For emissions source testing, the arithmetic average of three 30-consecutive-minute test runs shall apply. If two of three runs are above an applicable limit, the test cannot be used to demonstrate compliance with an applicable limit. VOC emissions shall be reported as methane. VOC, NO_x, and CO concentrations shall be reported in ppmv, corrected to 15% oxygen. [District Rules 4701 and 4702] Federally Enforceable Through Title V Permit
16. Source testing shall be conducted using the methods and procedures approved by the District. The District must be notified at least 30 days prior to any compliance source test, and a source test plan must be submitted for approval at least 15 days prior to testing. [District Rule 1081] Federally Enforceable Through Title V Permit
17. The results of each source test shall be submitted to the District within 60 days thereafter. [District Rule 1081] Federally Enforceable Through Title V Permit
18. The permittee shall maintain records of: (1) the date and time of NO_x, CO, and O₂ measurements, (2) the O₂ concentration in percent and the measured NO_x and CO concentrations corrected to 15% O₂, (3) make and model of exhaust gas analyzer, (4) exhaust gas analyzer calibration records, and (5) a description of any corrective action taken to maintain the emissions within the acceptable range. [District Rules 4701 and 4702] Federally Enforceable Through Title V Permit
19. The permittee shall maintain an engine operating log to demonstrate compliance. The engine operating log shall include, on a monthly basis, the following information: total hours of operation, type and quantity (cubic feet of gas or gallons of liquid) of fuel used, maintenance or modifications performed, monitoring data, compliance source test results, and any other information necessary to demonstrate compliance. [District Rules 4701 and 4702] Federally Enforceable Through Title V Permit
20. The permittee shall update the I&M plan for this engine prior to any planned change in operation. The permittee must notify the District no later than seven days after changing the I&M plan and must submit an updated I&M plan to the APCO for approval no later than 14 days after the change. The date and time of the change to the I&M plan shall be recorded in the engine's operating log. For modifications, the revised I&M plan shall be submitted to and approved by the APCO prior to issuance of the Permit to Operate. The permittee may request a change to the I&M plan at any time. [District Rule 4702] Federally Enforceable Through Title V Permit

21. All records shall be maintained and retained on-site for a minimum of five (5) years, and shall be made available for District inspection upon request. [District Rules 4701 and 4702] Federally Enforceable Through Title V Permit

INSPECTION
WORKSHEET

INSPECTION
EXPIRATION DATE: 10/31/2017
WORKSHEET

LEGAL OWNER OR OPERATOR: CHEVRON USA, INC.
MAILING ADDRESS: P O BOX 1392
 BAKERSFIELD, CA 93302

LOCATION: S. 7F T. 20S R. 16E
 FRESNO COUNTY, CA

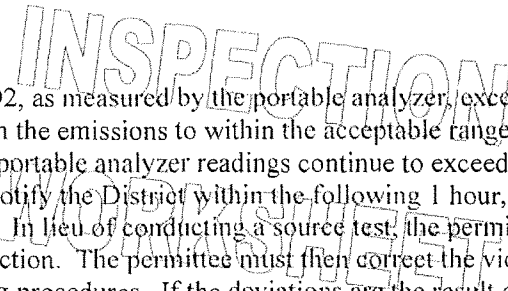
INSPECT PROGRAM PARTICIPANT: NO

EQUIPMENT DESCRIPTION:

880 BHP NATURAL GAS-FIRED SUPERIOR MODEL 8G825 INTERNAL COMBUSTION ENGINE WITH NON-SELECTIVE CATALYTIC REDUCTION POWERING A NATURAL GAS COMPRESSOR

CONDITIONS

1. Particulate matter emissions shall not exceed 0.1 grains/dscf in concentration. [District Rule 4201] Federally Enforceable Through Title V Permit
2. Unit shall be fired only on PUC quality natural gas with a sulfur content of less than or equal to 1 grain per 100 scf. [District NSR Rule and District Rule 4801] Federally Enforceable Through Title V Permit
3. Emissions from this IC engine shall not exceed any of the following limits: 25 ppmvd NOx @ 15% O2, equivalent to 0.349 g-NOx/hp-hr, 0.011 g-SOx/hp-hr, 0.064 g-PM10/hp-hr, 2,000 ppmvd CO @ 15% O2, equivalent to 16.981 g-CO/hp-hr, or 60 ppmvd VOC @ 15% O2, equivalent to 0.291 g-VOC/hp-hr. [District NSR Rule and District Rule 4702] Federally Enforceable Through Title V Permit
4. The sulfur content of each fuel source shall be tested weekly except that if compliance with the fuel sulfur content limit has been demonstrated for 8 consecutive weeks for a fuel source, then the testing frequency shall be quarterly. If a test shows noncompliance with the sulfur content requirement, the source must return to weekly testing until eight consecutive weeks show compliance. [District NSR Rule] Federally Enforceable Through Title V Permit
5. The sulfur content testing shall be determined using ASTM method D 1072, D 3031, D 4084, D 3246, or grab sample analysis by GC-FPD/TCD performed in the laboratory. [District Rule 2520, 9.3] Federally Enforceable Through Title V Permit
6. This engine shall be equipped with an operational non-resettable elapsed time meter or other APCO approved alternative. [District Rule 4702] Federally Enforceable Through Title V Permit
7. This engine shall be operated and maintained in proper operating condition per the manufacturer's requirements as specified on the Inspection and Monitoring (I&M) plan submitted to the District. [District Rule 4702] Federally Enforceable Through Title V Permit
8. This engine shall be operated within the ranges that the source testing has shown result in pollution concentrations within the emissions limits as specified on this permit. [District Rule 4702] Federally Enforceable Through Title V Permit
9. The permittee shall monitor and record the stack concentration of NOx, CO, and O2 at least once every month (in which a source test is not performed) using a portable emission monitor that meets District specifications. Monitoring shall not be required if the engine is not in operation, i.e. the engine need not be started solely to perform monitoring. Monitoring shall be performed within 5 days of restarting the engine unless monitoring has been performed within the last month. Records must be maintained of the dates of non-operation to validate extended monitoring frequencies. [District Rules 4701 and 4702] Federally Enforceable Through Title V Permit



10. If either the NO_x or CO concentrations corrected to 15% O₂, as measured by the portable analyzer, exceed the allowable emission concentration, the permittee shall return the emissions to within the acceptable range as soon as possible, but no longer than 8 hours after detection. If the portable analyzer readings continue to exceed the allowable emissions concentration after 8 hours, the permittee shall notify the District within the following 1 hour, and conduct a certified source test within 60 days of the first exceedance. In lieu of conducting a source test, the permittee may stipulate a violation has occurred, subject to enforcement action. The permittee must then correct the violation, show compliance has been re-established, and resume monitoring procedures. If the deviations are the result of a qualifying breakdown condition pursuant to Rule 1100, the permittee may fully comply with Rule 1100 in lieu of the performing the notification and testing required by this condition. [District Rules 4701 and 4702] Federally Enforceable Through Title V Permit
11. All alternate monitoring parameter emission readings shall be taken with the unit operating either at conditions representative of normal operations or conditions specified in the permit-to-operate. The analyzer shall be calibrated, maintained, and operated in accordance with the manufacturer's specifications and recommendations or a protocol approved by the APCO. Emission readings taken shall be averaged over a 15 consecutive-minute period by either taking a cumulative 15 consecutive-minute sample reading or by taking at least five (5) readings, evenly spaced out over the 15 consecutive-minute period. [District Rules 4701 and 4702] Federally Enforceable Through Title V Permit
12. Source testing to measure natural gas-combustion NO_x, CO, and VOC emissions from this unit shall be measured not less than once every 24 months. [District Rules 4701 and 4702] Federally Enforceable Through Title V Permit
13. The following test methods shall be used: NO_x (ppmv) - EPA Method 7E or ARB Method 100, CO (ppmv) - EPA Method 10 or ARB Method 100, stack gas oxygen - EPA Method 3 or 3A or ARB Method 100, and VOC (ppmv) - EPA Method 25 or EPA Method 18 referenced as methane. [District Rules 4701, and 4702] Federally Enforceable Through Title V Permit
14. Emissions source testing shall be conducted with the engine operating either at conditions representative of normal operations or conditions specified in the Permit to Operate. [District Rules 4701 and 4702] Federally Enforceable Through Title V Permit
15. For emissions source testing, the arithmetic average of three 30-consecutive-minute test runs shall apply. If two of three runs are above an applicable limit, the test cannot be used to demonstrate compliance with an applicable limit. VOC emissions shall be reported as methane. VOC, NO_x, and CO concentrations shall be reported in ppmv, corrected to 15% oxygen. [District Rules 4701 and 4702] Federally Enforceable Through Title V Permit
16. Source testing shall be conducted using the methods and procedures approved by the District. The District must be notified at least 30 days prior to any compliance source test, and a source test plan must be submitted for approval at least 15 days prior to testing. [District Rule 1081] Federally Enforceable Through Title V Permit
17. The results of each source test shall be submitted to the District within 60 days thereafter. [District Rule 1081] Federally Enforceable Through Title V Permit
18. The permittee shall maintain records of: (1) the date and time of NO_x, CO, and O₂ measurements, (2) the O₂ concentration in percent and the measured NO_x and CO concentrations corrected to 15% O₂, (3) make and model of exhaust gas analyzer, (4) exhaust gas analyzer calibration records, and (5) a description of any corrective action taken to maintain the emissions within the acceptable range. [District Rules 4701 and 4702] Federally Enforceable Through Title V Permit
19. The permittee shall maintain an engine operating log to demonstrate compliance. The engine operating log shall include, on a monthly basis, the following information: total hours of operation, type and quantity (cubic feet of gas or gallons of liquid) of fuel used, maintenance or modifications performed, monitoring data, compliance source test results, and any other information necessary to demonstrate compliance. [District Rules 4701 and 4702] Federally Enforceable Through Title V Permit
20. The permittee shall update the I&M plan for this engine prior to any planned change in operation. The permittee must notify the District no later than seven days after changing the I&M plan and must submit an updated I&M plan to the APCO for approval no later than 14 days after the change. The date and time of the change to the I&M plan shall be recorded in the engine's operating log. For modifications, the revised I&M plan shall be submitted to and approved by the APCO prior to issuance of the Permit to Operate. The permittee may request a change to the I&M plan at any time. [District Rule 4702] Federally Enforceable Through Title V Permit

CONDITIONS FOR PERMIT C-2885-53-6

21. All records shall be maintained and retained on-site for a minimum of five (5) years, and shall be made available for District inspection upon request. [District Rules 4701 and 4702] Federally Enforceable Through Title V Permit

INSPECTION
WORKSHEET

Appendix B Source Test Data

AEROS ENVIRONMENTAL, INC. Summary Of Results

Chevron U.S.A., Inc.
Coalinga
IC Engine 3

Project 104-5485A
June 29, 2007
ATC No. C-2885-49-2

Pollutant	ppm	ppm @ 15% O ₂	lb/hr	gm/Bhp-hr	lb/MMBtu	Permit Limits
NOx	29.4	8.7	0.09	0.122	0.0318	
	36.2	10.3	0.11	0.145	0.0377	
	43.2	12.3	0.13	0.174	0.0451	
Mean	36.3	10.4	0.11	0.147	0.0382	25 ppm @ 15% O₂
CO	2040	602	3.87	5.168	1.3414	
	1921	546	3.51	4.688	1.2170	
	1926	549	3.53	4.712	1.2231	
Mean	1962	566	3.64	4.856	1.2605	2000 ppm @ 15% O₂
VOC C ₃ - C ₆ + as C ₁	58.1	17.2	0.06	0.084	0.0218	
	56.8	16.2	0.06	0.078	0.0206	
	52.7	15.1	0.06	0.073	0.0191	
Mean	55.9	16.2	0.06	0.078	0.0205	60 ppm @ 15% O₂
Fuel Sulfur (SOx as SO₂)	As H ₂ S in Fuel Gas 5.9		As SO ₂ in Stack Exhaust 0.002	As SO ₂ in Stack Exhaust 0.0031	As SO ₂ in Stack Exhaust 0.0008	0.0019 gm/Bhp-hr
Comments: _____						

AEROS ENVIRONMENTAL, INC.
Summary Of Results

Chevron U.S.A., Inc.
Coalinga
IC Engine 2

Project 104-6010
June 30, 2008
ATC No. C-2885-53-5

Pollutant	ppm	ppm @ 15% O ₂	lb/hr	lb/MMBtu	g/Bhp-hr	Permit Limits
NOx	1.2	0.3	0.02	0.0012	0.0048	25 ppm @ 15% O ₂
	1.2	0.3	0.02	0.0012	0.0048	
	1.3	0.4	0.02	0.0014	0.0053	
Mean	1.2	0.4	0.02	0.0013	0.0050	
CO	1603	453	17.14	1.0090	3.8760	2000 ppm @ 15% O ₂
	1265	357	13.64	0.7959	3.0575	
	1343	379	14.35	0.8453	3.2471	
Mean	1404	396	15.04	0.8834	3.3935	
VOC C ₃ - C ₆ + as C ₁	0.6	0.2	0.003	0.00020	0.0008	60 ppm @ 15% O ₂
	0.9	0.2	0.005	0.00031	0.0012	
	0.8	0.2	0.005	0.00028	0.0011	
Mean	0.7	0.2	0.004	0.00026	0.0010	
Fuel Sulfur (SOx as SO ₂)	As H ₂ S in Fuel Gas 5.45		As SO ₂ in Exhaust 0.013	As SO ₂ in Exhaust 0.0007	As SO ₂ in Exhaust 0.0029	0.011 g/Bhp-hr
Comments: _____						

Appendix C Fuel-Use Records

Fuel-use records for each engine have been supplied by the applicant.

The fuel-use has been averaged into quarters for the baseline period and is presented in the following tables.

Fuel-Use C-2885-49: May 2007 – April 2009				
Quarter	2-year Total (Mscf)	1-yr Average (Mscf)	HHV (Btu/scf)	MMBtu (MMBtu/qtr)
Quarter 1	1,119	559.5	1,234	690
Quarter 2	2,869	1,434.5	1,234	1,770
Quarter 3	918	459	1,234	566
Quarter 4	74	37	1,234	46
Total				3,072

Fuel-Use C-2885-53 May 2007 – April 2009				
Quarter	2-year Total (Mscf)	1-yr Average (Mscf)	HHV (Btu/scf)	MMBtu (MMBtu/qtr)
Quarter 1	1,122	561	1,218	683
Quarter 2	2,305	1,152.5	1,218	1,404
Quarter 3	1,524	762	1,218	928
Quarter 4	20	10	1,218	12
Total				3,027

Appendix D
Draft ERC Certificates

San Joaquin Valley
Air Pollution Control District

Central Regional Office • 1990 E. Gettysburg Ave. • Fresno, CA 93726

Emission Reduction Credit Certificate

C-1372-1
DRAFT

ISSUED TO: CHEVRON USA, INC.
ISSUED DATE: <DRAFT>
LOCATION OF REDUCTION: S7F T20S R16E
FRESNO COUNTY, CA

For VOC Reduction In The Amount Of:

Quarter 1	Quarter 2	Quarter 3	Quarter 4
14 lbs	36 lbs	12 lbs	9 lbs

Conditions Attached

Method Of Reduction

- Shutdown of Entire Stationary Source
 Shutdown of Emissions Units
 Other

Description

Use of these credits outside the San Joaquin Valley Unified Air Pollution Control District (SJVUAPCD) is not allowed without express written authorization by the SJVUAPCD.

Seyed Sadredin, Executive Director / APCO

Arnaud Marjollet, Director of Permit Services

San Joaquin Valley
Air Pollution Control District

Central Regional Office • 1990 E. Gettysburg Ave. • Fresno, CA 93726

Emission Reduction Credit Certificate

C-1372-2
DRAFT

ISSUED TO: CHEVRON USA, INC.
ISSUED DATE: <DRAFT>
LOCATION OF REDUCTION: S7F T20S R16E
FRESNO COUNTY, CA

For NOx Reduction In The Amount Of:

Quarter 1	Quarter 2	Quarter 3	Quarter 4
27 lbs	70 lbs	23 lbs	17 lbs

Conditions Attached

Method Of Reduction

- Shutdown of Entire Stationary Source
 Shutdown of Emissions Units
 Other

Description

Use of these credits outside the San Joaquin Valley Unified Air Pollution Control District (SJVUAPCD) is not allowed without express written authorization by the SJVUAPCD.

Seyed Sadredin, Executive Director /APCO

Arnaud Marjollet, Director of Permit Services

San Joaquin Valley
Air Pollution Control District

Central Regional Office • 1990 E. Gettysburg Ave. • Fresno, CA 93726

Emission Reduction Credit Certificate

C-1372-3
DRAFT

ISSUED TO: CHEVRON USA, INC.
ISSUED DATE: <DRAFT>
LOCATION OF REDUCTION: S7F T20S R16E
FRESNO COUNTY, CA

For CO Reduction In The Amount Of:

Quarter 1	Quarter 2	Quarter 3	Quarter 4
1,473 lbs	3,471 lbs	1,533 lbs	586 lbs

Conditions Attached

Method Of Reduction

- Shutdown of Entire Stationary Source
 Shutdown of Emissions Units
 Other

Description

Use of these credits outside the San Joaquin Valley Unified Air Pollution Control District (SJVUAPCD) is not allowed without express written authorization by the SJVUAPCD.

Seyed Sadredin, Executive Director / APCO

DRAFT

Arnaud Marjollet, Director of Permit Services

San Joaquin Valley
Air Pollution Control District

Central Regional Office • 1990 E. Gettysburg Ave. • Fresno, CA 93726

Emission Reduction Credit Certificate

C-1372-4
DRAFT

ISSUED TO: CHEVRON USA, INC.
ISSUED DATE: <DRAFT>
LOCATION OF REDUCTION: S7F T20S R16E
FRESNO COUNTY, CA

For PM10 Reduction In The Amount Of:

Quarter 1	Quarter 2	Quarter 3	Quarter 4
26 lbs	61 lbs	29 lbs	9 lbs

Conditions Attached

Method Of Reduction

- Shutdown of Entire Stationary Source
 Shutdown of Emissions Units
 Other

Description

Use of these credits outside the San Joaquin Valley Unified Air Pollution Control District (SJVUAPCD) is not allowed without express written authorization by the SJVUAPCD.

Seyed Sadredin, Executive Director / APCO

Arnaud Marjollet, Director of Permit Services

San Joaquin Valley
Air Pollution Control District

Central Regional Office • 1990 E. Gettysburg Ave. • Fresno, CA 93726

Emission Reduction Credit Certificate

C-1372-5
DRAFT

ISSUED TO: CHEVRON USA, INC.
ISSUED DATE: <DRAFT>
LOCATION OF REDUCTION: S7F T20S R16E
FRESNO COUNTY, CA

For SOx Reduction In The Amount Of:

Quarter 1	Quarter 2	Quarter 3	Quarter 4
1 lbs	2 lbs	1 lbs	None

Conditions Attached

Method Of Reduction

- Shutdown of Entire Stationary Source
 Shutdown of Emissions Units
 Other

Description

Use of these credits outside the San Joaquin Valley Unified Air Pollution Control District (SJVUAPCD) is not allowed without express written authorization by the SJVUAPCD.

Seyed Sadredin, Executive Director / APCO

DRAFT

Arnaud Marjollet, Director of Permit Services

San Joaquin Valley
Air Pollution Control District

Central Regional Office • 1990 E. Gettysburg Ave. • Fresno, CA 93726

Emission Reduction Credit Certificate

C-1372-24

ISSUED TO: CHEVRON USA, INC.
ISSUED DATE: <DRAFT>
LOCATION OF REDUCTION: S7F T20S R16E
FRESNO COUNTY, CA

For CO2E Reduction In The Amount Of:

161 metric tons / year

Conditions Attached

Method Of Reduction

- Shutdown of Entire Stationary Source
 Shutdown of Emissions Units
 Other

Description

Emission Reduction Qualification Criteria

Seyed Sadredin, Executive Director / APCO

Arnaud Marjollet, Director of Permit Services

Hanford Sentinel

Newspaper notice for publication in Hanford Sentinel and for posting on valleyair.org

**NOTICE OF PRELIMINARY DECISION
FOR THE PROPOSED ISSUANCE OF
EMISSION REDUCTION CREDITS**

NOTICE IS HEREBY GIVEN that the San Joaquin Valley Unified Air Pollution Control District solicits public comment on the proposed issuance of Emission Reduction Credits to Chevron USA Inc. for the shutdown of two natural gas-fired engines powering compressors, at the Coalinga Nose unit in Fresno County. The quantity of ERCs proposed for banking is 137 lb-NOx/yr, 4 lb-SOx/yr, 125 lb-PM10/yr, 7,063 lb-CO/yr, 71 lb-VOC/yr and 161 metric tons-CO2e/yr.

The analysis of the regulatory basis for this proposed action, Project #C-1130364, is available for public inspection at http://www.valleyair.org/notices/public_notices_idx.htm and at any District office. For additional information, please contact the District at (661) 392-5500. Written comments on this project must be submitted by October 1, 2015 to **ARNAUD MARJOLLET, DIRECTOR OF PERMIT SERVICES, SAN JOAQUIN VALLEY UNIFIED AIR POLLUTION CONTROL DISTRICT, 34946 FLYOVER COURT, BAKERSFIELD, CA 93308.**

**AVISO DE DECISIÓN PRELIMINAR
PARA LA PROPUESTA OTORGACIÓN DE
CERTIFICADOS DE REDUCCIÓN DE EMISIONES**

POR EL PRESENTE SE NOTIFICA que el Distrito Unificado para el Control de la Contaminación del Aire del Valle de San Joaquín está solicitando comentarios del público para la propuesta emisión de Certificados de Reducción de Emisiones (ERC, por sus siglas en inglés) a Chevron USA Inc. para el cierre de dos motores de gas natural apoderando compresores, en la unidadthe Coalinga Nose unit in Fresno County. La cantidad de ERCs propuestas para almacenar es 137 lb-NOx/año, 4 lb-SOx/año, 125 lb-PM10/año, 7,063 lb-CO/año, 71 lb-VOC/año y 161 toneladas de CO2e/año.

El análisis de la base regulatoria para esta acción propuesta, Proyecto #C-1130364, está disponible para la inspección pública en http://www.valleyair.org/notices/public_notices_idx.htm y en cualquiera de las oficinas del Distrito. Para más información en Español, por favor comuníquese con el Distrito al (661) 392-5500. Comentarios por escrito acerca de este propuesto permiso inicial deben de ser sometidos antes del 1 de Octubre del 2015 a **ARNAUD MARJOLLET, DIRECTOR DEL DEPARTAMENTO DE PERMISOS, SAN JOAQUIN VALLEY UNIFIED AIR POLLUTION CONTROL DISTRICT, 34946 FLYOVER COURT, BAKERSFIELD, CA 93308.**

**NOTICE OF PRELIMINARY DECISION
FOR THE PROPOSED ISSUANCE OF
EMISSION REDUCTION CREDITS**

NOTICE IS HEREBY GIVEN that the San Joaquin Valley Unified Air Pollution Control District solicits public comment on the proposed issuance of Emission Reduction Credits to Chevron USA Inc. for the shutdown of two natural gas-fired engines powering compressors, at the Coalinga Nose unit in Fresno County. The quantity of ERCs proposed for banking is 137 lb-NOx/yr, 4 lb-SOx/yr, 125 lb-PM10/yr, 7,063 lb-CO/yr, 71 lb-VOC/yr and 161 metric tons-CO2e/yr.

The analysis of the regulatory basis for this proposed action, Project #C-1130364, is available for public inspection at http://www.valleyair.org/notices/public_notices_idx.htm and at any District office. For additional information, please contact the District at (661) 392-5500. Written comments on this project must be submitted by October 1, 2015 to **ARNAUD MARJOLLET, DIRECTOR OF PERMIT SERVICES, SAN JOAQUIN VALLEY UNIFIED AIR POLLUTION CONTROL DISTRICT, 34946 FLYOVER COURT, BAKERSFIELD, CA 93308.**

CALIFORNIA NEWSPAPER SERVICE BUREAU

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Noemi Calderon
SAN JOAQUIN VALLEY AIR POLL CONTROL DIST
1990 E. GETTYSBURG AVE.
FRESNO, CA 93726

COPY OF NOTICE

Notice Type: GPN GOVT PUBLIC NOTICE
Ad Description: ERC Preliminary Public Notice for Chevron USA Inc.,

To the right is a copy of the notice you sent to us for publication in the THE HANFORD SENTINEL. Please read this notice carefully and call us with any corrections. The Proof of Publication will be filed with the County Clerk, if required, and mailed to you after the last date below. Publication date(s) for this notice is (are):

09/01/2015

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ORANGE COUNTY REPORTER, SANTA ANA	(714) 543-2027
SAN DIEGO COMMERCE, SAN DIEGO	(619) 232-3486
SAN FRANCISCO DAILY JOURNAL, SAN FRANCISCO	(800) 640-4829
SAN JOSE POST-RECORD, SAN JOSE	(408) 287-4866
THE DAILY RECORDER, SACRAMENTO	(916) 444-2355
THE INTER-CITY EXPRESS, OAKLAND	(510) 272-4747

CNS 2789317

NOTICE OF PRELIMINARY DECISION FOR THE PROPOSED ISSUANCE OF EMISSION REDUCTION CREDITS

NOTICE IS HEREBY GIVEN that the San Joaquin Valley Unified Air Pollution Control District solicits public comment on the proposed issuance of Emission Reduction Credits to Chevron USA Inc. for the shutdown of two natural gas-fired engines powering compressors, at the Coalinga Nose unit in Fresno County. The quantity of ERCs proposed for banking is 137 lb-NOx/yr, 4 lb-SOx/yr, 125 lb-PM10/yr, 7,063 lb-CO/yr, 71 lb-VOC/yr and 161 metric tons-CO2e/yr.

The analysis of the regulatory basis for this proposed action, Project #C-1130364, is available for public inspection at http://www.valleyair.org/notices/public_notices_idx.htm and at any District office. For additional information, please contact the District at (661) 392-5500. Written comments on this project must be submitted by October 1, 2015 to ARNAUD MARJOLLET, DIRECTOR OF PERMIT SERVICES, SAN JOAQUIN VALLEY UNIFIED AIR POLLUTION CONTROL DISTRICT, 34946 FLYOVER COURT, BAKERSFIELD, CA 93308. 9/1/15
CNS-2789317#
THE HANFORD SENTINEL



* A 0 0 0 0 0 3 8 5 8 4 0 6 *

Noemi Calderon

From: Noemi Calderon
Sent: Wednesday, August 26, 2015 3:05 PM
To: Gerardo Rios EPA (SJV_T5_Permits@epa.gov); Mike Tollstrup (mtollstr@arb.ca.gov)
Cc: 'Ericksen, Lance'
Subject: ERC Preliminary Public Notice for Chevron USA Inc., Facility #C-2885, Project #C-1130364
Attachments: C-1130364.pdf; Newspaper.pdf
Importance: High

NOTICE IS HEREBY GIVEN that the San Joaquin Valley Unified Air Pollution Control District solicits public comment on the proposed issuance of Emission Reduction Credits to Chevron USA Inc. for the shutdown of two natural gas-fired engines powering compressors, at the Coalinga Nose unit in Fresno County. The quantity of ERCs proposed for banking is 137 lb-NOx/yr, 4 lb-SOx/yr, 125 lb-PM10/yr, 7,063 lb-CO/yr, 71 lb-VOC/yr and 161 metric tons-CO2e/yr.

Noemi Calderon

From: Microsoft Outlook
To: Gerardo Rios EPA (SJV_T5_Permits@epa.gov)
Sent: Wednesday, August 26, 2015 3:05 PM
Subject: Relayed: ERC Preliminary Public Notice for Chevron USA Inc., Facility #C-2885, Project #C-1130364

Delivery to these recipients or groups is complete, but no delivery notification was sent by the destination server:

Gerardo Rios EPA (SJV_T5_Permits@epa.gov) (SJV_T5_Permits@epa.gov)

Subject: ERC Preliminary Public Notice for Chevron USA Inc., Facility #C-2885, Project #C-1130364

Noemi Calderon

From: Microsoft Outlook
To: Ericksen, Lance
Sent: Wednesday, August 26, 2015 3:05 PM
Subject: Relayed: ERC Preliminary Public Notice for Chevron USA Inc., Facility #C-2885, Project #C-1130364

Delivery to these recipients or groups is complete, but no delivery notification was sent by the destination server:

Ericksen, Lance (Lance.Ericksen@chevron.com)

Subject: ERC Preliminary Public Notice for Chevron USA Inc., Facility #C-2885, Project #C-1130364

Noemi Calderon

From: Noemi Calderon
Sent: Wednesday, August 26, 2015 3:33 PM
To: WebTeam
Subject: valleyair.org update: ERC Preliminary Public Notice for Chevron USA Inc., Facility C-2885 Project C-1130364
Attachments: Newspaper.pdf; Aviso.pdf; C-1130364.pdf

August 26, 2015 NOTICE IS HEREBY GIVEN that the San Joaquin Valley Unified Air Pollution Control District solicits public comment on the proposed issuance of Emission Reduction Credits to Chevron USA Inc. for the shutdown of two natural gas-fired engines powering compressors, at the Coalinga Nose unit in Fresno County. The quantity of ERCs proposed for banking is 137 lb-NOx/yr, 4 lb-SOx/yr, 125 lb-PM10/yr, 7,063 lb-CO/yr, 71 lb-VOC/yr and 161 metric tons-CO2e/yr. The comment period ends on October 1, 2015.

[Newspaper Notice](#)

[Aviso](#)

[Public Notice Package](#)

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- Complete Items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Lance Ericksen
Chevron USA, Inc.
PO Box 1392
Bakersfield, CA 93302



9590 9401 0074 5168 0121 80

2. Article Number (Transfer from service label)

7015 0640 0007 1948 8352

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X

-
- Agent
-
-
- Addressee

B. Received by (Printed Name)

Jacob Roman

C. Date of Delivery

10/26/15

 D. Is delivery address different from item 1? Yes
 If YES, enter delivery address below: No

Received

OCT 26 2015

COMPLIANCE
SJVUAPCD

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Sentinel_Finance@lee.net

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ORDER NUMBER 52575

Publication- The Hanford Sentinel

State of California

County of Kings

I am a citizen of the United States and a resident of the county forsaid; I am over the age of eighteen years, and not a part to or interested in the above-entitled matter. I am the principal clerk of The Hanford Sentinel, a newspaper of general circulation, printed and published daily in the city of Hanford, County of Kings, and which newspaper has been adjudged a newspaper of general circulation by the superior court of the County of Kings, State of California, under the date of October 23, 1951, case number 11623.

That I know from my own personal knowledge the notice, of which the annexed is a printed copy (set in type not smaller than nonpareil), has been published in each regular and entire issue of said nespaper and not in any supplement thereof on the following dates, to wit:

PUBLISHED ON: 10/21/2015

I certify (or declare) under penalty of perjury that the foregoing is true and correct.

Dated at Kings County, California

This Day 21 of October, 2015.

Signature Rusty Williamson

AD#52575

NOTICE OF FINAL ACTION FOR THE
ISSUANCE OF EMISSION REDUCTION
CREDITS

NOTICE IS HEREBY GIVEN that the Air Pollution Control Officer has issued Emission Reduction Credits (ERCs) to Chevron USA, Inc. for emission reductions generated by the shutdown of two natural gas-fired engines powering compressors, at the Coalinga Nose unit in Fresno County. The quantity of ERCs to be issued is 137 lb-NOx/yr, 4 lb-SOx/yr, 125 lb-PM10/yr, 7,063 lb-CO/yr, 71 lb-VOC/yr and 161 metric tons-CO2e/yr.

No comments were received following the District's preliminary decision on this project.

The application review for Project #C-1130364 is available for public inspection at http://www.valleyair.org/notices/public_notices_idx.htm, the SAN JOAQUIN VALLEY UNIFIED AIR POLLUTION CONTROL DISTRICT, 34946 FLYOVER COURT, BAKERSFIELD, CA 93308, and at any other District office. For additional information, please contact the District at (661) 392-5500.
10/21/15
CNS-2807484#
THE HANFORD SENTINEL
Publish: October 21, 2015



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Invoice	B2807484	ERC FINAL PUBLIC NOTICE FOR CHERVON USA, INC., PROJECT # GPN GOVT PUBLIC NOTICE 81320 HANFORD SENTINEL 10/21/2015	77.18
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FRESNO, CA 93726 USA

PUBLIC NOTICE CHECK LIST

PROJECT #: C-2885 PROJECT #: C-1130364

REQST. COMPL.

ERC FINAL PUBLIC NOTICE

Newspaper Notice Emailed to Clerical (Check box and tab to generate Notice)
 Send email to "OA-PublicNotices" containing the following:
 SUBJECT: facility name, facility id#, project #, type of notice (prelim/final)
 BODY: project description and why it is being noticed (Emission Reduction Credit banking)

ENCLOSED DOCUMENTS REQUIRE:

- Enter Correct Date, Print All Documents from File and Obtain Director's Signature and District Seal Embossed on ERC Certificates
- Email FINAL Newspaper Notice for Publication in Hanford Sentinel Pub Date: 10/21/15
- Mail FINAL Notice Letter to Applicant by Certified Mail including the following attachments:
 - Original ERC Certificates
 - Newspaper Notice
- Email FINAL Public Notice package to EPA
- Email FINAL Public Notice package to CARB
- Email FINAL Newspaper Notice, Aviso en Español and Public Notice package to "webmaster" webteam@valleyair.org
- After posted on website, send email with weblink of Newspaper notice, Aviso en Español, and full public notice package to:
 - specific [C, S, or N] region **and** District wide permitting notification list-serves (both English and Spanish list serves)
 - facility specific distribution list, (AQE – enter email address from PAS facility details notifications tab, if none enter NONE below):
 [email address]
- Mail the newspaper notice and aviso en español (NN/AE), or full public notice package (FPNP) to the persons on facility specific distribution list, as follows (entered by AQE, if none, enter NONE below):
 - NN/AE or FPNP Name/address: [names]
 - NN/AE or FPNP Name/address: [names]
- Send FINAL Public Notice package to EDMS
- Assign Mailing Date
- Other Special Instructions (please specify): _____

Date Completed 10/7/15/By Steve Roeder

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1990 E. GETTYSBURG AVE.
FRESNO, CA 93726

CNS 2807484

COPY OF NOTICE

Notice Type: GPN GOVT PUBLIC NOTICE
Ad Description: ERC Final Public Notice for Chervon USA, Inc., Project

To the right is a copy of the notice you sent to us for publication in the THE HANFORD SENTINEL. Please read this notice carefully and call us with any corrections. The Proof of Publication will be filed with the County Clerk, if required, and mailed to you after the last date below. Publication date(s) for this notice is (are):

10/21/2015

NOTICE OF FINAL ACTION FOR THE ISSUANCE OF EMISSION REDUCTION CREDITS

NOTICE IS HEREBY GIVEN that the Air Pollution Control Officer has issued Emission Reduction Credits (ERCs) to Chevron USA, Inc. for emission reductions generated by the shutdown of two natural gas-fired engines powering compressors at the Coalina Nose unit in Fresno County. The quantity of ERCs to be issued is 137 lb-NOx/yr, 4 lb-SOx/yr, 125 lb-PM10/yr, 7,063 lb-CO/yr, 71 lb-VOC/yr and 161 metric tons-CO2e/yr.

No comments were received following the District's preliminary decision on this project.

The application review for Project #C-1130364 is available for public inspection at http://www.valleyair.org/notices/public_notices_idx.htm, the SAN JOAQUIN VALLEY UNIFIED AIR POLLUTION CONTROL DISTRICT, 34946 FLYOVER COURT, BAKERSFIELD, CA 93308, and at any other District office. For additional information, please contact the District at (661) 392-5500.

10/21/15
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THE INTER-CITY EXPRESS, OAKLAND	(510) 272-4747



* A 0 0 0 0 0 3 9 0 6 8 4 2 *

See Thao

From: See Thao
Sent: Tuesday, October 20, 2015 8:01 AM
To: WebTeam
Subject: valleyair.org update: ERC Final Public Notice for Chevron USA, Inc. Facility C-2885 Project C-1130364
Attachments: Newspaper.pdf; Aviso.pdf; ERC Final Public Notice for Chervon US Inc., C-1130364.pdf

October 20, 2015 (Facility C-2885 Project C-1130364) NOTICE IS HEREBY GIVEN that the Air Pollution Control Officer has issued Emission Reduction Credits (ERCs) to Chevron USA, Inc. for emission reductions generated by the shutdown of two natural gas-fired engines powering compressors, at the Coalinga Nose unit in Fresno County. The quantity of ERCs to be issued is 137 lb-NOx/yr, 4 lb-SOx/yr, 125 lb-PM10/yr, 7,063 lb-CO/yr, 71 lb-VOC/yr and 161 metric tons-CO2e/yr.

Newspaper Notice

Aviso

Public Notice Package

See Thao
Office Assistant II
See.thao@valleyair.org



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www.healthyairliving.com

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See Thao

From: See Thao
Sent: Tuesday, October 20, 2015 8:02 AM
To: Gerardo C. Rios - EPA (SJV_T5_Permits@epamail.epa.gov); Mike Tollstrup - ARB (mtollstr@arb.ca.gov)
Subject: ERC Final Public Notice for Chevron USA Inc. Facility C-2885 Project # C-1122254
Attachments: ERC Final Public Notice for Chevron US Inc., C-1130364.pdf; Newspaper.pdf

Importance: High

NOTICE IS HEREBY GIVEN that the Air Pollution Control Officer has issued Emission Reduction Credits (ERCs) to Chevron USA, Inc. for emission reductions generated by the shutdown of two natural gas-fired engines powering compressors, at the Coalinga Nose unit in Fresno County. The quantity of ERCs to be issued is 137 lb-NOx/yr, 4 lb-SOx/yr, 125 lb-PM10/yr, 7,063 lb-CO/yr, 71 lb-VOC/yr and 161 metric tons-CO2e/yr.

See Thao
Office Assistant II
See.thao@valleyair.org



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See Thao

From: Microsoft Outlook
To: Gerardo C. Rios - EPA (SJV_T5_Permits@epamail.epa.gov)
Sent: Tuesday, October 20, 2015 8:02 AM
Subject: Relayed: ERC Final Public Notice for Chervon USA Inc. Facility C-2885 Project # C-1122254

Delivery to these recipients or groups is complete, but no delivery notification was sent by the destination server:

Gerardo C. Rios - EPA (SJV_T5_Permits@epamail.epa.gov) (SJV_T5_Permits@epamail.epa.gov)

Subject: ERC Final Public Notice for Chervon USA Inc. Facility C-2885 Project # C-1122254

**AVISO DE DECISIÓN FINAL
PARA LA OTORGACIÓN DE
CERTIFICADOS DE REDUCCIÓN DE EMISIONES**

POR EL PRESENTE SE NOTIFICA que el Oficial para el Control de la Contaminación del Aire a otorgado Certificados de Reducción de Emisiones (ERCs, por sus siglas en inglés) a Chevron USA, Inc. por la reducción de emisiones generadas por el cierre de dos motores de gas natural apoderando compresores, en the Coalinga Nose unit in Fresno County. La cantidad de ERCs que serán otorgados son 137 lb-NOx/año, 4 lb-SOx/año, 125 lb-PM10/año, 7,063 lb-CO/año, 71 lb-VOC/año y 161 toneladas de CO2e/año.

No se recibieron comentarios acerca de este proyecto despues del aviso de decisión preliminar del Distrito.

La revisión de la solicitud del Proyecto #C-1130364 está disponible para la inspección del público en http://www.valleyair.org/notices/public_notices_idx.htm, el DISTRITO PARA EL CONTROL DE LA CONTAMINACIÓN DEL AIRE DEL VALLE DE SAN JOAQUIN, 34946 FLYOVER COURT, BAKERSFIELD, CA 93308, y en cualquiera de las oficinas del Distrito. Para más información en Español, por favor comuníquese con el Distrito al (661) 392-5500.

**NOTICE OF FINAL ACTION
FOR THE ISSUANCE OF
EMISSION REDUCTION CREDITS**

NOTICE IS HEREBY GIVEN that the Air Pollution Control Officer has issued Emission Reduction Credits (ERCs) to Chevron USA, Inc. for emission reductions generated by the shutdown of two natural gas-fired engines powering compressors, at the Coalinga Nose unit in Fresno County. The quantity of ERCs to be issued is 137 lb-NOx/yr, 4 lb-SOx/yr, 125 lb-PM10/yr, 7,063 lb-CO/yr, 71 lb-VOC/yr and 161 metric tons-CO2e/yr.

No comments were received following the District's preliminary decision on this project.

The application review for Project #C-1130364 is available for public inspection at http://www.valleyair.org/notices/public_notices_idx.htm, the SAN JOAQUIN VALLEY UNIFIED AIR POLLUTION CONTROL DISTRICT, 34946 FLYOVER COURT, BAKERSFIELD, CA 93308, and at any other District office. For additional information, please contact the District at (661) 392-5500.

See Thao

From: notices_of_permitting_actions-all_regions@lists.valleyair.org
Sent: Thursday, October 22, 2015 11:54 AM
To: See Thao
Subject: Public Notice on Permitting Action C-1130364
Attachments: ATT00001.txt

The District has posted a new permitting public notice. The public notice can be viewed on our website at: [http://www.valleyair.org/notices/Docs/2015/10-20-15_\(C-1130364\)/Newspaper.pdf](http://www.valleyair.org/notices/Docs/2015/10-20-15_(C-1130364)/Newspaper.pdf)

For a list of public notices and public notice packages, please visit our website at: http://www.valleyair.org/notices/public_notices_idx.htm#PermittingandEmissionReductionCreditCertificateNotices

Thank you,

See Thao
Office Assistant II
See.thao@valleyair.org



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www.healthyairliving.com

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See Thao

From: avisos_sobre_acciones_de_permisos-todos-bounces@lists02.valleyair.org on behalf of avisos_sobre_acciones_de_permisos-todos@lists02.valleyair.org
Sent: Thursday, October 22, 2015 11:54 AM
To: See Thao
Subject: Aviso Publico Sobre Acciones de Permisos C-1130364
Attachments: ATT00001.txt

El Distrito del Aire a publicado un nuevo aviso público de permiso. El aviso público se puede ver en nuestro sitio de web en: [http://www.valleyair.org/notices/Docs/2015/10-20-15_\(C-1130364\)/Aviso.pdf](http://www.valleyair.org/notices/Docs/2015/10-20-15_(C-1130364)/Aviso.pdf)

Para obtener una lista de avisos públicos y paquetes de avisos públicos, por favor visite nuestro sitio de web en:
http://www.valleyair.org/notices/public_notices_idx.htm#PermittingandEmissionReductionCreditCertificateNotices

Gracias,

See Thao
Office Assistant II
[*See.thao@valleyair.org*](mailto:See.thao@valleyair.org)



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Chevron USA, Inc.	
Street and Apt. No., or PO Box No.	
PO Box 1392	
City, State, ZIP+4®	
Bakersfield, CA 93302	
PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions	

OCT 19 2015

Lance Ericksen
Chevron USA, Inc.
PO Box 1392
Bakersfield, CA 93302

RE: Notice of Final Action – Emission Reduction Credits
Facility Number: C-2885
Project Number: C-1130364

Dear Mr. Ericksen:

The Air Pollution Control Officer has issued Emission Reduction Credits (ERCs) to Chevron USA, Inc. for emission reductions generated by the shutdown of two natural gas-fired engines powering compressors, at the Coalinga Nose unit in Fresno County. The quantity of ERCs to be issued is 137 lb-NOx/yr, 4 lb-SOx/yr, 125 lb-PM10/yr, 7,063 lb-CO/yr, 71 lb-VOC/yr and 161 metric tons-CO₂e/yr.

Enclosed are the ERC Certificates and a copy of the notice of final action to be published approximately three days from the date of this letter.

Notice of the District's preliminary decision to issue the ERC Certificates was published on 9/1/15. The District's analysis of the proposal was also sent to CARB and US EPA Region IX on 8/26/15. No comments were received following the District's preliminary decision on this project.

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

Sincerely,



Arnaud Marjollet
Director of Permit Services

AM:SR

Enclosures

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

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



Central Regional Office • 1990 E. Gettysburg Ave. • Fresno, CA 93726

Emission Reduction Credit Certificate C-1372-1

ISSUED TO: CHEVRON USA, INC.
 ISSUED DATE: October 7, 2015
 LOCATION OF REDUCTION: S7F T20S R16E
 FRESNO COUNTY, CA

For VOC Reduction In The Amount Of:

Quarter 1	Quarter 2	Quarter 3	Quarter 4
14 lbs	36 lbs	12 lbs	9 lbs

Conditions Attached

Method Of Reduction

- Shutdown of Entire Stationary Source
- Shutdown of Emissions Units
- Other

Shutdown of Coalinga Nose Unit IC engine/compressors '49 and '53

Use of these credits outside the San Joaquin Valley Unified Air Pollution Control District (SJVUAPCD) is not allowed without express written authorization by the SJVUAPCD.



Seyed Sadredin, Executive Director / APCO

Arnaud Marjollet

Arnaud Marjollet, Director of Permit Services



Central Regional Office • 1990 E. Gettysburg Ave. • Fresno, CA 93726

Emission Reduction Credit Certificate C-1372-2

ISSUED TO: CHEVRON USA, INC.
 ISSUED DATE: October 7, 2015
 LOCATION OF REDUCTION: S7F T20S R16E
 FRESNO COUNTY, CA

For NOx Reduction In The Amount Of:

Quarter 1	Quarter 2	Quarter 3	Quarter 4
27 lbs	70 lbs	23 lbs	17 lbs

Conditions Attached

Method Of Reduction

- Shutdown of Entire Stationary Source
- Shutdown of Emissions Units
- Other

Shutdown of Coalinga Nose Unit IC engine/compressors '49 and '53

Use of these credits outside the San Joaquin Valley Unified Air Pollution Control District (SJVUAPCD) is not allowed without express written authorization by the SJVUAPCD.



Seyed Sadredin, Executive Director / APCO

Arnaud Marjolle

Arnaud Marjolle, Director of Permit Services



Central Regional Office • 1990 E. Gettysburg Ave. • Fresno, CA 93726

Emission Reduction Credit Certificate C-1372-3

ISSUED TO: CHEVRON USA, INC.
 ISSUED DATE: October 7, 2015
 LOCATION OF REDUCTION: S7F T20S R16E
 FRESNO COUNTY, CA

For CO Reduction In The Amount Of:

Quarter 1	Quarter 2	Quarter 3	Quarter 4
1,473 lbs	3,471 lbs	1,533 lbs	586 lbs

Conditions Attached

Method Of Reduction

- Shutdown of Entire Stationary Source
- Shutdown of Emissions Units
- Other

Shutdown of Coalinga Nose Unit IC engine/compressors '49 and '53

Use of these credits outside the San Joaquin Valley Unified Air Pollution Control District (SJVUAPCD) is not allowed without express written authorization by the SJVUAPCD.



Seyed Sadredin, Executive Director / APCO



 Arnaud Marjolle, Director of Permit Services



Central Regional Office • 1990 E. Gettysburg Ave. • Fresno, CA 93726

Emission Reduction Credit Certificate C-1372-4

ISSUED TO: CHEVRON USA, INC.
 ISSUED DATE: October 7, 2015
 LOCATION OF REDUCTION: S7F T20S R16E
 FRESNO COUNTY, CA

For PM10 Reduction In The Amount Of:

Quarter 1	Quarter 2	Quarter 3	Quarter 4
26 lbs	61 lbs	29 lbs	9 lbs

Conditions Attached

Method Of Reduction

- Shutdown of Entire Stationary Source
- Shutdown of Emissions Units
- Other

Shutdown of Coalinga Nose Unit IC engine/compressors '49 and '53

Use of these credits outside the San Joaquin Valley Unified Air Pollution Control District (SJVUAPCD) is not allowed without express written authorization by the SJVUAPCD.



Seyed Sadredin, Executive Director / APCO

Arnaud Marjollet, Director of Permit Services



Central Regional Office • 1990 E. Gettysburg Ave. • Fresno, CA 93726

Emission Reduction Credit Certificate C-1372-5

ISSUED TO: CHEVRON USA, INC.
 ISSUED DATE: October 7, 2015
 LOCATION OF REDUCTION: S7F T20S R16E
 FRESNO COUNTY, CA

For SOx Reduction In The Amount Of:

Quarter 1	Quarter 2	Quarter 3	Quarter 4
1 lbs	2 lbs	1 lbs	None

Conditions Attached

Method Of Reduction

- Shutdown of Entire Stationary Source
- Shutdown of Emissions Units
- Other

Shutdown of Coalinga Nose Unit IC engine/compressors '49 and '53

Use of these credits outside the San Joaquin Valley Unified Air Pollution Control District (SJVUAPCD) is not allowed without express written authorization by the SJVUAPCD.



Seyed Sadredin, Executive Director / APCO



 Arnaud Marjolle, Director of Permit Services



Central Regional Office • 1990 E. Gettysburg Ave. • Fresno, CA 93726

Emission Reduction Credit Certificate C-1372-24

ISSUED TO: CHEVRON USA, INC.
ISSUED DATE: October 7, 2015
LOCATION OF REDUCTION: S7F T20S R16E
FRESNO COUNTY, CA

For CO2E Reduction In The Amount Of:

161 metric tons / year

Conditions Attached

Method Of Reduction

- Shutdown of Entire Stationary Source
- Shutdown of Emissions Units
- Other

Shutdown of Coalinga Nose Unit IC engine/compressors '49 and '53

Emission Reduction Qualification Criteria

This emission reduction is surplus and additional to all applicable regulatory requirements.



Seyed Sadredin, Executive Director / APCO



Arnaud Marjollet, Director of Permit Services

ERC-PROJECT ROUTING FORM

FACILITY NAME: Chevron USA

FACILITY ID: C-2885 PROJECT NUMBER: C-1130364

ERC #'s: C-1372-1, 2, 3, 4, 5 and 24

DATE RECEIVED: February 15, 2013

PRELIMINARY REVIEW	ENGR	DATE	SUPR	DATE
A. Application Deemed Incomplete				
Second Information Letter				
B. Application Deemed Complete	SR	1/16/14		
C. Application Pending: Denial				
D. Application Denied				

ENGINEERING EVALUATION	INITIAL	DATE
E. Engineering Evaluation Complete • Project triggering Federal Major Modification: <input type="checkbox"/> Yes AND Information entered into database (AirNet) <input checked="" type="checkbox"/> No (not Fed MMod) • District is Lead Agency for CEQA purposes AND the project GHG emissions increase exceeds 230 metric tons/year: <input type="checkbox"/> Yes AND Information Entered in database (AirNet) <input checked="" type="checkbox"/> Not Required	SR	8/10/15
F. Supervising Engineer Approval Direct Convert <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
G. Compliance Division Approval <input checked="" type="checkbox"/> Not Required		
H. Applicant's Review of Draft Authority to Construct Completed <input type="checkbox"/> 3-day Review <input type="checkbox"/> 10-day Review <input type="checkbox"/> No Review Requested		
I. Permit Services Regional Manager Approval	<i>SR</i>	8/17/15
DIRECTOR REVIEW <input type="checkbox"/> Not Required	INITIAL	DATE
J. Preliminary Approval to Director		
K. Final Approval to Director		

**San Joaquin Valley Air Pollution Control District
ERC Application Review
Shutdown of Two Internal Combustion Engines**

Facility Name: Chevron USA, Inc Date: August 10, 2015
Mailing Address: PO Box 1392 Engineer: Steve Roeder
Lead Engineer: Richard Karrs
Bakersfield, CA 93302

Contact Person: Lance Ericksen @ (661) 654-7145

Facility ID: C-2885

Project #: C-1130364

Submitted: February 15, 2013

Deemed Complete: January 16, 2014

I. Summary

The primary business of Chevron is the production of oil and natural gas.

Chevron has shutdown Coalinga Engines C-2885-49 and -53, on 4/11/12 and 8/5/11, respectively. The operating permits have been surrendered.

Chevron proposes to bank the emission reductions for criteria pollutants (NO_x, SO_x, CO, PM₁₀ and VOC) and greenhouse gasses (GHG) (CO₂, CH₄ and N₂O). The natural gas-fired IC engines were used to power natural gas compressors. The following emission reductions qualify for banking. See the operating permits in Appendix A.

Bankable Criteria ERCs (lb/quarter) ERC C-1372					
	NO _x	SO _x	PM ₁₀	CO	VOC
1st Quarter	27	1	26	1,473	14
2nd Quarter	70	2	61	3,471	36
3rd Quarter	23	1	29	1,533	12
4th Quarter	17	0	9	586	9

Bankable GHG ERCs (metric tons/year)	
GHG	161

II. Applicable Rules

- Rule 2201 New and Modified Stationary Source Review Rule (4/21/11)
- Rule 2301 Emission Reduction Credit Banking (1/19/12)
- Rule 4201 Particulate Matter Concentration (12/17/92)
- Rule 4701 Internal Combustion Engines - Phase 1 (8/21/03)
- Rule 4702 Internal Combustion Engines (8/18/11)

III. Location of Reduction

The engines were located in the Coalinga Nose Unit in the Coalinga Oilfield in Fresno County, Section 7, Township 20S, Range 16E, near Coalinga, CA.

IV. Method of Generating Reductions

The method of emission reductions is the permanent shut down of two natural-gas fired compressor engines, permits C-2885-49 and -53. The engines ceased operating on 8/6/11 and 4/11/12, and the permits were cancelled on 8/27/12. The shutdown of these engines followed the shutdown of engine C-2885-57. All three of the compressor engines have been removed from the site and no other engines or electric motors are being used to compress the gas.

Chevron had banked ERCs from the first of the three engines (C-2885-57) during project C-1111565. According to the applicant, the Coalinga Nose Unit gas production has declined and can no longer produce gas.

V. Calculations

A. Assumptions

- Fuel use records have been provided by the applicant
- Emissions are based on fuel-use data and emission factors

B. Emission Factors

District Rule 2201, defines "actual emissions" as follows:

Actual Emissions: emissions having occurred from a source, based on source test or monitoring data, actual fuel consumption, and process data. If source test or monitoring data is not available, other appropriate, APCO-approved, emission factors may be used.

The applicant has provided source test data for NO_x, SO_x, CO and VOC, which are all lower than the permitted emission factors for each engine.

Since the engines had not been tested for PM₁₀ emissions, the District must consider using the permitted emission factor of 0.064 g/hp-hr. In order to determine if that number is accurate, it has been compared to the emission factor in EPA AP-42, Table 3.2-3, which is 0.01941 lb/MMBtu. According to the following calculation, the numbers are the same.

$$\frac{0.064 \text{ g} \cdot \text{PM}_{10}}{\text{hp} \cdot \text{hr}} \times \frac{1 \text{ lb}}{453.6 \text{ g}} \times \frac{\text{hp} \cdot \text{hr}}{2,546.5 \text{ Btu}} \times \frac{0.35\% \text{ hp}_{out}}{\text{hp}_{in}} \times \frac{1,000,000}{\text{MM}} = 0.0194 \frac{\text{lb} \cdot \text{PM}_{10}}{\text{MMBtu}}$$

Since the AP-42 emission factor has been derived from the testing of many natural gas-fired engines, it is considered to be accurate and shall be used in the proceeding calculations.

Finally, the CO₂e emission factor is taken from the District's Spreadsheet "ARB – Greenhouse Gas Emission Factors," and is converted into lb/MMBtu in the following table.

GHG Natural Gas Emission Factors					
Pollutant	kg/MMBtu x	2.205 lb/kg x	GWP =	CO ₂ e EF	
CO ₂	52.87	2.205	1.00	116.578	lb/MMBtu
CH ₄	0.0009	2.205	21.00	0.0417	lb/MMBtu
N ₂ O	0.0001	2.205	310.0	0.0684	lb/MMBtu
Total CO ₂ e				117	lb/MMBtu

The emission factors for calculating the HAE of each engine are presented in following table.

Emission Factors (lb/MMBtu)		
	C-2885-49	C-2885-53
NO _x	0.0382	0.0013
SO _x	0.0008	0.0007
PM ₁₀	0.0194	0.0194
CO	1.2605	0.8834
VOC	0.0205	0.00026
CO ₂ e	117	117

C. Baseline Period Determination

Pursuant to Rule 2201, the Baseline Period is a period of time equal to either:

The two consecutive years of operation immediately prior to the submission date of the Complete Application; or

At least two consecutive years within the five years immediately prior to the submission date of the Complete Application if determined by the APCO as more representative of normal source operation.

Chevron has banked ERCs from the shutdown of the first engine in the Coalinga Nose Unit Compressor Station (C-2885-57) in Project C-1111565. In order to preclude any load-shifting, the District has determined that the same baseline period shall be used for this project. The baseline period is May, 2008 through April, 2010 (see project C-1111565).

D. Baseline Data

The baseline fuel-use data has been supplied by the applicant (see Appendix C), and is presented as quarterly averages for each engine in the following table.

Quarterly Baseline Fuel-Use (MMBtu)		
	C-2885-49	C-2885-53
Quarter 1	690	683
Quarter 2	1,770	1,404
Quarter 3	566	928
Quarter 4	456	12
Annual Total	3,482	3,027

E. Historical Actual Emissions (HAE)

The HAE for the engine are determined by multiplying the quarterly fuel-use by the emission factors presented above, as shown in the following tables.

1. C-2885-49

HAE from Fuel Use Quarter 1						
NO _x	0.0382	lb/MMBtu x	690	MMBtu/qtr =	26	lb/qtr
SO _x	0.0008	lb/MMBtu x	690	MMBtu/qtr =	1	lb/qtr
PM ₁₀	0.0194	lb/MMBtu x	690	MMBtu/qtr =	13	lb/qtr
CO	1.2605	lb/MMBtu x	690	MMBtu/qtr =	870	lb/qtr
VOC	0.0205	lb/MMBtu x	690	MMBtu/qtr =	14	lb/qtr

HAE from Fuel Use Quarter 2						
NO _x	0.0382	lb/MMBtu x	1,770	MMBtu/qtr =	68	lb/qtr
SO _x	0.0008	lb/MMBtu x	1,770	MMBtu/qtr =	1	lb/qtr
PM ₁₀	0.0194	lb/MMBtu x	1,770	MMBtu/qtr =	34	lb/qtr
CO	1.2605	lb/MMBtu x	1,770	MMBtu/qtr =	2,231	lb/qtr
VOC	0.0205	lb/MMBtu x	1,770	MMBtu/qtr =	36	lb/qtr

HAE from Fuel Use Quarter 3						
NO _x	0.0382	lb/MMBtu x	566	MMBtu/qtr =	22	lb/qtr
SO _x	0.0008	lb/MMBtu x	566	MMBtu/qtr =	0	lb/qtr
PM ₁₀	0.0194	lb/MMBtu x	566	MMBtu/qtr =	11	lb/qtr
CO	1.2605	lb/MMBtu x	566	MMBtu/qtr =	713	lb/qtr
VOC	0.0205	lb/MMBtu x	566	MMBtu/qtr =	12	lb/qtr

HAE from Fuel Use Quarter 4						
NO _x	0.0382	lb/MMBtu x	456	MMBtu/qtr =	17	lb/qtr
SO _x	0.0008	lb/MMBtu x	456	MMBtu/qtr =	0	lb/qtr
PM ₁₀	0.0194	lb/MMBtu x	456	MMBtu/qtr =	9	lb/qtr
CO	1.2605	lb/MMBtu x	456	MMBtu/qtr =	575	lb/qtr
VOC	0.0205	lb/MMBtu x	456	MMBtu/qtr =	9	lb/qtr

The HAE for GHG is expressed in metric tons per year as follows:

$$CO_2e \text{ HAE} = \frac{3,482 \text{ MMBtu}}{\text{year}} \times \frac{117 \text{ lb}}{\text{MMBtu}} \times \frac{1 \text{ Metric Ton}}{2,205 \text{ lb}} = 185 \frac{\text{metric tons}}{\text{year}}$$

2. C-2885-53

HAE from Fuel Use Quarter 1						
NO _x	0.0013	lb/MMBtu x	683	MMBtu/qtr =	1	lb/qtr
SO _x	0.0007	lb/MMBtu x	683	MMBtu/qtr =	0	lb/qtr
PM ₁₀	0.0194	lb/MMBtu x	683	MMBtu/qtr =	13	lb/qtr
CO	0.8834	lb/MMBtu x	683	MMBtu/qtr =	603	lb/qtr
VOC	0.00026	lb/MMBtu x	683	MMBtu/qtr =	0	lb/qtr

HAE from Fuel Use Quarter 2						
NO _x	0.0013	lb/MMBtu x	1,404	MMBtu/qtr =	2	lb/qtr
SO _x	0.0007	lb/MMBtu x	1,404	MMBtu/qtr =	1	lb/qtr
PM ₁₀	0.0194	lb/MMBtu x	1,404	MMBtu/qtr =	27	lb/qtr
CO	0.8834	lb/MMBtu x	1,404	MMBtu/qtr =	1,240	lb/qtr
VOC	0.00026	lb/MMBtu x	1,404	MMBtu/qtr =	0	lb/qtr

HAE from Fuel Use Quarter 3						
NO _x	0.0013	lb/MMBtu x	928	MMBtu/qtr =	1	lb/qtr
SO _x	0.0007	lb/MMBtu x	928	MMBtu/qtr =	1	lb/qtr
PM ₁₀	0.0194	lb/MMBtu x	928	MMBtu/qtr =	18	lb/qtr
CO	0.8834	lb/MMBtu x	928	MMBtu/qtr =	820	lb/qtr
VOC	0.00026	lb/MMBtu x	928	MMBtu/qtr =	0	lb/qtr

HAE from Fuel Use Quarter 4						
NO _x	0.0013	lb/MMBtu x	12	MMBtu/qtr =	0	lb/qtr
SO _x	0.0007	lb/MMBtu x	12	MMBtu/qtr =	0	lb/qtr
PM ₁₀	0.0194	lb/MMBtu x	12	MMBtu/qtr =	0	lb/qtr
CO	0.8834	lb/MMBtu x	12	MMBtu/qtr =	11	lb/qtr
VOC	0.00026	lb/MMBtu x	12	MMBtu/qtr =	0	lb/qtr

The HAE for GHG is expressed in metric tons per year as follows:

$$CO_2e \text{ HAE} = \frac{3,027 \text{ MMBtu}}{\text{year}} \times \frac{117 \text{ lb}}{\text{MMBtu}} \times \frac{1 \text{ Metric Ton}}{2,205 \text{ lb}} = 161 \frac{\text{metric tons}}{\text{year}}$$

3. Total HAE

The HAE from both engines are added together in the following tables.

Total HAE - Quarter 1 (lb)			
Pollutant	C-2885-49	C-2885-53	Total
NO _x	26	1	27
SO _x	1	0	1
PM ₁₀	13	13	26
CO	870	603	1,473
VOC	14	0	14

Total HAE - Quarter 2 (lb)			
Pollutant	C-2885-49	C-2885-53	Total
NO _x	68	2	70
SO _x	1	1	2
PM ₁₀	34	27	61
CO	2,231	1,240	3,471
VOC	36	0	36

Total HAE - Quarter 3 (lb)			
Pollutant	C-2885-49	C-2885-53	Total
NO _x	22	1	23
SO _x	0	1	1
PM ₁₀	11	18	29
CO	713	820	1,533
VOC	12	0	12

Total HAE - Quarter 4 (lb)			
Pollutant	C-2885-49	C-2885-53	Total
NO _x	17	0	17
SO _x	0	0	0
PM ₁₀	9	0	9
CO	575	11	586
VOC	9	0	9

The total HAE for GHG is calculated as follows:

$$CO_2e \text{ HAE} = \frac{185 \text{ Metric tons}}{\text{year}} + \frac{161 \text{ Metric Tons}}{\text{year}} = 346 \frac{\text{Metric Tons}}{\text{year}}$$

F. Adjustments to HAE

1. Rule 2201 - New and Modified Stationary Source Review Rule

Pursuant to Section 3.22, HAE must be discounted for any emissions reduction which is:

- Required or encumbered by any laws, rules, regulations, agreements, orders, or
- Attributed to a control measure noticed for workshop, or proposed or contained in a State Implementation Plan, or
- Proposed in the District Air Quality Plan for attaining the annual reductions required by the California Clean Air Act.
- Any Actual Emissions in excess of those required or encumbered by any laws, rules, regulations, orders, or permits. For units covered by a Specific Limiting Condition (SLC), the total overall HAE for all units covered by SLC must be discounted for any emissions in excess of that allowed by the SLC.

a. There are no agreements or orders regarding the operation or emissions reductions associated with the engine. The discounts for any Rules will be discussed under the applicable Rules listed below. Therefore, no adjustments will be made to the HAE under this section.

b. There are no reductions from the engine that are attributed to a control measure noticed for workshop, or proposed or contained in a State Implementation Plan. Therefore, no adjustment to the HAE will be made in this section.

c. There are no reductions for engines proposed in the District Air Quality Plan for attaining the annual reductions required by the California Clean Air Act. Therefore, no adjustments will be made to the HAE under this section.

d. There are no SLCs related to the operation of the engine. In addition, the fuel-use did not exceed the permitted maximum daily use (full-power, full-time operation for fuel use)) for any month represented. Therefore, no adjustments will be made to the HAE under this section.

The engines have undergone permitting under Rule 2201 and EPA review under Title V. The permit complied with all NSR and Federal Requirements. No adjustments to the HAE are necessary under Rule 2201.

2. Rule 4201 - Particulate Matter Concentration

Section 3.1 prohibits discharge of dust, fumes, or total particulate matter into the atmosphere from any single source operation in excess of 0.1 grain per dry standard cubic foot.

The maximum particulate matter concentration is calculated for the engines as follows.

Assumptions

F-Factor for NG:	8,578 dscf/MMBtu
PM ₁₀ Emission Factor:	0.0194 lb-PM ₁₀ /MMBtu
Percentage of PM as PM ₁₀ in Exhaust:	100%
Exhaust Oxygen (O ₂) Concentration:	15%
Heat input:	$\frac{600 \text{ hp}}{35\%} \times \frac{2,543 \text{ Btu}}{\text{hp}\cdot\text{hr}} = 4.4 \frac{\text{MMBtu}}{\text{hr}}$

Based upon the maximum heat input rating:

$$\frac{0.0194 \text{ lb} \cdot \text{PM}}{\text{MMBtu}} \times \frac{7,000 \text{ grain}}{\text{lb}} \times \frac{\text{MMBtu}}{8,578 \text{ ft}^3} = 0.0158 \frac{\text{grain} \cdot \text{PM}}{\text{ft}^3}$$

Since 0.0158 grain·PM/ft³ is less than 0.1, no adjustment is necessary for Rule 4201.

3. Rule 4701 Internal Combustion Engines - Phase 1

The purpose of Rule 4701 is to limit emissions of NO_x, CO and VOC from IC engines.

Table 3 limits NO_x, CO and VOC emissions for rich burn engines to 50 ppmv, 2,000 ppmv and 250 ppmv, at 15% oxygen, respectively. Since this engine was permitted to operate at 25 ppmv-NO_x, 2,000 ppmv-CO and 60 ppmv-VOC, at 15% oxygen, no adjustment is necessary for Rule 4701.

4. Rule 4702 Internal Combustion Engines

The purpose of this rule is to limit the emissions of NO_x, CO, VOC and SO_x from internal combustion engines.

NO_x, CO and VOC

Table 2 requires rich burn engines that are not ag-only, waste gas-fired, cyclic loaded field-gas-fueled or limited use engines to be limited to 11 ppmv-NO_x, 2,000 ppmv-CO and 250 ppmv-VOC by the compliance date of 1/1/16.

The emission factors used to calculate the HAE for NO_x, CO and VOC are compared to the Rule 4702 limits in the following table (in ppmv @ 15% O₂).

Rule 4702 Emission Factors				
Pollutant	Rule 4702	HAE for 49-2	HAE for 53-5	Adjustment?
NO _x	25	10.4	0.4	No
CO	2,000	566	396	No
VOC	250	16.2	0.2	No

Since none of the emission factors used to calculate the HAE for the engines are above the Rule 4702 limits, no adjustment is necessary for these pollutants for Rule 4702.

SO_x

Section 5.7 requires that engines be fired on either PUC-regulated natural gas, or gas that does not exceed a sulfur content of 5 grains of sulfur per 100 scf of gas.

According to the District Policy *Generally Accepted SO_x Emission Factor for Combustion of PUC-quality Natural Gas*, PUC regulated gas contains 1.0 grains of sulfur per 100 scf of gas, which is equivalent to 0.00285 lb-SO_x/MMBtu. Since the HAE for these engines were calculated using no more than 0.0029 lb-SO_x/MMBtu, no adjustment is necessary.

5. Actual Emissions Reductions (AER)

Since no adjustments have been to the HAE, the AER is the same as the HAE posted in Section V.E above.

6. Air Quality Improvement Deduction (AQID)

Pursuant to Rule 2201 Section 3.5, the AQID is a 10% discount factor applied to AER (for criteria pollutants) before the AER is eligible for banking. GHG banking is covered by Rule 2301, and no AQID applies to GHG AER. The HAE is adjusted for the AQID for criteria pollutants in the following tables.

Total HAE			
Quarter 1 (lb)			
Pollutant	HAE	AQID	HAE Adjusted for AQID
NO _x	27	2.7	24
SO _x	1	0.1	1
PM ₁₀	26	2.6	23
CO	1,473	147.3	1,326
VOC	14	1.4	13

Total HAE			
Quarter 2 (lb)			
Pollutant	HAE	AQID	Adjusted for AQID
NO _x	70	7	63
SO _x	2	0.2	2
PM ₁₀	61	6.1	55
CO	3,471	347.1	3,124
VOC	36	3.6	32

Total HAE			
Quarter 3 (lb)			
Pollutant	HAE	AQID	Adjusted for AQID
NO _x	23	2.3	21
SO _x	1	0.1	1
PM ₁₀	29	2.9	26
CO	1,553	155.3	1,398
VOC	12	1.2	11

Total HAE			
Quarter 4 (lb)			
Pollutant	HAE	AQID	Adjusted for AQID
NO _x	17	1.7	15
SO _x	0	0.0	0
PM ₁₀	9	0.9	8
CO	586	58.6	527
VOC	9	0.9	8

7. Increase in Permitted Emissions (IPE)

The unit has been shut down and there are no increases in emissions associated with this project. Therefore no adjustment is necessary.

8. Bankable Emissions Reduction Credits

The bankable ERCs for criteria pollutants are presented in pounds/quarter in the following tables, while the bankable GHG ERCs are expressed in metric tons per year.

Bankable ERCs (lb)	
Quarter 1	
NO _x	24
SO _x	1
PM ₁₀	23
CO	1,326
VOC	13

Bankable ERCs (lb)	
Quarter 2	
NO _x	63
SO _x	2
PM ₁₀	55
CO	3,124
VOC	32

Bankable ERCs (lb)	
Quarter 3	
NO _x	21
SO _x	1
PM ₁₀	26
CO	1,398
VOC	11

Bankable ERCs (lb)	
Quarter 4	
NO _x	15
SO _x	0
PM ₁₀	8
CO	527
VOC	8

VI. Compliance

Rule 2201 - New and Modified Stationary Source Review Rule

Pursuant to Section 3.2, any AER must be real, enforceable, quantifiable, permanent, and surplus.

A. Real

The emissions reductions were generated by the shutdown of two engines. The emissions were calculated from historic fuel-use data and recognized emission factors and source test data, therefore the emissions were real. The engines have been removed. Therefore, the emission reductions are real.

B. Enforceable

The associated permits for these units have been surrendered to the District, and the engines have been removed. Operation of the equipment without a valid permit would subject the permittee to enforcement action, and this facility is subject to annual inspections. Therefore, the reductions are enforceable.

C. Quantifiable

The reductions are quantifiable since they were calculated from historic fuel use records, source testing data, established and accepted emission factors and methods according to District Rule 2201. Therefore, the reductions are quantifiable and have been quantified.

D. Permanent

The equipment has been shut down and removed and the permits have been surrendered. The gas in the field has been depleted, all compressor engines have been removed and there are no other engines or electric motors connected to compress any remaining gas. Since no emissions have been shifted, the reductions are permanent.

E. Surplus

To be considered surplus, AER shall be in excess, at the time the application for an ERC is deemed complete, of any emissions reduction which:

- Is required or encumbered by any laws, rules, regulations, agreements, orders, or
- Is attributed to a control measure noticed for workshop, or proposed or contained in a State Implementation Plan, or
- Is proposed in the adopted air quality plan pursuant to the California Clean Air Act.

As discussed in Section V above, there are no rules, regulations, plans, etc., that would serve to reduce the bankable emissions for criteria pollutants. Therefore the reductions are surplus.

F. Not used for the Approval of an Authority to Construct or as Offsets

The emission reduction credits generated by the shutdown of the engine have not been used for the approval of any ATC or as offsets or mitigation. The PTO has been surrendered.

Rule 2301 – Emission Reduction Credit Banking

Section 5.5 states that ERC Certificate applications shall be submitted within 180 days after the emission reduction occurs. The engines were removed from operation and the permits were cancelled on 8/27/12. The applicant filed the ERC application on 2/15/13. Since the application was received within 180 days of the surrender of the permit, the application was submitted in a timely fashion.

Section 6.1.2 states that if the emission reductions were created as a result of the shutdown of a permitted emissions unit, the relevant Permit to Operate shall have been surrendered and voided. The Permits to Operate were surrendered and canceled by the District on 8/27/12.

Regarding GHG, the purpose of this Rule is to:

- 1.2.1 Provide an administrative mechanism for sources to bank voluntary greenhouse gas emission reductions for later use.
- 1.2.2 Provide an administrative mechanism for sources to transfer banked greenhouse gas emission reductions to others for any use.
- 1.2.3 Define eligibility standards, quantitative procedures and administrative practices to ensure that banked greenhouse gas emission reductions are real, permanent, quantifiable, surplus, and enforceable.

Section 4.5 specifies eligibility criteria for GHG emission reductions to qualify for banking. Below is a summary of each criteria and a description of how the emission reductions satisfy the criteria.

Section 4.5.1 requires that the emission reduction must have occurred after 1/1/05.

The emission reductions occurred when the engines were removed in 2012. As the emission reduction occurred after 1/1/05, this criteria has been satisfied.

Section 4.5.2 requires that the emissions must have occurred in the District.

The emissions occurred at the Coalinga Nose Unit in Coalinga, CA. Since this location is within the District, this criteria has been satisfied.

Section 4.5.3 requires that the emission reductions must be real, surplus, permanent, quantifiable, and enforceable.

Real:

The emissions reductions were generated by the shutdown of an engine. The emissions were calculated from actual historic fuel-use data and recognized emission factors and source test data, therefore the emissions were real. The engine has been removed. Therefore, the emission reductions are real.

Surplus:

There are no laws, rules, regulations, agreements, orders, or permits requiring any GHG emission reductions from the natural gas-fired compressors. Therefore, the emission reductions satisfy the surplus requirement in Section 4.5.3.2.

The emission reductions are not the result of an action taken by the permittee to comply with any requirement.

However, this facility is subject to the CARB Cap and Trade regulation. Pursuant to Section 4.5.3.1, *greenhouse gas emission reductions that occur at a facility subject to the CARB greenhouse gas cap and trade regulation on or after January 1, 2012 are not surplus.*

The AER from the shutdown of C-2885-53 occurred on 8/5/11, and therefore qualify as surplus. The AER from C-2885-49 occurred on 4/11/12, which is after 1/1/12, therefore the associated AER are not surplus, and do not qualify for ERC banking.

The total bankable AER for GHG is adjusted by eliminating the GHG AER from C-2885-49 as follows:

$$CO_2e \text{ AER} = \frac{185 \rightarrow 0 \text{ Metric tons}}{\text{year}} + \frac{161 \text{ Metric Tons}}{\text{year}} = 161 \frac{\text{Metric Tons}}{\text{year}}$$

Permanent:

The equipment has been shut down and removed and the permit has been surrendered. The gas in the field has been depleted, all compressor engines have been removed and there are no other engines or electric motors connected to compress any remaining gas. Since no emissions have been shifted, the reductions are permanent.

When determining the geographical boundary in which the emission reduction is determined to be permanent the applicant may consider how the GHG ERC may likely be used.

Please note that while Rule 2301 allows facilities to receive ERCs for GHG emission reductions, the District does not have any requirements on the use of GHG ERCs. However, it is anticipated that the likely uses of such GHG ERCs would be their future retirement as GHG mitigation in the CEQA process.

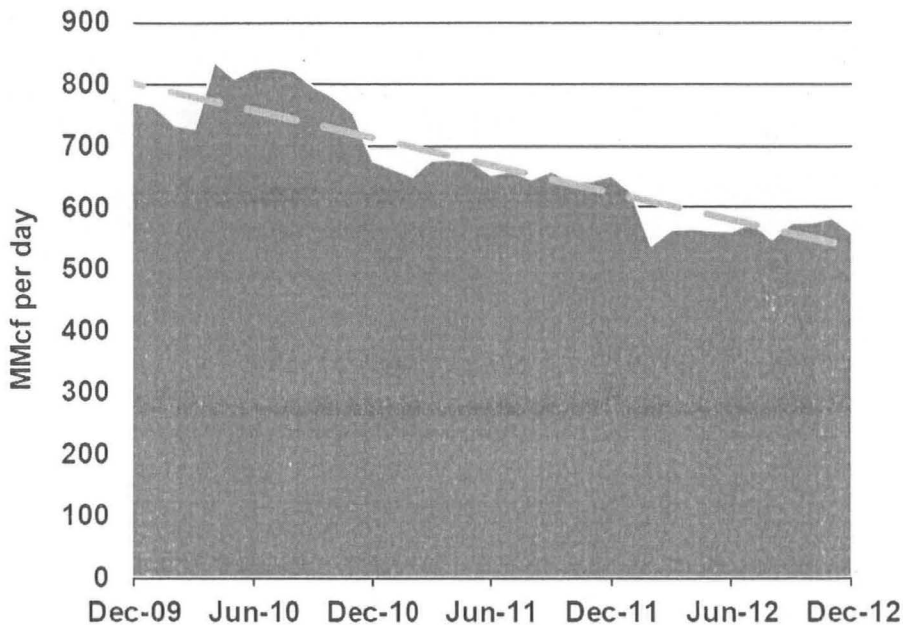
Pursuant to CEQA, lead agencies must consider the environmental impact of GHG emissions from a project and may require that such GHG emissions be mitigated. In evaluating various mitigation techniques, including the retirement of GHG ERCs, the lead agency must determine if the proposed mitigation technique adequately mitigates the project's GHG emission increase.

When a lead agency determines if the retirement of a particular GHG ERC provides adequate GHG mitigation for a project, the lead agency may choose to consider the location where the GHG ERC was generated and the geographical boundary used to determine the permanence of the emission reduction. In making this determination, the lead agency may conclude that the retirement of a particular GHG ERC would provide adequate mitigation for projects within that same geographical boundary. Again, that determination will be made by the lead agency for a particular project.

This applicant has selected the State of California as the geographical boundary for which the emission reduction is permanent. Information has been provided below to validate this geographical boundary selection.

As shown in the following chart from the Division of Oil, Gas, and Geothermal Resources (DOGGR), the total natural gas production in the State of California has been on a decline since 2009. Gas production has declined from 800,000,000 cubic feet per day in 12/09 to 550,000,000 cubic feet per day in 12/12.

CALIFORNIA GAS PRODUCTION



Sources: EIA / DOGGR / Navigant

Chevron had three natural gas compressors serving the Coalinga Nose Unit, and due to a lack of gas to compress, all of the engines have been shut down and removed, and there are no other engines or electric motors compressing any of the remaining gas. Therefore there is no transfer of emissions to any other sources, and the emission reductions are permanent.

Based on this information, the geographical boundary for which the emission reduction is permanent is the State of California.

The ERC Certificate will include the following identifier:

"Shutdown of engine verified as permanent within the State of California"

Quantifiable:

The actual emissions were calculated from historic fuel-use records and accepted emission factors. Therefore, the emission reductions are quantifiable and have been quantified.

Enforceable:

The engine has been shut down and the PTO has been surrendered to the District. Operation of the equipment without a valid permit would subject the permittee to enforcement action. Therefore, the emission reductions are enforceable.

Section 4.5.4 requires that GHG emission reductions be calculated as the difference between the historic annual average GHG emissions (as CO₂e) and the PE2 after the reduction is complete. The historical GHG emissions must be calculated using the consecutive 24 month period immediately prior to the date the emission reductions occurred (the shutdown of the cotton gin), or another consecutive 24 month period in the 60 months prior to the date the emission reduction occurred if determined by the APCO as being more representative of normal operations.

The GHG emission reductions were calculated according to the baseline period identified above. Since this is a permanent shutdown of the compressor engine from a depleted natural gas field, with none of the load being shifted to any other compressor engines or electric motors in California, there is no post-project potential to emit GHG.

Section 4.5.5 requires that GHG emission reductions proposed to be quantified using CARB-approved emission reduction project protocols shall be calculated in accordance with the applicable protocol.

Since the GHG emission reductions are not subject to an applicable CARB-approved emission reduction project protocol, this section is not applicable.

Section 4.5.6 requires that ERCs shall be made enforceable through permit conditions or legally binding contract.

The compressor engine held a legal District operating permit. That permit has been surrendered to the District. Since the operation of a new engine would require a new Authority to Construct, as discussed above, the emission reduction is enforceable.

Section 5 identifies ERC Certificate application procedures.

Section 5.5.2 requires, for emission reductions occurring prior to 1/19/12, applications for ERCs must be submitted by 7/19/12.

The ERC application was submitted on 5/27/11, therefore the application is timely.

Section 6.15 specifies the registration requirements for GHG ERCs.

This emission reductions are surplus and additional of all requirements pursuant to Section 4.5.3.4. Therefore the ERC certificate shall include the following notation:

"This emission reduction is surplus and additional to all applicable regulatory requirements."

Compliance with Rule 2301 has been demonstrated and no further adjustments are necessary.

VII. Recommendation

Issue ERC Certificates in the amounts posted in the table below and on the Draft ERC Certificates in Appendix E.

Bankable Criteria ERCs (lb/quarter)					
	NO _x	SO _x	PM ₁₀	CO	VOC
1st Quarter	27	1	26	1,473	14
2nd Quarter	70	2	61	3,471	36
3rd Quarter	23	1	29	1,533	12
4th Quarter	17	0	9	586	9

Bankable GHG ERCs (metric tons/year)	
GHG	161

List of Appendixes

- A. Surrendered Permit to Operate
- B. Source Test Data
- C. Fuel Use Records
- D. Draft Emission Reduction Credit Certificates

Appendix A Surrendered Permits to Operate

INSPECTION

EXPIRATION DATE: 10/31/2017

LEGAL OWNER OR OPERATOR: CHEVRON USA, INC.
MAILING ADDRESS: P O BOX 1392
BAKERSFIELD, CA 93302

LOCATION: S. 7F T. 20S R. 16E
FRESNO COUNTY, CA

WORKSHEET

INSPECT PROGRAM PARTICIPANT: NO

EQUIPMENT DESCRIPTION:

600 BHP NATURAL GAS-FIRED SUPERIOR MODEL 6G825 INTERNAL COMBUSTION ENGINE POWERING A NATURAL GAS COMPRESSOR

CONDITIONS

1. Particulate matter emissions shall not exceed 0.1 grains/dscf in concentration. [District Rule 4201] Federally Enforceable Through Title V Permit
2. Unit shall be fired only on PUC quality natural gas with a sulfur content of less than or equal to 1 grain per 100 scf. [District NSR Rule and District Rule 4801] Federally Enforceable Through Title V Permit
3. Emissions from this IC engine shall not exceed any of the following limits: 25 ppmvd NOx @ 15% O2, equivalent to 0.349 g-NOx/hp-hr, 0.011 g-SOx/hp-hr, 0.064 g-PM10/hp-hr, 2,000 ppmvd CO @ 15% O2, equivalent to 16.981 g-CO/hp-hr, or 60 ppmvd VOC @ 15% O2, equivalent to 0.291 g-VOC/hp-hr. [District NSR Rule and District Rule 4702] Federally Enforceable Through Title V Permit
4. If the engine is not fired on PUC-regulated natural gas, then the sulfur content of the natural gas being fired in the IC engine shall be determined using ASTM method D 1072, D 3031, D 4084, D 3246, or grab sample analysis by GC-FPD/TCD performed in the laboratory. [District NSR Rule and District Rule 2520, 9.3] Federally Enforceable Through Title V Permit
5. If the engine is not fired on PUC-regulated natural gas, the sulfur content of each fuel source shall be tested weekly except that if compliance with the fuel sulfur content limit has been demonstrated for 8 consecutive weeks for a fuel source, then the testing frequency shall be quarterly. If a test shows noncompliance with the sulfur content requirement, the source must return to weekly testing until eight consecutive weeks show compliance. [District NSR Rule and District Rule 2520, 9.3] Federally Enforceable Through Title V Permit
6. If the engine is fired on PUC-regulated natural gas, then maintain on file copies of all natural gas bills. [District NSR Rule and District Rule 2520, 9.4] Federally Enforceable Through Title V Permit
7. This engine shall be equipped with an operational non-resettable elapsed time meter or other APCO approved alternative. [District Rule 4702] Federally Enforceable Through Title V Permit
8. This engine shall be operated and maintained in proper operating condition per the manufacturer's requirements as specified on the Inspection and Maintenance (I&M) plan submitted to the District. [District Rule 4702] Federally Enforceable Through Title V Permit
9. The permittee shall monitor and record the stack concentration of NOx, CO, and O2 at least once every month (in which a source test is not performed) using a portable emission monitor that meets District specifications. Monitoring shall not be required if the engine is not in operation, i.e. the engine need not be started solely to perform monitoring. Monitoring shall be performed within 5 days of restarting the engine unless monitoring has been performed within the last month. Records must be maintained of the dates of non-operation to validate extended monitoring frequencies. [District Rules 4701 and 4702] Federally Enforceable Through Title V Permit

- INSPECTION WORKSHEET
10. If either the NO_x or CO concentrations corrected to 15% O₂, as measured by the portable analyzer, exceed the allowable emission concentration, the permittee shall return the emissions to within the acceptable range as soon as possible, but no longer than 8 hours after detection. If the portable analyzer readings continue to exceed the allowable emissions concentration after 8 hours, the permittee shall notify the District within the following 1 hour, and conduct a certified source test within 60 days of the first exceedance. In lieu of conducting a source test, the permittee may stipulate a violation has occurred, subject to enforcement action. The permittee must then correct the violation, show compliance has been re-established, and resume monitoring procedures. If the deviations are the result of a qualifying breakdown condition pursuant to Rule 1100, the permittee may fully comply with Rule 1100 in lieu of the performing the notification and testing required by this condition. [District Rules 4701 and 4702] Federally Enforceable Through Title V Permit
 11. All alternate monitoring parameter emission readings shall be taken with the unit operating either at conditions representative of normal operations or conditions specified in the permit-to-operate. The analyzer shall be calibrated, maintained, and operated in accordance with the manufacturer's specifications and recommendations or a protocol approved by the APCO. Emission readings taken shall be averaged over a 15 consecutive-minute period by either taking a cumulative 15 consecutive-minute sample reading or by taking at least five (5) readings, evenly spaced out over the 15 consecutive-minute period. [District Rules 4701 and 4702] Federally Enforceable Through Title V Permit
 12. Source testing to measure natural gas-combustion NO_x, CO, and VOC emissions from this unit shall be measured not less than once every 24 months. [District Rules 4701 and 4702] Federally Enforceable Through Title V Permit
 13. The following test methods shall be used: NO_x (ppmv) - EPA Method 7E or ARB Method 100, CO (ppmv) - EPA Method 10 or ARB Method 100, stack gas oxygen - EPA Method 3 or 3A or ARB Method 100, and VOC (ppmv) - EPA Method 25 or EPA Method 18 referenced as methane. [District Rules 4701 and 4702] Federally Enforceable Through Title V Permit
 14. Emissions source testing shall be conducted with the engine operating either at conditions representative of normal operations or conditions specified in the Permit to Operate. [District Rules 4701 and 4702] Federally Enforceable Through Title V Permit
 15. For emissions source testing, the arithmetic average of three 30-consecutive-minute test runs shall apply. If two of three runs are above an applicable limit, the test cannot be used to demonstrate compliance with an applicable limit. VOC emissions shall be reported as methane. VOC, NO_x, and CO concentrations shall be reported in ppmv, corrected to 15% oxygen. [District Rules 4701 and 4702] Federally Enforceable Through Title V Permit
 16. Source testing shall be conducted using the methods and procedures approved by the District. The District must be notified at least 30 days prior to any compliance source test, and a source test plan must be submitted for approval at least 15 days prior to testing. [District Rule 1081] Federally Enforceable Through Title V Permit
 17. The results of each source test shall be submitted to the District within 60 days thereafter. [District Rule 1081] Federally Enforceable Through Title V Permit
 18. The permittee shall maintain records of: (1) the date and time of NO_x, CO, and O₂ measurements, (2) the O₂ concentration in percent and the measured NO_x and CO concentrations corrected to 15% O₂, (3) make and model of exhaust gas analyzer, (4) exhaust gas analyzer calibration records, and (5) a description of any corrective action taken to maintain the emissions within the acceptable range. [District Rules 4701 and 4702] Federally Enforceable Through Title V Permit
 19. The permittee shall maintain an engine operating log to demonstrate compliance. The engine operating log shall include, on a monthly basis, the following information: total hours of operation, type and quantity (cubic feet of gas or gallons of liquid) of fuel used, maintenance or modifications performed, monitoring data, compliance source test results, and any other information necessary to demonstrate compliance. [District Rules 4701 and 4702] Federally Enforceable Through Title V Permit
 20. The permittee shall update the I&M plan for this engine prior to any planned change in operation. The permittee must notify the District no later than seven days after changing the I&M plan and must submit an updated I&M plan to the APCO for approval no later than 14 days after the change. The date and time of the change to the I&M plan shall be recorded in the engine's operating log. For modifications, the revised I&M plan shall be submitted to and approved by the APCO prior to issuance of the Permit to Operate. The permittee may request a change to the I&M plan at any time. [District Rule 4702] Federally Enforceable Through Title V Permit

21. All records shall be maintained and retained on-site for a minimum of five (5) years, and shall be made available for District inspection upon request. [District Rules 4701 and 4702] Federally Enforceable Through Title V Permit

**INSPECTION
WORKSHEET**

INSPECTION

EXPIRATION DATE: 10/31/2017

LEGAL OWNER OR OPERATOR: CHEVRON USA, INC.
MAILING ADDRESS: P O BOX 1392
BAKERSFIELD, CA 93302

LOCATION: S. 7F T. 20S R. 16E
FRESNO COUNTY, CA

WORKSHEET

INSPECT PROGRAM PARTICIPANT: NO

EQUIPMENT DESCRIPTION:

880 BHP NATURAL GAS-FIRED SUPERIOR MODEL 8G825 INTERNAL COMBUSTION ENGINE WITH NON-SELECTIVE CATALYTIC REDUCTION POWERING A NATURAL GAS COMPRESSOR

CONDITIONS

1. Particulate matter emissions shall not exceed 0.1 grains/dscf in concentration. [District Rule 4201] Federally Enforceable Through Title V Permit
2. Unit shall be fired only on PUC quality natural gas with a sulfur content of less than or equal to 1 grain per 100 scf. [District NSR Rule and District Rule 4801] Federally Enforceable Through Title V Permit
3. Emissions from this IC engine shall not exceed any of the following limits: 25 ppmvd NOx @ 15% O2, equivalent to 0.349 g-NOx/hp-hr, 0.011 g-SOx/hp-hr, 0.064 g-PM10/hp-hr, 2,000 ppmvd CO @ 15% O2, equivalent to 16.981 g-CO/hp-hr, or 60 ppmvd VOC @ 15% O2, equivalent to 0.291 g-VOC/hp-hr. [District NSR Rule and District Rule 4702] Federally Enforceable Through Title V Permit
4. The sulfur content of each fuel source shall be tested weekly except that if compliance with the fuel sulfur content limit has been demonstrated for 8 consecutive weeks for a fuel source, then the testing frequency shall be quarterly. If a test shows noncompliance with the sulfur content requirement, the source must return to weekly testing until eight consecutive weeks show compliance. [District NSR Rule] Federally Enforceable Through Title V Permit
5. The sulfur content testing shall be determined using ASTM method D 1072, D 3031, D 4084, D 3246, or grab sample analysis by GC-FPD/TCD performed in the laboratory. [District Rule 2520, 9.3] Federally Enforceable Through Title V Permit
6. This engine shall be equipped with an operational non-resettable elapsed time meter or other APCO approved alternative. [District Rule 4702] Federally Enforceable Through Title V Permit
7. This engine shall be operated and maintained in proper operating condition per the manufacturer's requirements as specified on the Inspection and Monitoring (I&M) plan submitted to the District. [District Rule 4702] Federally Enforceable Through Title V Permit
8. This engine shall be operated within the ranges that the source testing has shown result in pollution concentrations within the emissions limits as specified on this permit. [District Rule 4702] Federally Enforceable Through Title V Permit
9. The permittee shall monitor and record the stack concentration of NOx, CO, and O2 at least once every month (in which a source test is not performed) using a portable emission monitor that meets District specifications. Monitoring shall not be required if the engine is not in operation, i.e. the engine need not be started solely to perform monitoring. Monitoring shall be performed within 5 days of restarting the engine unless monitoring has been performed within the last month. Records must be maintained of the dates of non-operation to validate extended monitoring frequencies. [District Rules 4701 and 4702] Federally Enforceable Through Title V Permit

- INSPECTION WORKSHEET
10. If either the NO_x or CO concentrations corrected to 15% O₂, as measured by the portable analyzer, exceed the allowable emission concentration, the permittee shall return the emissions to within the acceptable range as soon as possible, but no longer than 8 hours after detection. If the portable analyzer readings continue to exceed the allowable emissions concentration after 8 hours, the permittee shall notify the District within the following 1 hour, and conduct a certified source test within 60 days of the first exceedance. In lieu of conducting a source test, the permittee may stipulate a violation has occurred, subject to enforcement action. The permittee must then correct the violation, show compliance has been re-established, and resume monitoring procedures. If the deviations are the result of a qualifying breakdown condition pursuant to Rule 1100, the permittee may fully comply with Rule 1100 in lieu of the performing the notification and testing required by this condition. [District Rules 4701 and 4702] Federally Enforceable Through Title V Permit
 11. All alternate monitoring parameter emission readings shall be taken with the unit operating either at conditions representative of normal operations or conditions specified in the permit-to-operate. The analyzer shall be calibrated, maintained, and operated in accordance with the manufacturer's specifications and recommendations or a protocol approved by the APCO. Emission readings taken shall be averaged over a 15 consecutive-minute period by either taking a cumulative 15 consecutive-minute sample reading or by taking at least five (5) readings, evenly spaced out over the 15 consecutive-minute period. [District Rules 4701 and 4702] Federally Enforceable Through Title V Permit
 12. Source testing to measure natural gas-combustion NO_x, CO, and VOC emissions from this unit shall be measured not less than once every 24 months. [District Rules 4701 and 4702] Federally Enforceable Through Title V Permit
 13. The following test methods shall be used: NO_x (ppmv) - EPA Method 7E or ARB Method 100, CO (ppmv) - EPA Method 10 or ARB Method 100, stack gas oxygen - EPA Method 3 or 3A or ARB Method 100, and VOC (ppmv) - EPA Method 25 or EPA Method 18 referenced as methane. [District Rules 4701, and 4702] Federally Enforceable Through Title V Permit
 14. Emissions source testing shall be conducted with the engine operating either at conditions representative of normal operations or conditions specified in the Permit to Operate. [District Rules 4701 and 4702] Federally Enforceable Through Title V Permit
 15. For emissions source testing, the arithmetic average of three 30-consecutive-minute test runs shall apply. If two of three runs are above an applicable limit, the test cannot be used to demonstrate compliance with an applicable limit. VOC emissions shall be reported as methane. VOC, NO_x, and CO concentrations shall be reported in ppmv, corrected to 15% oxygen. [District Rules 4701 and 4702] Federally Enforceable Through Title V Permit
 16. Source testing shall be conducted using the methods and procedures approved by the District. The District must be notified at least 30 days prior to any compliance source test, and a source test plan must be submitted for approval at least 15 days prior to testing. [District Rule 1081] Federally Enforceable Through Title V Permit
 17. The results of each source test shall be submitted to the District within 60 days thereafter. [District Rule 1081] Federally Enforceable Through Title V Permit
 18. The permittee shall maintain records of: (1) the date and time of NO_x, CO, and O₂ measurements, (2) the O₂ concentration in percent and the measured NO_x and CO concentrations corrected to 15% O₂, (3) make and model of exhaust gas analyzer, (4) exhaust gas analyzer calibration records, and (5) a description of any corrective action taken to maintain the emissions within the acceptable range. [District Rules 4701 and 4702] Federally Enforceable Through Title V Permit
 19. The permittee shall maintain an engine operating log to demonstrate compliance. The engine operating log shall include, on a monthly basis, the following information: total hours of operation, type and quantity (cubic feet of gas or gallons of liquid) of fuel used, maintenance or modifications performed, monitoring data, compliance source test results, and any other information necessary to demonstrate compliance. [District Rules 4701 and 4702] Federally Enforceable Through Title V Permit
 20. The permittee shall update the I&M plan for this engine prior to any planned change in operation. The permittee must notify the District no later than seven days after changing the I&M plan and must submit an updated I&M plan to the APCO for approval no later than 14 days after the change. The date and time of the change to the I&M plan shall be recorded in the engine's operating log. For modifications, the revised I&M plan shall be submitted to and approved by the APCO prior to issuance of the Permit to Operate. The permittee may request a change to the I&M plan at any time. [District Rule 4702] Federally Enforceable Through Title V Permit

21. All records shall be maintained and retained on-site for a minimum of five (5) years, and shall be made available for District inspection upon request. [District Rules 4701 and 4702] Federally Enforceable Through Title V Permit

**INSPECTION
WORKSHEET**

Appendix B Source Test Data

AEROS ENVIRONMENTAL, INC.

Summary Of Results

Chevron U.S.A., Inc.
Coalinga
IC Engine 3

Project 104-5485A
June 29, 2007
ATC No. C-2885-49-2

Pollutant	ppm	ppm @ 15% O ₂	lb/hr	gm/Bhp-hr	lb/MMBtu	Permit Limits
NOx	29.4	8.7	0.09	0.122	0.0318	25 ppm @ 15% O ₂
	36.2	10.3	0.11	0.145	0.0377	
	43.2	12.3	0.13	0.174	0.0451	
Mean	36.3	10.4	0.11	0.147	0.0382	
CO	2040	602	3.87	5.168	1.3414	2000 ppm @ 15% O ₂
	1921	546	3.51	4.688	1.2170	
	1926	549	3.53	4.712	1.2231	
Mean	1962	566	3.64	4.856	1.2605	
VOC C ₂ - C ₆ + as C ₁	58.1	17.2	0.06	0.084	0.0218	60 ppm @ 15% O ₂
	56.8	16.2	0.06	0.078	0.0206	
	52.7	15.1	0.06	0.073	0.0191	
Mean	55.9	16.2	0.06	0.078	0.0205	
Fuel Sulfur (SOx as SO₂)	As H ₂ S in Fuel Gas 5.9		As SO ₂ in Stack Exhaust 0.002	As SO ₂ in Stack Exhaust 0.0031	As SO ₂ in Stack Exhaust 0.0008	0.0019 gm/Bhp-hr
Comments: _____						

AEROS ENVIRONMENTAL, INC.
Summary Of Results

Chevron U.S.A., Inc.
Coalinga
IC Engine 2

Project 104-6010
June 30, 2008
ATC No. C-2885-53-5

Pollutant	ppm	ppm @ 15% O ₂	lb/hr	lb/MMBtu	g/Bhp-hr	Permit Limits
NOx	1.2	0.3	0.02	0.0012	0.0048	
	1.2	0.3	0.02	0.0012	0.0048	
	1.3	0.4	0.02	0.0014	0.0053	
Mean	1.2	0.4	0.02	0.0013	0.0050	25 ppm @ 15% O₂
CO	1603	453	17.14	1.0090	3.8760	
	1265	357	13.64	0.7959	3.0575	
	1343	379	14.35	0.8453	3.2471	
Mean	1404	396	15.04	0.8834	3.3935	2000 ppm @ 15% O₂
VOC C ₂ - C ₆ + as C ₁	0.6	0.2	0.003	0.00020	0.0008	
	0.9	0.2	0.005	0.00031	0.0012	
	0.8	0.2	0.005	0.00028	0.0011	
	Mean	0.7	0.2	0.004	0.00026	
Fuel Sulfur (SOx as SO₂)	As H ₂ S in Fuel Gas 5.45		As SO ₂ in Exhaust 0.013	As SO ₂ in Exhaust 0.0007	As SO ₂ in Exhaust 0.0029	0.011 g/Bhp-hr
Comments:						

Appendix C Fuel-Use Records

Fuel-use records for each engine have been supplied by the applicant.

The fuel-use has been averaged into quarters for the baseline period and is presented in the following tables.

Fuel-Use C-2885-49: May 2007 – April 2009				
Quarter	2-year Total (Mscf)	1-yr Average (Mscf)	HHV (Btu/scf)	MMBtu (MMBtu/qtr)
Quarter 1	1,119	559.5	1,234	690
Quarter 2	2,869	1,434.5	1,234	1,770
Quarter 3	918	459	1,234	566
Quarter 4	74	37	1,234	46
Total				3,072

Fuel-Use C-2885-53: May 2007 – April 2009				
Quarter	2-year Total (Mscf)	1-yr Average (Mscf)	HHV (Btu/scf)	MMBtu (MMBtu/qtr)
Quarter 1	1,122	561	1,218	683
Quarter 2	2,305	1,152.5	1,218	1,404
Quarter 3	1,524	762	1,218	928
Quarter 4	20	10	1,218	12
Total				3,027

Appendix D Draft ERC Certificates

San Joaquin Valley
Air Pollution Control District

Central Regional Office • 1990 E. Gettysburg Ave. • Fresno, CA 93726

Emission Reduction Credit Certificate

C-1372-1
DRAFT

ISSUED TO: CHEVRON USA, INC.
ISSUED DATE: <DRAFT>
LOCATION OF REDUCTION: S7F T20S R16E
FRESNO COUNTY, CA

For VOC Reduction In The Amount Of:

Quarter 1	Quarter 2	Quarter 3	Quarter 4
14 lbs	36 lbs	12 lbs	9 lbs

Conditions Attached

Method Of Reduction

- Shutdown of Entire Stationary Source
 Shutdown of Emissions Units
 Other

Description

Use of these credits outside the San Joaquin Valley Unified Air Pollution Control District (SJVUAPCD) is not allowed without express written authorization by the SJVUAPCD.

Seyed Sadredin, Executive Director / APCO

DRAFT

Arnaud Marjollet, Director of Permit Services

San Joaquin Valley
Air Pollution Control District

Central Regional Office • 1990 E. Gettysburg Ave. • Fresno, CA 93726

Emission Reduction Credit Certificate

C-1372-2
DRAFT

ISSUED TO: CHEVRON USA, INC.
ISSUED DATE: <DRAFT>
LOCATION OF REDUCTION: S7F T20S R16E
FRESNO COUNTY, CA

For NOx Reduction In The Amount Of:

Quarter 1	Quarter 2	Quarter 3	Quarter 4
27 lbs	70 lbs	23 lbs	17 lbs

Conditions Attached

Method Of Reduction

- Shutdown of Entire Stationary Source
 Shutdown of Emissions Units
 Other

Description

Use of these credits outside the San Joaquin Valley Unified Air Pollution Control District (SJVUAPCD) is not allowed without express written authorization by the SJVUAPCD.

Seyed Sadredin, Executive Director / APCO

DRAFT
Arnaud Marjolet, Director of Permit Services

San Joaquin Valley
Air Pollution Control District

Central Regional Office • 1990 E. Gettysburg Ave. • Fresno, CA 93726

Emission Reduction Credit Certificate

C-1372-3
DRAFT

ISSUED TO: CHEVRON USA, INC.
ISSUED DATE: <DRAFT>
LOCATION OF REDUCTION: S7F T20S R16E
FRESNO COUNTY, CA

For CO Reduction In The Amount Of:

Quarter 1	Quarter 2	Quarter 3	Quarter 4
1,473 lbs	3,471 lbs	1,533 lbs	586 lbs

Conditions Attached

Method Of Reduction

- Shutdown of Entire Stationary Source
 Shutdown of Emissions Units
 Other

Description

Use of these credits outside the San Joaquin Valley Unified Air Pollution Control District (SJVUAPCD) is not allowed without express written authorization by the SJVUAPCD.

Seyed Sadredin, Executive Director / APCO

DRAFT

Arnaud Marjollet, Director of Permit Services

San Joaquin Valley
Air Pollution Control District

Central Regional Office • 1990 E. Gettysburg Ave. • Fresno, CA 93726

Emission Reduction Credit Certificate

C-1372-4
DRAFT

ISSUED TO: CHEVRON USA, INC.
ISSUED DATE: <DRAFT>
LOCATION OF REDUCTION: S7F T20S R16E
FRESNO COUNTY, CA

For PM10 Reduction In The Amount Of:

Quarter 1	Quarter 2	Quarter 3	Quarter 4
26 lbs	61 lbs	29 lbs	9 lbs

Conditions Attached

Method Of Reduction

- Shutdown of Entire Stationary Source
 Shutdown of Emissions Units
 Other

Description

Use of these credits outside the San Joaquin Valley Unified Air Pollution Control District (SJVUAPCD) is not allowed without express written authorization by the SJVUAPCD.

Seyed Sadredin, Executive Director / APCO

DRAFT

Arnaud Marjollet, Director of Permit Services

San Joaquin Valley
Air Pollution Control District

Central Regional Office • 1990 E. Gettysburg Ave. • Fresno, CA 93726

Emission Reduction Credit Certificate

C-1372-5
DRAFT

ISSUED TO: CHEVRON USA, INC.
ISSUED DATE: <DRAFT>
LOCATION OF REDUCTION: S7F T20S R16E
FRESNO COUNTY, CA

For SOx Reduction In The Amount Of:

Quarter 1	Quarter 2	Quarter 3	Quarter 4
1 lbs	2 lbs	1 lbs	None

Conditions Attached

Method Of Reduction

- Shutdown of Entire Stationary Source
 Shutdown of Emissions Units
 Other

Description

Use of these credits outside the San Joaquin Valley Unified Air Pollution Control District (SJVUAPCD) is not allowed without express written authorization by the SJVUAPCD.

Seyed Sadredin, Executive Director / APCO

DRAFT
Arnaud Marjollet, Director of Permit Services

San Joaquin Valley
Air Pollution Control District

Central Regional Office • 1990 E. Gettysburg Ave. • Fresno, CA 93726

Emission Reduction Credit Certificate

C-1372-24

DRAFT

ISSUED TO: CHEVRON USA, INC.
ISSUED DATE: <DRAFT>
LOCATION OF REDUCTION: S7F T20S R16E
FRESNO COUNTY, CA

For CO2E Reduction In The Amount Of:

161 metric tons / year

Conditions Attached

Method Of Reduction

- Shutdown of Entire Stationary Source
 Shutdown of Emissions Units
 Other

Description

Emission Reduction Qualification Criteria

Seyed Sadredin, Executive Director / APCO

DRAFT


Arnaud Marjollet, Director of Permit Services

San Joaquin Valley Air Pollution Control District

Application for

EMISSION REDUCTION CREDIT (ERC)

CONSOLIDATION OF ERC CERTIFICATES

1. ERC TO BE ISSUED TO: Chevron U.S.A. Inc.		Facility ID: C-2885 (if known)				
2. MAILING ADDRESS: Street/P.O. Box: P.O. Box 1392 City: Bakersfield State: CA Zip Code: 93302						
3. LOCATION OF REDUCTION: Street: CNU City: CNU Oilfield SECTION 7 TOWNSHIP 20S RANGE 16E		4. DATE OF REDUCTION:				
5. PERMIT NO(S): C-2885-49 and '50 EXISTING ERC NO(S):						
6. METHOD RESULTING IN EMISSION REDUCTION: <input checked="" type="checkbox"/> SHUTDOWN <input type="checkbox"/> RETROFIT <input type="checkbox"/> PROCESS CHANGE <input type="checkbox"/> OTHER DESCRIPTION: Shutdown of A Fee and C Fee Gas Turbines (Use additional sheets if necessary)						
7. REQUESTED ERCs: (In pounds per calendar quarter except CO ₂ e)						
	VOC	NO _x	CO	PM ₁₀	SO _x	Other
1 st Qtr	0	2	1092	24	1	
2 nd Qtr	1	4	2523	55	2	
3 rd Qtr	0	2	1188	26	1	
4 th Qtr	0	0	46	1	0	
CO ₂ e 324 metric ton/yr						
8. SIGNATURE OF APPLICANT: 				TYPE OR PRINT TITLE OF APPLICANT: Manager Health Environment, and Safety		
9. TYPE OR PRINT NAME OF APPLICANT: Jason H. Donchin				DATE: 2/15/2013	TELEPHONE NO: (661) 654-7145	

FOR APCD USE ONLY: Chevron USA

DATE STAMP	FILING FEE RECEIVED: \$ <u>759.00</u> check # <u>24043231</u>
	DATE PAID: <u>2/15/13</u>
	PROJECT NO.: <u>C-1130364</u> FACILITY ID.: <u>C-2885</u>

Initial ERC App



Jason H. Donchin
Manager - Health, Environment,
and Safety

San Joaquin Valley SBU
Chevron North America
Exploration and Production
P.O. Box 1392
Bakersfield, CA 93302

February 15, 2013

RECEIVED
FEB 15 2013
SJVAPCD
Southern Region

Mr. Leonard Scandura, P.E.
San Joaquin Valley APCD
34946 Flyover Court
Bakersfield, California 93308

**RE: Emission Reduction Credit Banking Application
Shutdown of Coalinga Nose Engine #2 and #3 - S-2885-49 and '53**

Dear Mr. Scandura:

Chevron U.S.A. Inc. (CUSA) has shutdown Coalinga Engines #2 and #3 - S-2885-49 and '53 and surrendered the Permits to Operate. CUSA is therefore applying to bank the emission reductions. CUSA currently holds ATCs C-2885-70 and '71 that are replacements for permits C-2885-49 and '57. At this time CUSA does not intend to go forward with the engine replacements. When a final decision is reached CUSA will cancel the ATCs to allow banking.

Additional details are included with the attached proposal, which is available in electronic format upon request. Please note baseline periods for greenhouse gas (GHG) emission reductions and criteria emissions are proposed to be consistent with previously submitted ERC banking projects for CNU Engine #1 - C-2885-57. Enclosed please find the necessary application form and a \$759.00 check for application filing fee.

If you have any questions, please contact Mr. Lance Ericksen at phone number (661) 654-7145.

Sincerely,

Jason H. Donchin

Enclosures

Steven Roeder

From: Ericksen, Lance <Lance.Ericksen@chevron.com>
Sent: Thursday, February 21, 2013 9:29 AM
To: Steven Roeder
Subject: RE: ERC Banking Project CNU

I think the chart would show higher emissions for another period (probably later after the surrender of permit C-2885-57). If it did we would go back to the argument that these emission had shifted and would likely go back to the same period as '57. Let me know if you really need the monthly data and I can supply it. Of course the ERCs couldn't be issued until we cancel ATCs S-2885-71 and '72 which we have not made a final decision to do.

Thanks for your help

From: Steve.Roeder@valleyair.org [mailto:Steve.Roeder@valleyair.org]
Sent: Thursday, February 21, 2013 9:19 AM
To: Ericksen, Lance
Subject: RE: ERC Banking Project CNU

If you can just get a list of monthly fuel use, I can make the chart in a jiffy. Otherwise I'll talk to Rich about the permanence approach- he's the signoff man.

From: Ericksen, Lance [mailto:Lance.Ericksen@chevron.com]
Sent: Thursday, February 21, 2013 8:47 AM
To: Steven Roeder
Subject: RE: ERC Banking Project CNU

I have the data for 2006 forward. I picked the same period as the banking application for S-2885-57 to ensure the reduction was permanent i.e. emissions didn't slide around between the engines. I can make the data available in electronic format. I can also put together a chart similar to the one you attached however, due to my workload it may have to wait until we have new staff on board (a month or two).

Thanks for your feedback.

From: Steve.Roeder@valleyair.org [mailto:Steve.Roeder@valleyair.org]
Sent: Thursday, February 21, 2013 8:35 AM
To: Ericksen, Lance
Subject: ERC Banking Project CNU

Hi Lance,

Thanks for the good report.

We will also need the fuel use data for the last 5 years of operation.

If you use something other than the last two years of operational data, then we need to make a chart like the one that is in the attached document, and demonstrate the baseline period.

Steve R

Steve Roeder

Steven Roeder

From: Ericksen, Lance <Lance.Ericksen@chevron.com>
Sent: Tuesday, November 5, 2013 1:57 PM
To: Steven Roeder
Subject: RE: ERC Projects

I may not have sent our letter to you on gas in California declining. Let me check and send something to you if needed.

From: Steven Roeder [<mailto:Steve.Roeder@valleyair.org>]
Sent: Tuesday, November 05, 2013 1:27 PM
To: Ericksen, Lance
Subject: ERC Projects

Hi Lance,

I am going to finish the ERC projects that I have.
Therefore, I still need some clarification.

I have the August 22, 2013 letter that you sent me describing the boundaries of the GHG Permanence.

In section 1 you state that the engines are located in the Coalinga Nose Unit.
In section 2 you say that Chevron will not pursue the ATCs for natural gas compressors in that unit and ask to have the ATCs cancelled.

You also made the case that the GHG ERCs need not be limited at the time of creation, and any adjustments should be made by the proper agency at the time of use. I see what you mean.

However, following section 2, you say that based on the above, the State of California should be established as the boundary.

I don't see how we made the leap between the Nose Unit and the State of California as boundaries for permanence.

I realize the Nose Unit is dried up (and to me personally – that gas can never be compressed again – anywhere in the world because it's ALL GONE – and that's as permanent as you can get)... but the District is asking: Can't someone else in California compress gas to make up the production lost in this Nose Unit?

Did I miss something? Do you have a graph of natural gas decline in CA similar to the graph of Oil production decline that Steve Davidson used in his ERC project?

We're ready to roll and I want to get these projects done for you.

Thanks,

Steve R

Steve Roeder

Engineer - Permit Services Division
San Joaquin Valley Air Pollution Control District
34946 Flyover Court

Bakersfield, CA 93308
(661) 392-5615



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**ERC APPLICATION
EVALUATION**

Project #:

Engineer:

Date:

Facility Name: Chevron USA, Inc.
Mailing Address: P.O. Box 1392
Bakersfield, CA 93302

Contact Person: Lance Ericksen
Telephone: (661) 654-7145
Date Application Received:
Date Deemed Complete:

I. Summary:

Chevron USA, Inc. (CUSA) proposes to bank criteria and greenhouse gas (CO₂E) emission reduction credits resulting from the shutdown of the Coalinga Nose Unit IC engines (C-2885-49 and '53) in the Fresno Gas Stationary Source.

CUSA requests emission reduction credits for:

lb/quarter	VOC	NO _x	CO	PM10	SO _x	CO ₂ E
1 st Quarter	0	2	1092	24	1	
2 nd Quarter	1	4	2523	55	2	
3 rd Quarter	0	2	1188	26	1	
4 th Quarter	0	0	46	1	0	
MT/year						324

II. Applicable Rules:

Rule 2301 Emission Reduction Credit Banking (Amended January 19, 2012)

III. Location of Reduction:

The compressor engines are located in Section 7, Township 20s, Range 16E in the Fresno Gas Stationary Source. A location map is included in Appendix A.

IV. Method of Generating Reduction:

The engines that have been shutdown are:

C-2885-49-6: 600 BHP NATURAL GAS-FIRED SUPERIOR MODEL 6G825 INTERNAL COMBUSTION ENGINE POWERING A NATURAL GAS COMPRESSOR

C-2885-53-6: 880 BHP NATURAL GAS-FIRED SUPERIOR MODEL 8G825 INTERNAL COMBUSTION ENGINE WITH NON-SELECTIVE CATALYTIC REDUCTION POWERING A NATURAL GAS COMPRESSOR

The natural gas fueled engines ceased operation in April 2012. The permits were canceled on August 27, 2012. CUSA currently holds ATCs C-2885-70 and '71 that are replacements for permits C-2885-49 and '53. At this time CUSA does not intend to go forward with the engine replacements. When a final decision is reached CUSA will cancel the ATCs to allow banking.

V. ERC Calculations:

Criteria emission reductions are banked in accordance with section 4.2 of Rule 4301.

Greenhouse gas emission reductions are banked in accordance with Section 4.5 of Rule 2301.

A. Assumptions and Emission Factors

A. Assumptions and Emission Factors

Criteria Emissions

Emission reductions were calculated using measured and recorded heat input values, and actual source test results for the baseline period. Recorded fuel use (MCF or thousand cubic foot) and calculated heat input (MMBtu or million British thermal unit), are tabulated and presented in Appendix B.

Source test summary pages from certified source tests performed for the engines, around the baseline period, are included in Appendix C. The engines were equipped with non-selective catalytic reduction and was in compliance with Table 1 Section 1.c. of Rule 4702.

PM10 emissions are based on AP42 Table 3.2-3.

GHG emissions

Emissions factors from the "California Air Resources Board Regulation for the Mandatory Reporting of Greenhouse Gas Emissions, Appendix A", are used to quantify CO₂E. The emissions factors are as shown below:

Carbon Dioxide - Natural Gas Combustion - 53.02 Kg CO₂/MMBtu

Methane – Natural Gas Combustion - 0.9 g CH₄/MMBtu, 0.0009 Kg CH₄/MMBtu

Nitrous Oxide – Natural Gas Combustion – 0.1 g N₂O/MMBtu. 0.0001 Kg N₂O/MMBtu

Rule 2301 Table 1 Conversion factors are used to convert Carbon Dioxide, Methane and Nitrous Oxide emissions to CO₂E. The conversion factors are as shown below:

Carbon Dioxide 1 Metric Ton CO₂E per CO₂ Metric Ton

Methane 21 Metric Ton CO₂E per CH₄ Metric Ton

Nitrous Oxide 310 Metric Ton CO₂E per N₂O Metric Ton

The GHG emission factors and CO₂E conversion factors are combined as follows to give an overall emission factor for CO₂E:

$$\begin{aligned} \text{Carbon Dioxide} &= \frac{53.02 \text{ Kg}}{\text{MMBtu}} \times \frac{1 \text{ Mt CO}_2\text{E}}{\text{CO}_2 \text{ metric ton}} \times \frac{1 \text{ metric ton}}{1000 \text{ Kg}} \\ &= 0.05302 \frac{\text{Mt CO}_2\text{E}}{\text{MMBtu}} \end{aligned}$$

$$\begin{aligned} \text{Methane} &= \frac{.0009 \text{ Kg}}{\text{MMBtu}} \times \frac{21 \text{ Mt CO}_2\text{E}}{\text{Methane metric ton}} \times \frac{1 \text{ metric ton}}{1000 \text{ Kg}} \\ &= 0.000019 \frac{\text{Mt CO}_2\text{E}}{\text{MMBtu}} \end{aligned}$$

$$\begin{aligned} \text{Nitrous Oxide} &= \frac{0.0001 \text{ Kg}}{\text{MMBtu}} \times \frac{310 \text{ Mt CO}_2\text{E}}{\text{Nitrous Oxide metric ton}} \times \frac{1 \text{ metric ton}}{1000 \text{ Kg}} \\ &= 0.000031 \frac{\text{Mt CO}_2\text{E}}{\text{MMBtu}} \end{aligned}$$

Overall emission factor:

$$= \frac{0.05302 \text{ Mt CO}_2\text{E}}{\text{MMBtu}} + \frac{0.000019 \text{ Mt CO}_2\text{E}}{\text{MMBtu}} + \frac{0.000031 \text{ Mt CO}_2\text{E}}{\text{MMBtu}}$$

$$= \frac{0.05307 \text{ Mt CO}_2\text{E}}{\text{MMBtu}}$$

B. Baseline Period Determination and Data

CUSA requests a baseline period of the two-year period most representative of normal source operation (NSO) for the engines. CUSA is proposing baseline periods for greenhouse gas (GHG) emission reductions and criteria emissions that are consistent with previously submitted projects for CNU Engine #1 – C-2885-57. A summary of gas use over the baseline period are included in Appendix B. The summary is based on daily records that are available in electronic format.

C. Historical Actual Emissions

Historical Actual Emission (HAE) calculations were performed for each calendar quarter of the baseline period. HAEs for the engines are presented in Appendix D.

D. Actual Emissions Reductions

Actual Emission Reductions (AER) are calculated pursuant to Rule 2201, Section 4.12:

AER = HAE – PE2.

For this project, PE2 is zero, therefore, AER = HAE

AER is included in Appendix D and summarized in the following table:

lb/quarter	VOC	NO _x	CO	PM10	SO _x	CO ₂ E
1 st Quarter	0	2	1214	27	1	
2 nd Quarter	1	4	2804	62	2	
3 rd Quarter	0	2	1320	29	1	
4 th Quarter	0	0	51	1	0	
MT/year						324

E. Air Quality Improvement Deduction

In accordance with District Rule 2201, Section 4.12.1, AER shall be discounted by 10% prior to banking, known as the Air Quality Improvement Deduction (AQID). AQID is included in Appendix D and summarized in the following table:

lb/quarter	VOC	NO _x	CO	PM10	SO _x	CO ₂ E*
1 st Quarter	0	0	121	3	0	
2 nd Quarter	0	0	280	6	0	
3 rd Quarter	0	0	132	3	0	
4 th Quarter	0	0	5	0	0	
MT/year						NA

F. Increased in Permitted Emissions

The engines have been permanently removed from service. An IPE is not associated with this project.

G. Bankable Emissions Reductions

Bankable emission reductions are calculated in Appendix D and summarized in the following table:

lb/quarter	VOC	NO _x	CO	PM10	SO _x	CO ₂ E
1 st Quarter	0	2	1092	24	1	
2 nd Quarter	1	4	2523	55	2	
3 rd Quarter	0	2	1188	26	1	
4 th Quarter	0	0	46	1	0	
MT/year						324

VI. Compliance:

A. Real

Emission reductions have been calculated based on the heat input to each engine and recognized emission factors and conversion factors. Therefore, the reductions are real.

B. Enforceable

The engines have been removed from service and permits for the replacement engines will be surrendered prior to final issuance of the banking certificates. Therefore, the requested ERCs are enforceable.

C. Quantifiable

Emission reductions have been calculated based on the heat input to each engine and recognized emission factors and conversion factors. Therefore, the reductions are quantifiable.

D. Permanent

The engines have been shutdown and the replacement engine permits will be surrendered prior to final issuance of the banking certificates. The only remaining permit at the C-2885 source will be an emergency IC engine. Therefore, emissions will not be displaced to other equipment owned by CUSA.

Therefore, the requested ERCs are permanent.

E. Surplus

For criteria emissions:

For engines subject to Rule 4703 emissions have been calculated consistent with the limits in the Rule. No other restrictions on emission are imposed by rules or regulations.

For greenhouse gas emissions:

Rule 2301 Section 4.5.3.1 states:

Greenhouse gas emission reductions that occur at a facility subject to the CARB greenhouse cap and trade regulation on or after January 1, 2012 are not surplus.

These reductions occurred prior to January 1, 2012.

Rule 2301 Section 4.5.3.2 states:

Greenhouse gas emission reductions that occur as a result of law, rule, or regulation that required the greenhouse gas emission reduction are not surplus.

These reductions are not required by any law, rule or regulation that required the greenhouse gas emission reduction.

Therefore, the greenhouse gas emissions requested for ERC banking are surplus.

F. Was application timely?

For criteria emissions:

Rule 2301 section 4.2.3 requires an application be filed no later than 180 days after the emission reductions occurred. Permits for the engines were maintained within the 180-day period preceding this ERC application. Therefore, the application is timely.

For GHG emissions:

Pursuant to Rule 2301 section 5.5.2 for reductions covered under section 4.5.1

(greenhouse gas reductions that occurred on or after January 1, 2005) applications shall be filed by July 19, 2012. This application supplements the application filed March 12, 2012 to bank GHG emissions from engine C-2885-57 therefore, the application is timely.

VII. Registration of ERC Certificates:

Rule 2301 Section 6.15 requires greenhouse gas emission reductions certificates include a notation that indicates how the emission reductions were quantified.

The shutdown of the engines was not required by any regulatory requirement therefore, the certificates shall include a notation pursuant to Section 6.15.3:

This emission reduction is surplus and additional to all applicable regulatory requirements.

VIII. Recommendation:

CUSA recommends that Emission Reduction Credits be issued as indicated above.

APPENDIX A

Location



Location of
compressors

© 2011 Google

APPENDIX B

Fuel Use

Engine C-2885-49 VOC

Quarter	lb/MMBtu	MMBtu	lbs
First	0.00026	690	0.18
Second*	0.00026	1,770	0.46
Third	0.00026	566	0.15
Fourth	0.00026	46	0.01

* (May-June 2007 + April-June 2008 + April 2009)

Total 0.80

Engine C-2885-49 NO2

Quarter	lb/MMBtu	MMBtu	lbs
First	0.00130	690	0.90
Second*	0.00130	1,770	2.30
Third	0.00130	566	0.74
Fourth	0.00130	46	0.06

* (May-June 2007 + April-June 2008 + April 2009)

Total 3.99

Engine C-2885-49 CO

Quarter	lb/MMBtu	MMBtu	lbs
First	0.88340	690	609.70
Second*	0.88340	1,770	1,563.20
Third	0.88340	566	500.18
Fourth	0.88340	46	40.32

* (May-June 2007 + April-June 2008 + April 2009)

Total 2,713.40

Engine C-2885-49 PM10

Quarter	lb/MMBtu*	MMBtu	lbs
First	0.01941	690	13.40
Second**	0.01941	1,770	34.35
Third	0.01941	566	10.99
Fourth	0.01941	46	0.89

*lb/MMBtu AP-42 Table 3.2-3

** (May-June 2007 + April-June 2008 + April 2009)

Total 59.62

Engine C-2885-49 SO2

Quarter	lb/MMBtu	MMBtu	lbs
First	0.00070	690	0.48
Second*	0.00070	1,770	1.24
Third	0.00070	566	0.40
Fourth	0.00070	46	0.03

* (May-June 2007 + April-June 2008 + April 2009)

Total 2.15

Engine C-2885-49 GHG

Annual	MT/MMBtu	MMBtu	MT
	0.05307	3,072	163.01

Engine C-2885-53 VOC

Quarter	lb/MMBtu	MMBtu	lbs
First	0.00026	684	0.18
Second*	0.00026	1,404	0.37
Third	0.00026	928	0.24
Fourth	0.00026	12	0.00

* (May-June 2007 + April-June 2008 + April 2009)

Total 0.79

Engine C-2885-53 NO2

Quarter	lb/MMBtu	MMBtu	lbs
First	0.00130	684	0.89
Second*	0.00130	1,404	1.83
Third	0.00130	928	1.21
Fourth	0.00130	12	0.02

* (May-June 2007 + April-June 2008 + April 2009)

Total 3.94

Engine C-2885-53 CO

Quarter	lb/MMBtu	MMBtu	lbs
First	0.88340	684	603.86
Second*	0.88340	1,404	1,240.56
Third	0.88340	928	820.22
Fourth	0.88340	12	10.76

* (May-June 2007 + April-June 2008 + April 2009)

Total 2,675.41

Engine C-2885-53 PM10

Quarter	lb/MMBtu*	MMBtu	lbs
First	0.01941	684	13.27
Second**	0.01941	1,404	27.26
Third	0.01941	928	18.02
Fourth	0.01941	12	0.24

*lb/MMBtu AP-42 Table 3.2-3

** (May-June 2007 + April-June 2008 + April 2009)

Total 58.78

Engine C-2885-53 SO2

Quarter	lb/MMBtu	MMBtu	lbs
First	0.00070	684	0.48
Second*	0.00070	1,404	0.98
Third	0.00070	928	0.65
Fourth	0.00070	12	0.01

* (May-June 2007 + April-June 2008 + April 2009)

Total 2.12

Engine C-2885-53 GHG

Annual	MT/MMBtu	MMBtu	MT
	0.05307	3,029	160.72

Summary

AER

Quarter	VOC lb	NOx lb	CO lb	PM10 lb	SOx lb	CO2e MT
First	0	2	1214	27	1	
Second*	1	4	2804	62	2	
Third	0	2	1320	29	1	
Fourth	0	0	51	1	0	
Annual						324

AQID

Quarter	VOC lb	NOx lb	CO lb	PM10 lb	SOx lb
First	0	0	121	3	0
Second*	0	0	280	6	0
Third	0	0	132	3	0
Fourth	0	0	5	0	0

Bankable Reductions

Quarter	VOC lb	NOx lb	CO lb	PM10 lb	SOx lb
First	0	2	1092	24	1
Second*	1	4	2523	55	2
Third	0	2	1188	26	1
Fourth	0	0	46	1	0

Summary

AER

Quarter	VOC lb	NOx lb	CO lb	PM10 lb	SOx lb	CO2e MT
First	0	2	1214	27	1	
Second*	1	4	2804	62	2	
Third	0	2	1320	29	1	
Fourth	0	0	51	1	0	
Annual						324

AQID

Quarter	VOC lb	NOx lb	CO lb	PM10 lb	SOx lb
First	0	0	121	3	0
Second*	0	0	280	6	0
Third	0	0	132	3	0
Fourth	0	0	5	0	0

Bankable Reductions

Quarter	VOC lb	NOx lb	CO lb	PM10 lb	SOx lb
First	0	2	1092	24	1
Second*	1	4	2523	55	2
Third	0	2	1188	26	1
Fourth	0	0	46	1	0

Bankable Reductions

Engine C-2885-49**Two Years May 2007 - April 2009**

Quarter	MSCF	MSCF/2	Btu/cuft	MMBtu
First	1,119	560	1,234	690
Second*	2,869	1,435	1,234	1,770
Third	918	459	1,234	566
Fourth	74	37	1,234	46

* (May-June 2007 + April-June 2008 + April 2009)

Total 3,072

Engine C-2885-53**Two Years May 2007 - April 2009**

Quarter	MSCF	MSCF/2	Btu/cuft	MMBtu
First	1,122	561	1,218	684
Second*	2,305	1,153	1,218	1,404
Third	1,524	762	1,218	928
Fourth	20	10	1,218	12

* (May-June 2007 + April-June 2008 + April 2009)

Total 3,029

APPENDIX C

Source Tests

AEROS ENVIRONMENTAL, INC.

Summary Of Results

Chevron U.S.A., Inc.
Coalinga
IC Engine 3

Project 104-5485A
June 29, 2007
ATC No. C-2885-49-2

Pollutant	ppm	ppm @ 15% O ₂	lb/hr	gm/Bhp-hr	lb/MMBtu	Permit Limits	
NOx	29.4	8.7	0.09	0.122	0.0318	25 ppm @ 15% O₂	
	36.2	10.3	0.11	0.145	0.0377		
	43.2	12.3	0.13	0.174	0.0451		
Mean	36.3	10.4	0.11	0.147	0.0382		
CO	2040	602	3.87	5.168	1.3414		2000 ppm @ 15% O₂
	1921	546	3.51	4.688	1.2170		
	1926	549	3.53	4.712	1.2231		
Mean	1962	566	3.64	4.856	1.2605		
VOC C ₃ - C ₆ + as C ₁	58.1	17.2	0.06	0.084	0.0218	60 ppm @ 15% O₂	
	56.8	16.2	0.06	0.078	0.0206		
	52.7	15.1	0.06	0.073	0.0191		
Mean	55.9	16.2	0.06	0.078	0.0205		
Fuel Sulfur (SOx as SO ₂)	As H ₂ S in Fuel Gas 5.9		As SO ₂ in Stack Exhaust 0.002	As SO ₂ in Stack Exhaust 0.0031	As SO ₂ in Stack Exhaust 0.0008		0.0019 gm/Bhp-hr
Comments: _____							



Chevron U.S.A., Inc.
IC Engine 2

Project 104-6010
Laboratory ID 080236-01

Sample Description: Natural Gas
Sampled by: Jesus Garcia

Date Sampled: June 30, 2008
Date Received: June 30, 2008
Date Reported: July 1, 2008

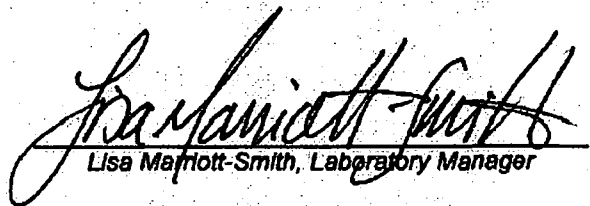
Fuel Gas Analysis Results

CONSTITUENT	MOLE %	WT. %	CHONS Wt. %	
Carbon Dioxide	1.308	2.730	Carbon	73.79
Oxygen	0.365	0.555	Hydrogen	21.51
Nitrogen	1.624	2.158	Oxygen	2.54
Carbon Monoxide	0.000	0.000	Nitrogen	2.16
Hydrogen Sulfide	0.001	0.001	Sulfur	0.00
Methane	78.656	59.854	H/C	0.291
Ethane	9.786	13.957		
Propane	4.927	10.305	H ₂ S ppmv	H ₂ S gr/100 SCF*
Isobutane	0.724	1.997	5	0.32
N-Butane	1.321	3.642		
Isopentane	0.350	1.199	TRS ppmv	TRS gr/100 SCF*
N-Pentane	0.351	1.200	5	0.32
Hexanes	0.588	2.403		
Total(s)	100.000	100.000	* Reported as Sulfur	

Specific Gravity (Air = 1)	0.7279
Specific Volume (cf/lb)	18.00
Gross Calorific Value, Dry (Btu/cf)	1218.48
Gross Calorific Value, Wet (Btu/cf)	1193.07
Gross Calorific Value, Dry (Btu/lb)	21934.09
Net Calorific Value, Dry (Btu/cf)	1104.93
Net Calorific Value, Wet (Btu/cf)	1081.89
Compressibility Factor "Z" @ 60° F, 1 atm	0.9965
EPA F-Factor @ 68° F (DSCF/MMBtu)	8677
EPA F-Factor @ 60° F (DSCF/MMBtu)	8547

References:

ASTM Methods D1945-96, D3588-98 & D6228-98
Double GC, TCD, FPD
TRS = Total Reduced Sulfur


Lisa Marriott-Smith, Laboratory Manager

"Professional Air Emissions Testing and Analytical Services"

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Chevron U.S.A., Inc.
IC Engine 3

Project 104-5485A
Laboratory ID 070266-01

Sample Description: Natural Gas
 Sampled by: Jeff Beecher

Date Sampled: June 29, 2007
 Date Received: June 29, 2007
 Date Reported: July 2, 2007

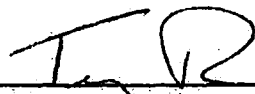
Fuel Gas Analysis Results

CONSTITUENT	MOLE %	WT. %	CHONS	WT. %
Oxygen	0.053	0.081	Carbon	75.23
Nitrogen	0.503	0.674	Hydrogen	21.95
Carbon Dioxide	1.350	2.838	Oxygen	2.14
Carbon Monoxide	0.000	0.000	Nitrogen	0.67
			Sulfur	0.00
Methane	80.147	61.441	H/C	0.292
Ethane	9.663	13.885		
Propane	4.839	10.197		
Isobutane	0.733	2.035		
N-Butane	1.381	3.836		
Isopentane	0.355	1.225		
N-Pentane	0.340	1.173		
Hexanes	0.635	2.616		
Total(s)	100.000	100.000		

Specific Gravity (Air = 1)	0.7226
Specific Volume (cf/lb)	18.13
Gross Calorific Value, Dry (Btu/cf)	1233.55
Gross Calorific Value, Wet (Btu/cf)	1207.76
Gross Calorific Value, Dry (Btu/lb)	22369.91
Net Calorific Value, Dry (Btu/cf)	1118.52
Net Calorific Value, Wet (Btu/cf)	1095.14
Compressibility Factor "Z" @ 60° F, 1 atm	0.9965
EPA F-Factor @ 68° F (DSCF/MMBtu)	8677
EPA F-Factor @ 60° F (DSCF/MMBtu)	8547

References:

ASTM Methods D1945-96, D3588-98 & D6228-98
 Double GC, TCD, FPD
 TRS = Total Reduced Sulfur as H₂S


 Terry M. Rowles, Laboratory Manager

"Professional Air Emissions Testing and Analytical Services"

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AEROS ENVIRONMENTAL, INC.

Summary Of Results

**Chevron U.S.A., Inc.
Coalinga
IC Engine 2**

**Project 104-6010
June 30, 2008
ATC No. C-2885-53-5**

Pollutant	ppm	ppm @ 15% O ₂	lb/hr	lb/MMBtu	g/Bhp-hr	Permit Limits
NOx	1.2	0.3	0.02	0.0012	0.0048	
	1.2	0.3	0.02	0.0012	0.0048	
	1.3	0.4	0.02	0.0014	0.0053	
Mean	1.2	0.4	0.02	0.0013	0.0050	25 ppm @ 15% O₂
CO	1603	453	17.14	1.0090	3.8760	
	1265	357	13.64	0.7959	3.0575	
	1343	379	14.35	0.8453	3.2471	
Mean	1404	396	15.04	0.8834	3.3935	2000 ppm @ 15% O₂
VOC C ₃ - C ₆ + as C ₁	0.6	0.2	0.003	0.00020	0.0008	
	0.9	0.2	0.005	0.00031	0.0012	
	0.8	0.2	0.005	0.00028	0.0011	
Mean	0.7	0.2	0.004	0.00026	0.0010	60 ppm @ 15% O₂
Fuel Sulfur (SOx as SO ₂)	As H ₂ S in Fuel Gas 5.45		As SO ₂ in Exhaust 0.013	As SO ₂ in Exhaust 0.0007	As SO ₂ in Exhaust 0.0029	0.011 g/Bhp-hr
Comments: _____						

APPENDIX D
Emission Calculations



Gregory E. Pritchett
Manager - Health,
Environment and Safety

San Joaquin Valley BU
Chevron North America
Exploration and Production
P.O. Box 1392
Bakersfield, CA 93302

September 12, 2013

Mr. Leonard Scandura
San Joaquin Valley APCD
34946 Flyover Court
Bakersfield, CA 93308

RE: Supplement to Additional Information for Banking Application Project C-1120776

Dear Mr. Scandura:

This letter a follow-up to Chevron U.S.A. Inc (CUSA) letter of August 22, 2013 responding to the District's request for additional information dated May 20, 2013 for the above referenced project to bank greenhouse gas and criteria emissions from three IC engines.

Chevron U.S.A. Inc's (CUSA's) previous letter provided information as to the geographic boundaries of the emission reductions for CUSA and stated that the reduction would be permanent for the State of California. This letter addresses the issue of permanence of the reductions in general for the State of California and how combustion emissions are not expected to increase without mitigation.

1. Gas Production In California Is Declining:

California gas production has declined over the past four years and is approximately three quarters of the amount produced in the 2009. There have been no significant new gas discoveries in California during that time and the decline is expected to continue. Documentation of the decline is included as Attachment A.

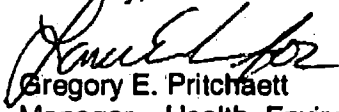
2. Greenhouse Gas Emissions Will Not Increase Statewide:

CUSA and other companies with significant gas production are subject to the California Cap-and-Trade regulation for greenhouse gases. The regulation sets a declining cap on allowed emissions while employing market mechanisms to achieve emission reductions. In the cap-and-trade program, a limit, or cap is put on the amount of pollutants (i.e., GHGs) that can be emitted. The cap is implemented by creating allowances in a number equal to the cumulative emissions from all the covered sectors. These allowances may be auctioned, distributed for free, or allocated by some combination thereof. Sources in the capped sectors must report their emissions and must surrender allowances to match those emissions in accordance with the schedule in the regulation to achieve the reduced 2020 cap. Should gas production GHG emissions increase GHG allocations representing reductions from other covered sectors must be purchased and surrendered. Additional information on the Cap-and-Trade program is included as Attachment B.

Additional Information Banking Application
Project S-1120775
September 12, 2013

Please telephone Lance Ericksen at (661) 654-7145 if you have any questions or require additional clarification.

Sincerely,



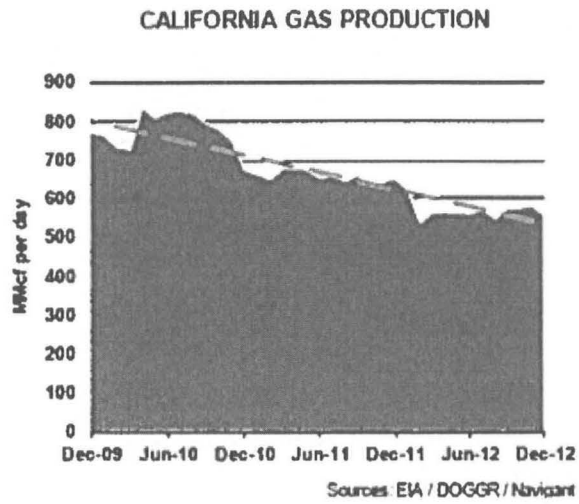
Gregory E. Pritchett
Manager – Health, Environment and Safety

Attachments

Additional Information Banking Application
Project S-1120775
September 12, 2013

Attachment A
California Gas Production

California Natural Gas Production



<http://www.cngpa.org/files/public/CIPACHarts08162013.pdf>

Additional Information Banking Application
Project S-1120776
September 12, 2013

I

Attachment B

Cap and Trade Program

Reference

www.arb.ca.gov/cc.capandtrade/guidance/chapter1.pdf

CHAPTER 1: HOW DOES THE CAP-AND-TRADE PROGRAM WORK?

1.1 What is the Cap-and-Trade Program?

The Cap-and-Trade Program will reduce greenhouse gas (GHG) emissions from major sources (covered entities) by setting a firm cap on statewide GHG emissions while employing market mechanisms to cost-effectively achieve the emission-reduction goals. The statewide cap for GHG emissions from major sources, which is measured in metric tons of carbon dioxide equivalent (MTCO₂e), will commence in 2013 and decline over time, achieving GHG emission reductions throughout the program's duration. Each covered entity will be required to surrender one permit to emit (the majority of which will be allowances, entities are also allowed to use a limited number of ARB offset credits) for each ton of GHG emissions they emit. Some covered entities will be allocated some allowances and will be able to buy additional allowances at auction, purchase allowances from others, or purchase offset credits.

1.2 What is the Mandatory Reporting of Greenhouse Gas Emissions Regulation?

The Cap-and-Trade Program relies on data collected through the Mandatory Reporting of Greenhouse Gas Emissions Regulation (MRR) to identify major sources of greenhouse gas emissions in California. The MRR was originally adopted in 2007 and was updated in 2011 to meet the needs of the Cap-and-Trade Program. The MRR requires facilities, fuel, and carbon dioxide (CO₂) suppliers—as well as electric power entities—to report their annual GHG emissions in 2009 and every year thereafter. A detailed description of the reporting Regulation can be found in the Mandatory Reporting Guidance Document available at <http://www.arb.ca.gov/cc/reporting/ghg-rep/ghg-rep.htm>.

1.3 What are the Basic Components of the Cap-and-Trade Program?

1.3.1. What Is an Allowance?

An *allowance* is a tradable permit to emit one metric ton of a carbon dioxide equivalent greenhouse gas emission. The total number of allowances provided by ARB each year will be equivalent to the annual allowance budget specified in the Regulation. Each allowance will have a unique serial number.

1.3.2. What Is an Offset Credit?

An *offset credit* is equivalent to a GHG reduction or GHG removal enhancement of one metric ton of CO₂e. The GHG reduction or GHG removal enhancement must be real, additional, quantifiable, permanent, verifiable, and enforceable and may only be issued to offset projects using approved Compliance Offset Protocols. ARB offset credits, along with allowances, are frequently referred to as “compliance instruments” since they are used by entities to comply with the program. However, a covered entity may only meet up to 8 percent of its compliance obligation using ARB offset credits. More information on the requirements for offset credits, approved Compliance Offset Protocols, and offset projects can be found in Chapter 6.

1.3.3 What Is a Compliance Period?

A *compliance period* is the time frame during which the compliance obligation is calculated. The years 2013 and 2014 are known as the “first compliance period,” and the years 2015–2017 are known as the “second compliance period.” The third compliance period is from 2018–2020. At the end of each compliance period each facility will be required to turn in compliance instruments, including allowances and a limited number of ARB offset credits, equivalent to their total GHG emissions throughout the compliance period.

1.4 Who Will Have to Comply with the Cap-and-Trade Program?

Starting in 2012, major GHG-emitting sources, such as electricity generation (including imports), and large stationary sources (e.g., refineries, cement production facilities, oil and gas production facilities, glass manufacturing facilities, and food processing plants) that emit more than 25,000 MTCO₂e per year will have to comply with the Cap-and-Trade Program. The program expands in 2015 to include fuel distributors (natural gas and propane fuel providers and transportation fuel providers) to address emissions from transportation fuels, and from combustion of other fossil fuels not directly covered at large sources in the program’s initial phase. Additional information, including a preliminary list of the covered entities, can be found in Chapter 2 and at http://www.arb.ca.gov/cc/capandtrade/covered_entities_list.pdf.

1.5 How Do I Determine if My Company Needs to Comply with Cap-and-Trade Program?

Most facilities within the specified sectors mentioned above that emit GHGs will have to comply with the Cap-and-Trade Program and/or the Mandatory Reporting Regulation. Some facilities will be required to report their annual emissions but not have to surrender compliance instruments. This is determined by the type of energy or industrial sector and the facility’s annual GHG emissions. For example, most industries that emit 10,000 or greater metric tons of CO₂e are required to report their GHGs whereas, the subset of industrial facilities with annual emissions equal to or greater than 25,000 metric tons of CO₂e are required to comply with the Cap-and-Trade Program. To determine if your facility is subject to both or either regulation, please refer to the detailed description in Chapter 2.

1.5.1 What Does My Company Have to Do in Order to Comply with the Cap-and-Trade Regulation?

To comply with the Cap-and-Trade Regulation, each facility must register with ARB, report its annual GHG emissions, create the necessary accounts, designate an account authorized representative, and surrender compliance instruments by the established deadlines. Facilities are also required to retain their records for 10 years. A more detailed explanation of each of these requirements is located in Chapter 3.

1.6 What Is a Compliance Obligation, and How Does My Company Determine How Many Allowances and ARB Offset Credits We Need to Surrender?

A company's *compliance obligation* is equivalent to the quantity of allowances or a limited number of ARB offset credits a facility is required to surrender to ARB by a specified deadline in order to comply with the Cap-and-Trade Program. Each facility's compliance obligation will be determined by the quantity of reported and verified GHGs emissions. ARB will directly allocate a proportion of allowances to qualified facilities subject to the program. Each facility will be responsible for acquiring the remaining allowances or limited number of offset credits to comply with the program. Chapter 3 describes how to estimate the quantity of allowances your facility will be freely allocated. A discussion of how to acquire allowances and offset credits can be found in Chapter 5.

1.7 What Are the Deadlines for Each Action Required by My Company?

Table 1.1 summarizes the major compliance requirements for covered entities. Please refer to the subsequent chapters in this document and the Regulation for additional details.

Table 1.1. Main Compliance Deadlines for Covered Entities			
Event	Description	Regulation Location	Occurrence
Reporting and Verification			
MRR reporting deadline for most entities	Deadline to submit GHG reports to ARB using the online mandatory reporting tool. Applies to all stationary sources that are not electric power entities.	95103 (e)	April 10 of each year
MRR reporting deadline for electric power entities	Deadline to submit GHG reports to ARB using the online mandatory reporting tool. Applies to all electric power entities.	95103 (e)	June 1 of each year
MRR verification deadline	Deadline of verification statement to be received by ARB from verification body.	95103 (f)	September 1 of each year

Deadline for Offset Verification Statements	Deadline of offset verification statements to be received by ARB.	95977 (d)	Within nine months after the conclusion of the Reporting Period for which offset verification services were performed.
Opt-in Covered Entities Reporting Deadline	Deadline for opt-in covered entities to submit GHG reports to ARB using the online mandatory reporting tool.		<ul style="list-style-type: none"> • In 2012, the recommended deadline was June 1, 2012. • For years 2013 and subsequent, the recommended deadline is April 10.
Program Registration			
Program registration deadline for covered entities	Deadline to register for the Cap-and-Trade Program for covered entities	95830 (d)(1)(B)	January 31, 2012
Registration deadlines for new entrants	Deadline to register for the Cap-and-Trade Program for facilities that became covered entities	95830 (d)(1)(A)	Within 30 calendar days of the reporting deadline contained in the MRR if the entity is not a covered entity as of January 1, 2013.
Request to Opt Into Program	Opt-in covered entities must submit a request to opt into program by requesting a user ID through the Compliance Instrument Tracking System Service (CITSS).	95830 (d)(2)	<ul style="list-style-type: none"> • In 2012, opt-in covered entities should make their request by November 30, 2012. • For 2013 and subsequent years, opt-in covered entities should make their request by March 1.
Allocation			
Allocation to utilities for the next calendar year	Distribution of free allowances into utilities' holding account for the following calendar year emissions. For example, on July 15, 2012, allowances will	95870 (d)	September 14, 2012; November 1 of 2013 to 2019.

	be distributed for the 2013 calendar year.		
Allocation to industry for the next calendar year	Distribution of free allowances into industrial facilities' holding account for the following calendar year emissions. For example, on November 1, 2012, allowances will be distributed for the 2013 calendar year.	95870 (e)	November 1 of 2012 to 2019
POU (Publicly Owned Utility) Compliance/Holding Accounts	POUs must inform ARB of the share of their allowances that should be placed in compliance versus holding accounts	95892 (b)(2)	September 1 of 2012 to 2019
Auction			
Auction Registration	Registration deadline for Auctions	95912 (c)(2)	Registration deadline for an auction occurs 30 days prior to the auction.
Auction	Auction of compliance allowances	95910 (a)	In 2012, single auction on November 14. Starting 2013, four auctions will occur each year on the twelfth business day, or first business day thereafter, of the second month of each quarter. For example, 2013 auctions will be held February 19, May 16, August 16, and November 19.

<p>Deadline for allowances to be consigned to auction</p>	<p>Electric utilities can consign allowances to be sold in the auctions. These allowances must be consigned ahead of time.</p>	<p>95910 (d)(4)</p>	<p>The deadline to consign allowances to the auction occurs 10 days prior to the auction in 2012, and 75 days prior to the auction in 2013 and thereafter.</p>
<p align="center">Sale of Reserve Allowances</p>			
<p>Sale of Allowances from the Allowance Price Containment Reserve</p>	<p>In addition to the auction, allowances are sold from the allowance price containment reserve at three reserve price tiers, starting at \$40, \$45, and \$50 per allowance in 2013. Only covered entities and opt-in covered entities may participate in this sale.</p>	<p>95913 (c)(3)</p>	<p>Sale of allowances through the allowance price containment reserve occurs 6 weeks after the standard allowance auction. Bids must be submitted 2 weeks prior to sale of allowances.</p>
<p align="center">Surrender</p>			
<p>Compliance Instrument Surrender Deadline; (A) — Annual Surrender, (T) — Triennial Surrender</p>	<p>Allowances must be surrendered annually to ARB in the amount according to a facility's compliance obligation, determined by the facility's emissions. The annual compliance obligation is 30 percent of the reported emissions of the previous year. The triennial compliance obligation is the sum of the reported emissions during a compliance obligation minus the instruments surrendered as part of the annual compliance obligation.</p>	<p>95856 (d)</p>	<p>Annual surrender of compliance instruments occurs on Nov. 1 of the calendar year following a year of reported emissions. For example the surrender of instruments for 2013 will occur Nov. 1, 2014. Triennial surrender occurs the calendar year following the end of a compliance period. Compliance periods are 2013–2014, 2015–2017, and 2018–2020. Thus, triennial surrender will occur Nov. 1 of 2015, 2018, and 2021.</p>

1.8 What Happens if My Company Cannot Meet a Deadline?

Facilities that do not adhere to the Cap-and-Trade Program requirements will be subject to stringent penalties. The Health and Safety Code allows ARB to determine the appropriate enforcement mechanism based on the specific circumstances for a rule violation.

1.9 How Do I Create an Offset Project?

There are stringent requirements for developing offset projects that may generate ARB offset credits used for compliance. Currently, there are four Compliance Offset Protocols that are approved and may be used to develop offset projects under the Cap-and-Trade Program. They are urban forestry, forestry, livestock digesters, and destruction of ozone-depleting substances.

We strongly recommend that each party interested in developing an offset project review the qualification criteria outlined in Chapter 6 of this document and speak with ARB or an approved Offset Project Registry.



Gregory E. Pritchett
Health, Environment and
Safety Manager

San Joaquin Valley SBU
Chevron North America
Exploration and Production
P. O. Box 1392
Bakersfield, CA 93302
Tel 661 654 7038
Fax 661 654 7004

January 16, 2014

Mr. Leonard Scandura, Manager
Permit Services
San Joaquin Valley Air Pollution Control District
34946 Flyover Court
Bakersfield, CA 93308

RE: ERC Banking Project C-1130364 Engines C-2885-49 and '53

Dear Mr. Scandura:

Attached is a \$1,109.00 check to cover filing fees and partial processing time for Chevron U.S.A., Inc. (CUSA) ERC banking of emissions from the shutdown of I.C. engines C-2885-49 and '53. These credits are associated with the shutdown of engine C-2885-57 and much of the information necessary to bank the credits has been submitted with that project (C-1111565). If possible CUSA requests that issuance of ERC certificates for engine C-2885-57 be held and combined with the credits from engines C-2885-49 and '53.

Thank you for your assistance. Please telephone Lance Ericksen, of my staff, at phone number (661) 654-7145 if there are questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Gregory E. Pritchett".

Gregory E. Pritchett
Health, Environment and Safety Manager

LE

Attachment – Check 310001110

PUBLIC NOTICE CHECK LIST

PROJECT #: C-2885 PROJECT #: C-1111565

REQST. COMPL.

ERC PRELIMINARY PUBLIC NOTICE

Newspaper Notice Emailed to Clerical (Check box and tab to generate Notice)

Send email to "OA-PublicNotices" containing the following:

SUBJECT: facility name, facility id#, project #, type of notice (prelim/final)

BODY: project description and why it is being noticed (Emission Reduction Credit Banking)

ENCLOSED DOCUMENTS REQUIRE:

Enter Correct Date, Print All Documents from File and Obtain Director's Signature

Determine date comment period will end, enter date on Newspaper Notice and Aviso en Español, and Email **PRELIMINARY** Newspaper Notice for Publication in ~~Eresno Bee~~ Pub Date: 12/2/13 Due Date: 1/2/14

Mail/email **PRELIMINARY** Notice Letter to Applicant (email address: none) with the following attachments:

Application Evaluation

Newspaper Notice

Email **PRELIMINARY** Public Notice package to ~~EPA~~

Email **PRELIMINARY** Public Notice package to ~~CARB~~

Email **PRELIMINARY** Newspaper Notice, Aviso en Español and Public Notice package to "webmaster"

After posted on website, send email with weblink of Newspaper notice, Aviso en Español, and full public notice package to:

specific [C, S, or N] region **and** District wide permitting notification list-serves (both English and Spanish list serves)

facility specific distribution list, (AQE – enter email address from PAS facility details notifications tab, if none enter NONE below): none

Mail the newspaper notice and aviso en español (NN/AE), or full public notice package (FPNP) to the persons on facility specific distribution list, as follows (entered by AQE, if none, enter NONE below):

NN/AE or FPNP Name/address: none

NN/AE or FPNP Name/address: none

Send **PRELIMINARY** Public Notice package to EDMS

Other Special Instructions (please specify): _____

Date Completed 11/25/13/By Steve Roeder

CALIFORNIA NEWSPAPER SERVICE BUREAU

DAILY JOURNAL CORPORATION

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Telephone (213) 229-5300 / Fax (213) 229-5481
Visit us @ WWW.LEGALADSTORE.COM

Yolanda
SAN JOAQUIN VALLEY AIR POLL CONTROL DIST
1990 E. GETTYSBURG AVE.
FRESNO, CA 93726

COPY OF NOTICE

Notice Type: GPN GOVT PUBLIC NOTICE
Ad Description Preliminary, Project# C-1111565, Chevron USA, Inc.

To the right is a copy of the notice you sent to us for publication in the THE FRESNO BEE. Please read this notice carefully and call us with any corrections. The Proof of Publication will be filed with the County Clerk, if required, and mailed to you after the last date below. Publication date(s) for this notice is (are):

12/02/2013

CNS 2563506

NOTICE OF PRELIMINARY DECISION FOR THE PROPOSED ISSUANCE OF EMISSION REDUCTION CREDITS

NOTICE IS HEREBY GIVEN that the San Joaquin Valley Unified Air Pollution Control District solicits public comment on the proposed issuance of Emission Reduction Credits to Chevron USA, Inc. for the shutdown of one 1,478 hp natural gas-fired compressor engine, at the Coalinga Nose Unit in the Coalinga Oilfield in Fresno County. The quantity of ERCs proposed for banking is 205 lb-NOx/yr, 25 lb-SOx/yr, 502 lb-PM10/yr, 13,323 lb-CO/yr, 284 lb-VOC/yr and 1,522 metric tons CO2e/yr.

The analysis of the regulatory basis for this proposed action, Project #C-1111565, is available for public inspection at http://www.valleyair.org/notices/public_notices_idx.htm and at any District office. For additional information, please contact the District at (661) 392-5500. Written comments on this project must be submitted by January 2, 2014 to DAVID WARNER, DIRECTOR OF PERMIT SERVICES, SAN JOAQUIN VALLEY UNIFIED AIR POLLUTION CONTROL DISTRICT, 34946 FLYOVER COURT, BAKERSFIELD, CA 93308.
12/2/13
CNS-2563506#
THE FRESNO BEE

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ORANGE COUNTY REPORTER, SANTA ANA	(714) 543-2027
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THE DAILY RECORDER, SACRAMENTO	(916) 444-2355
THE INTER-CITY EXPRESS, OAKLAND	(510) 272-4747



Yolanda R. Alvarez

From: Yolanda R. Alvarez
Sent: Wednesday, November 27, 2013 1:08 PM
To: Gerardo Rios (SJV_T5_Permits@epa.gov.)
Cc: Mike Tollstrup (mtollstr@arb.ca.gov)
Subject: ERC Preliminary Public Notice for Chevron USA, Inc.; Facility: C-2885; Project: C-1111565
Attachments: Prelim C-1111565.pdf; Newspaper.pdf

Importance: High

NOTICE IS HEREBY GIVEN that the San Joaquin Valley Unified Air Pollution Control District solicits public comment on the proposed issuance of Emission Reduction Credits to Chevron USA, Inc. for the shutdown of one 1,478 hp natural gas-fired compressor engine, at the Coalinga Nose Unit in the Coalinga Oilfield in Fresno County. The quantity of ERCs proposed for banking is 205 lb-N0x/yr, 25 lb-S0x/yr, 502 lb-PM10/yr, 13,323 lb-CO/yr, 284 lb-VOC/yr and 1,522 metric tons CO2e/yr.

Yolanda R. Alvarez

From: Mail Delivery System <MAILER-DAEMON@mintra12.rtp.epa.gov>
To: SJV_T5_Permits@epamail.epa.gov
Sent: Wednesday, November 27, 2013 1:09 PM
Subject: Expanded: ERC Preliminary Public Notice for Chevron USA, Inc.; Facility: C-2885; Project: C-1111565

Your message has been delivered to the following groups:

[SJV T5 Permits@epamail.epa.gov](mailto:SJV_T5_Permits@epamail.epa.gov)

Subject: ERC Preliminary Public Notice for Chevron USA, Inc.; Facility: C-2885; Project: C-1111565

Yolanda R. Alvarez

From: Microsoft Outlook
To: Mike Tollstrup (mtollstr@arb.ca.gov)
Sent: Wednesday, November 27, 2013 1:09 PM
Subject: Relayed: ERC Preliminary Public Notice for Chevron USA, Inc.; Facility: C-2885; Project: C-1111565

Delivery to these recipients or groups is complete, but no delivery notification was sent by the destination server:

Mike Tollstrup (mtollstr@arb.ca.gov) (mtollstr@arb.ca.gov) <<mailto:mtollstr@arb.ca.gov>>

Subject: ERC Preliminary Public Notice for Chevron USA, Inc.; Facility: C-2885; Project: C-1111565

Yolanda R. Alvarez

From: Yolanda R. Alvarez
Sent: Wednesday, November 27, 2013 1:15 PM
To: WebMaster
Subject: valleyair.org update: ERC Preliminary Public Notice for Chevron USA, Inc.; Facility: C-2885; Project: C-1111565
Attachments: Prelim C-1111565.pdf; Newspaper.pdf; Aviso.pdf

November 27, 2013, (Facility C-2885 Project S-1111565) NOTICE IS HEREBY GIVEN that the San Joaquin Valley Unified Air Pollution Control District solicits public comment on the proposed issuance of Emission Reduction Credits to Chevron USA, Inc. for the shutdown of one 1,478 hp natural gas-fired compressor engine, at the Coalinga Nose Unit in the Coalinga Oilfield in Fresno County. The quantity of ERCs proposed for banking is 205 lb-N₀x/yr, 25 lb-S₀x/yr, 502 lb-PM₁₀/yr, 13,323 lb-CO/yr, 284 lb-VOC/yr and 1,522 metric tons CO₂e/yr. The comment period ends on January 2, 2014

Newspaper Notice

Aviso

Public Notice Package

Song Thao

From: Song Thao
Sent: Monday, December 02, 2013 9:38 AM
To: All Region (Notices_of_Permitting_Actions-All_Regions@lists.valleyair.org); Central (Notices_of_Permitting_Actions-Central_Region@lists.valleyair.org)
Subject: Public Notice on Permitting Action C-1111565

The District has posted a new permitting public notice. The public notice can be viewed on our website at: [http://www.valleyair.org/notices/Docs/2013/11-27-13_\(C-1111565\)/Newspaper.pdf](http://www.valleyair.org/notices/Docs/2013/11-27-13_(C-1111565)/Newspaper.pdf)

For a list of public notices and public notice packages, please visit our website at: http://www.valleyair.org/notices/public_notices_idx.htm#PermittingandEmissionReductionCreditCertificateNotices

Thank you.

Song Thao

From: Song Thao
Sent: Monday, December 02, 2013 9:39 AM
To: All Spanish (Avisos_Sobre_Acciones_de_Permisos-Todos@lists.valleyair.org)
Subject: Aviso Publico Sobre Acciones de Permisos C-1111565

El Distrito del Aire a publicado un nuevo aviso público de permiso. El aviso público se puede ver en nuestro sitio de web en: [http://www.valleyair.org/notices/Docs/2013/11-27-13_\(C-1111565\)/Aviso.PDF](http://www.valleyair.org/notices/Docs/2013/11-27-13_(C-1111565)/Aviso.PDF)

Para obtener una lista de avisos públicos y paquetes de avisos públicos, por favor visite nuestro sitio de web en: http://www.valleyair.org/notices/public_notices_idx.htm#PermittingandEmissionReductionCreditCertificateNotices

Gracias

Fresno Bee

Newspaper notice for publication in Fresno Bee and for posting on valleyair.org

**NOTICE OF PRELIMINARY DECISION
FOR THE PROPOSED ISSUANCE OF
EMISSION REDUCTION CREDITS**

NOTICE IS HEREBY GIVEN that the San Joaquin Valley Unified Air Pollution Control District solicits public comment on the proposed issuance of Emission Reduction Credits to Chevron USA, Inc. for the shutdown of one 1,478 hp natural gas-fired compressor engine, at the Coalinga Nose Unit in the Coalinga Oilfield in Fresno County. The quantity of ERCs proposed for banking is 205 lb-NO_x/yr, 25 lb-SO_x/yr, 502 lb-PM₁₀/yr, 13,323 lb-CO/yr, 284 lb-VOC/yr and 1,522 metric tons CO_{2e}/yr.

The analysis of the regulatory basis for this proposed action, Project #C-1111565, is available for public inspection at http://www.valleyair.org/notices/public_notices_idx.htm and at any District office. For additional information, please contact the District at (661) 392-5500. Written comments on this project must be submitted by January 2, 2014 to **DAVID WARNER, DIRECTOR OF PERMIT SERVICES, SAN JOAQUIN VALLEY UNIFIED AIR POLLUTION CONTROL DISTRICT, 34946 FLYOVER COURT, BAKERSFIELD, CA 93308.**

**AVISO DE DECISIÓN PRELIMINAR
PARA LA PROPUESTA OTORGACIÓN DE
CERTIFICADOS DE REDUCCIÓN DE EMISIONES**

POR EL PRESENTE SE NOTIFICA que el Distrito Unificado para el Control de la Contaminación del Aire del Valle de San Joaquín está solicitando comentarios del público para la propuesta emisión de Certificados de Reducción de Emisiones (ERC, por sus siglas en inglés) a Chevron USA, Inc. para la clausura de un motor de gas natural de 1,478 caballos de fuerza que apodera un compresor, en the Coalinga Nose Unit in the Coalinga Oilfield in Fresno County. La cantidad de ERCs propuestas para almacenar es 205 lb-NOx/año, 25 lb-SOx/año, 502 lb-PM10/año, 13,323 lb-CO/año, 284 lb-VOC/año y 1,522 toneladas de CO2e/año.

El análisis de la base regulatoria para esta acción propuesta, Proyecto #C-1111565, está disponible para la inspección pública en http://www.valleyair.org/notices/public_notices_idx.htm y en cualquiera de las oficinas del Distrito. Para más información en Español, por favor comuníquese con el Distrito al (661) 392-5500. Comentarios por escrito acerca de este propuesto permiso inicial deben de ser sometidos antes del 2 de Enero del 2014 a **DAVID WARNER, DIRECTOR DEL DEPARTAMENTO DE PERMISOS, SAN JOAQUIN VALLEY UNIFIED AIR POLLUTION CONTROL DISTRICT, 34946 FLYOVER COURT, BAKERSFIELD, CA 93308.**

**NOTICE OF PRELIMINARY DECISION
FOR THE PROPOSED ISSUANCE OF
EMISSION REDUCTION CREDITS**

NOTICE IS HEREBY GIVEN that the San Joaquin Valley Unified Air Pollution Control District solicits public comment on the proposed issuance of Emission Reduction Credits to Chevron USA, Inc. for the shutdown of one 1,478 hp natural gas-fired compressor engine, at the Coalinga Nose Unit in the Coalinga Oilfield in Fresno County. The quantity of ERCs proposed for banking is 205 lb-NOx/yr, 25 lb-SOx/yr, 502 lb-PM10/yr, 13,323 lb-CO/yr, 284 lb-VOC/yr and 1,522 metric tons CO2e/yr.

The analysis of the regulatory basis for this proposed action, Project #C-1111565, is available for public inspection at http://www.valleyair.org/notices/public_notices_idx.htm and at any District office. For additional information, please contact the District at (661) 392-5500. Written comments on this project must be submitted by January 2, 2014 to **DAVID WARNER, DIRECTOR OF PERMIT SERVICES, SAN JOAQUIN VALLEY UNIFIED AIR POLLUTION CONTROL DISTRICT, 34946 FLYOVER COURT, BAKERSFIELD, CA 93308.**



NOV 27 2013

Lance Ericksen
Chevron USA, Inc.
PO Box 1392
Bakersfield, CA 93302

Re: Notice of Preliminary Decision – Emission Reduction Credits
Facility Number: C-2885
Project Number: C-1111565

Dear Mr. Ericksen:

Enclosed for your review and comment is the District's analysis of Chevron USA, Inc.'s application for Emission Reduction Credits (ERCs) resulting from the shutdown of one 1,478 hp natural gas-fired compressor engine, at the Coalinga Nose Unit in the Coalinga Oilfield in Fresno County. The quantity of ERCs proposed for banking is 205 lb-NOx/yr, 25 lb-SOx/yr, 502 lb-PM10/yr, 13,323 lb-CO/yr, 284 lb-VOC/yr and 1,522 metric tons CO2e/yr.

The notice of preliminary decision for this project will be published approximately three days from the date of this letter. After addressing all comments made during the 30-day public notice comment period, the District intends to issue the ERCs. Please submit your written comments on this project within the 30-day public comment period, as specified in the enclosed public notice.

Thank you for your cooperation in this matter. If you have any questions regarding this matter, please contact Mr. Steve Roeder of Permit Services at (661) 392- 5615.

Sincerely,

David Warner
Director of Permit Services

DW:SR/ya

Enclosures

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

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
ERC Application Review
Shutdown of Internal Combustion Engine**

Facility Name: Chevron USA, Inc
Mailing Address: PO Box 1392
Bakersfield, CA 93302

Date: November 20, 2013
Engineer: Steve Roeder
Lead Engineer: Richard Karrs

Contact Person: Lance Ericksen @ (661) 654-7145

Facility ID: C-2885

Project #: C-1111565

Submitted: May 27, 2011

Deemed Complete: June 23, 2011

I. Summary

The primary business of Chevron is the production of oil and natural gas.

Chevron has shutdown Coalinga Engine #1 (C-2885-57), surrendered the operating permit, and proposed to bank the emission reductions for both criteria pollutants (NO_x, SO_x, CO, PM₁₀ and VOC) and greenhouse gasses (GHG) (primarily CO₂, CH₄ and N₂O). The natural gas-fired IC engine was used to power a natural gas compressor. See the operating permit in Appendix A. The following emission reductions qualify for banking.

Bankable Criteria ERCs (lb/quarter)					
	NO _x	SO _x	PM ₁₀	CO	VOC
1st Quarter	56	7	136	3,614	77
2nd Quarter	57	7	140	3,711	79
3rd Quarter	39	5	95	2,524	54
4th Quarter	53	6	131	3,474	74

Bankable GHG ERCs (metric tons/year)	
GHG	1,522

II. Applicable Rules

- Rule 2201 New and Modified Stationary Source Review Rule (4/21/11)
- Rule 2301 Emission Reduction Credit Banking (1/19/12)
- Rule 4201 Particulate Matter Concentration (12/17/92)
- Rule 4701 Internal Combustion Engines - Phase 1 (8/21/03)
- Rule 4702 Internal Combustion Engines (8/18/11)

III. Location of Reduction

The engine was located in the Coalinga Nose Unit in the Coalinga Oilfield in Fresno County, Section 7, Township 20S, Range 16E, near Coalinga, CA.

IV. Method of Generating Reductions

The method of emission reductions is the permanent shut down of a natural-gas compressor engine, permit C-2885-57. The engine ceased operating in May of 2010, and was removed in February of 2011. The permit was canceled on 3/28/11. All three of the compressor engines have been shut down and removed from the site and no other engines or electric motors are being used to compress the gas. In addition, the applicant has proposed to bank ERCs from the other two shut-down engines as well (Project C-1130364). According to the applicant, the Coalinga Nose Unit gas production has declined beyond practical use.

V. Calculations

A. Assumptions

- Monthly fuel use records have been provided by the applicant
- Annual emissions are based on fuel usage and emission factors
- Emission factors for NO_x, SO_x, CO and VOC are based on source test results from 4/24/07 and 4/24/09 (see Appendix B).

B. Emission Factors

District Rule 2201, defines "actual emissions" as follows:

Actual Emissions: emissions having occurred from a source, based on source test or monitoring data, actual fuel consumption, and process data. If source test or monitoring data is not available, other appropriate, APCO-approved, emission factors may be used.

The applicant has provided source test data for NO_x, SO_x, CO and VOC, and the results have been confirmed by District Records.

Since the engines had not been tested for PM₁₀ emissions, the District must consider using the permitted emission factor of 0.064 g/hp-hr. In order to determine if that number is accurate, it has been compared to the emission factor in EPA AP-42, Table 3.2-3, which is 0.01941 lb/MMBtu.

According to the following calculation, the numbers are the same.

$$\frac{0.064 \text{ g} \cdot \text{PM}_{10}}{\text{hp} \cdot \text{hr}} \times \frac{1 \text{ lb}}{453.6 \text{ g}} \times \frac{\text{hp} \cdot \text{hr}}{2,546.5 \text{ Btu}} \times \frac{0.35\% \text{ hp}_{out}}{\text{hp}_{in}} \times \frac{1,000,000}{\text{MM}} = 0.0194 \frac{\text{lb} \cdot \text{PM}_{10}}{\text{MMBtu}}$$

Since the AP-42 emission factor has been derived from the testing of many natural gas-fired engines, it is considered to be accurate and shall be used in the proceeding calculations.

Finally, the CO₂e emission factor is taken from the District's Spreadsheet "ARB – Greenhouse Gas Emission Factors" and is calculated in lb/MMBtu to three significant figures in the following table.

Natural Gas Emission Factors					
Pollutant	kg/MMBtu x	2.205 lb/kg x	GWP =	CO ₂ e EF	
CO ₂	52.87	2.205	1.00	116.578	lb/MMBtu
CH ₄	0.0009	2.205	21.00	0.0417	lb/MMBtu
N ₂ O	0.0001	2.205	310.0	0.0684	lb/MMBtu
Total CO ₂ e				117	lb/MMBtu

The criteria pollutant emission factors are all converted to lb/MMBtu in Appendix C. All emission factors are presented in following table.

Emission Factors (lb/MMBtu)	
NO _x	0.00792
SO _x	0.0001
PM ₁₀	0.0194
CO	0.516
VOC	0.0110
CO ₂ e	117

C. Baseline Period Determination

Pursuant to Rule 2201, the Baseline Period is a period of time equal to either:

The two consecutive years of operation immediately prior to the submission date of the Complete Application; or

At least two consecutive years within the five years immediately prior to the submission date of the Complete Application if determined by the APCO as more representative of normal source operation.

The District has determined that the period from May, 2008 through April, 2010 is the appropriate baseline period. It is a consecutive two-year period within the last 5 years immediately prior to submission of the complete application, and represents the last period of actual operation. The engine was never operated after May, 2010, though it remained permitted and capable of operation until it was removed in February, 2011.

D. Baseline Data

The baseline fuel-use data is taken from the monthly fuel-use records that have been supplied by the applicant (see Appendix D), and divided into quarterly averages in the following table. The final column presents the quarterly heat input expressed in MMBtu, based on the HHV of the gas of 1,057 Btu/scf.

Monthly Baseline Fuel-Use in MMSCF						
Month	2008	2009	2010	Monthly Total	Quarterly Average MMscf	Quarterly Average MMBtu
Jan		2.739	2.306	5.045		
Feb		2.379	2.076	4.455		
Mar		2.739	2.482	5.221	7.361	7,781
Apr		2.627	2.596	5.223		
May	2.208	2.963		5.171		
Jun	1.911	2.815		4.726	7.560	7,991
Jul	2.242	2.040		4.282		
Aug	1.347	0.254		1.601		
Sep	2.013	2.385		4.398	5.141	5,434
Oct	2.283	2.761		5.044		
Nov	2.011	2.558		4.569		
Dec	2.195	2.347		4.542	7.078	7,481

E. Historical Actual Emissions (HAE)

HAE from Fuel Use

The HAE for the engine are determined by multiplying the quarterly fuel-use by the emission factors presented above, as shown in the following tables.

HAE from Fuel Use Quarter 1						
NO _x	0.00792	lb/MMBtu x	7,781	MMBtu/qtr =	62	lb/qtr
SO _x	0.001	lb/MMBtu x	7,781	MMBtu/qtr =	8	lb/qtr
PM ₁₀	0.0194	lb/MMBtu x	7,781	MMBtu/qtr =	151	lb/qtr
CO	0.516	lb/MMBtu x	7,781	MMBtu/qtr =	4,015	lb/qtr
VOC	0.0110	lb/MMBtu x	7,781	MMBtu/qtr =	86	lb/qtr
CO _{2e}	117	lb/MMBtu x	7,781	MMBtu/qtr =	910,377	lb/qtr

HAE from Fuel Use Quarter 2						
NO _x	0.00792	lb/MMBtu x	7,991	MMBtu/qtr =	63	lb/qtr
SO _x	0.001	lb/MMBtu x	7,991	MMBtu/qtr =	8	lb/qtr
PM ₁₀	0.0194	lb/MMBtu x	7,991	MMBtu/qtr =	155	lb/qtr
CO	0.516	lb/MMBtu x	7,991	MMBtu/qtr =	4,123	lb/qtr
VOC	0.0110	lb/MMBtu x	7,991	MMBtu/qtr =	88	lb/qtr
CO _{2e}	117	lb/MMBtu x	7,991	MMBtu/qtr =	934,947	lb/qtr

HAE from Fuel Use Quarter 3						
NO _x	0.00792	lb/MMBtu x	5,434	MMBtu/qtr =	43	lb/qtr
SO _x	0.001	lb/MMBtu x	5,434	MMBtu/qtr =	5	lb/qtr
PM ₁₀	0.0194	lb/MMBtu x	5,434	MMBtu/qtr =	105	lb/qtr
CO	0.516	lb/MMBtu x	5,434	MMBtu/qtr =	2,804	lb/qtr
VOC	0.0110	lb/MMBtu x	5,434	MMBtu/qtr =	60	lb/qtr
CO _{2e}	117	lb/MMBtu x	5,434	MMBtu/qtr =	635,778	lb/qtr

HAE from Fuel Use Quarter 4						
NO _x	0.00792	lb/MMBtu x	7,481	MMBtu/qtr =	59	lb/qtr
SO _x	0.001	lb/MMBtu x	7,481	MMBtu/qtr =	7	lb/qtr
PM ₁₀	0.0194	lb/MMBtu x	7,481	MMBtu/qtr =	145	lb/qtr
CO	0.516	lb/MMBtu x	7,481	MMBtu/qtr =	3,860	lb/qtr
VOC	0.0110	lb/MMBtu x	7,481	MMBtu/qtr =	82	lb/qtr
CO _{2e}	117	lb/MMBtu x	7,481	MMBtu/qtr =	875,277	lb/qtr

The HAE for GHG is expressed in metric tons per year as follows:

$$CO_2e \text{ HAE} = \frac{(910,377 + 934,947 + 635,778 + 875,277) \text{ lb}}{\text{year}} \times \frac{1 \text{ metric ton}}{2,204.6 \text{ lb}} = 1,522 \frac{\text{metric tons}}{\text{year}}$$

F. Adjustments to HAE

1. Rule 2201 - New and Modified Stationary Source Review Rule

Pursuant to Section 3.22, HAE must be discounted for any emissions reduction which is:

- required or encumbered by any laws, rules, regulations, agreements, orders, or
- attributed to a control measure noticed for workshop, or proposed or contained in a State Implementation Plan, or
- proposed in the District Air Quality Plan for attaining the annual reductions required by the California Clean Air Act.
- Any Actual Emissions in excess of those required or encumbered by any laws, rules, regulations, orders, or permits. For units covered by a Specific Limiting Condition (SLC), the total overall HAE for all units covered by SLC must be discounted for any emissions in excess of that allowed by the SLC.
 - a. There are no agreements or orders regarding the operation or emissions reductions associated with the engine. The discounts for any Rules will be discussed under the applicable Rules listed below. Therefore, no adjustments will be made to the HAE under this section.

- b. There are no reductions from the engine that are attributed to a control measure noticed for workshop, or proposed or contained in a State Implementation Plan. Therefore, no adjustment to the HAE will be made in this section.
- c. There are no reductions for engines proposed in the District Air Quality Plan for attaining the annual reductions required by the California Clean Air Act. Therefore, no adjustments will be made to the HAE under this section.
- d. There are no SLCs related to the operation of the engine. In addition, the fuel-use did not exceed the permitted maximum daily use (full-power, full-time operation for fuel use) for any month represented. Therefore, no adjustments will be made to the HAE under this section.

The engine has undergone permitting under Rule 2201 and EPA review under a minor modification. The permit complied with all NSR and Federal Requirements. No adjustments to the HAE are necessary under Rule 2201.

2. Rule 4201 - Particulate Matter Concentration

Section 3.1 prohibits discharge of dust, fumes, or total particulate matter into the atmosphere from any single source operation in excess of 0.1 grain per dry standard cubic foot.

The particulate matter concentration is calculated as follows.

Assumptions

F-Factor for NG:	8,578 dscf/MMBtu
PM ₁₀ Emission Factor:	0.0194 lb-PM ₁₀ /MMBtu
Percentage of PM as PM ₁₀ in Exhaust:	100%
Exhaust Oxygen (O ₂) Concentration:	15%
Heat input:	$\frac{1,478 \text{ hp}}{35\%} \times \frac{2,543 \text{ Btu}}{\text{hp}\cdot\text{hr}} = 10.7 \frac{\text{MMBtu}}{\text{hr}}$

$$\frac{0.0194 \text{ lb} \cdot \text{PM}}{\text{MMBtu}} \times \frac{7,000 \text{ grain}}{\text{lb}} \times \frac{\text{MMBtu}}{8,578 \text{ ft}^3} = 0.0158 \frac{\text{grain} \cdot \text{PM}}{\text{ft}^3}$$

Since 0.0158 grain·PM/ft³ is less than 0.1, no adjustment is necessary for Rule 4201.

3. Rule 4701 Internal Combustion Engines - Phase 1

The purpose of Rule 4701 is to limit emissions of NO_x, CO and VOC from IC engines.

Table 3 limits NO_x, CO and VOC emissions for rich burn engines to 50 ppmv, 2,000 ppmv and 250 ppmv, at 15% oxygen, respectively. Since this engine was permitted to operate at 25 ppmv-NO_x, 2,000 ppmv-CO and 60 ppmv-VOC, at 15% oxygen, no adjustment is necessary for Rule 4701.

4. Rule 4702 Internal Combustion Engines

The purpose of this rule is to limit the emissions of NO_x, CO, VOC and SO_x from internal combustion engines.

Table 2 requires rich burn engines that are not ag-only, waste gas-fired, cyclic loaded field-gas-fueled or limited use engines to be limited to 11 ppmv-NO_x, 2,000 ppmv-CO and 250 ppmv-VOC by the compliance date of 1/1/16.

Since this engine is subject to the NO_x limit in this Rule, the NO_x emissions available for banking would be limited to 11 ppmv @ 15% oxygen. However, source-test results confirm that this engine has operated at an average of only 2.15 ppmv-NO_x during the baseline period. Since 2.5 ppmv is less than 11 ppmv, no adjustment is required.

To limit SO_x, Section 5.7 requires that engines be fired on either PUC-regulated natural gas, or gas that does not exceed a sulfur content of 5 grains of sulfur per 100 scf of gas.

According to the District Policy *Generally Accepted SO_x Emission Factor for Combustion of PUC-quality Natural Gas*, PUC regulated gas contains 1.0 grains of sulfur per 100 scf of gas, which is equivalent to 0.00285 lb-SO_x/MMBtu. Since this emission factor is the most stringent of the two standards, emissions in excess of 0.00285 lb-SO_x/MMBtu will not be considered to be surplus. As shown above, this engine has operated at 0.0001 lb-SO_x/MMBtu. Therefore, no adjustment is necessary.

5. Actual Emissions Reductions (AER)

Since no adjustments have been to the HAE, the AER is the same as the HAE posted in Section V.E above.

6. Air Quality Improvement Deduction (AQID)

Pursuant to Rule 2201 Section 3.5, the AQID is a 10% discount factor applied to AER (for criteria pollutants) before the AER is eligible for banking. GHG banking is covered by Rule 2301, and no AQID applies to GHG AER. The HAE is adjusted for the AQID for criteria pollutants in the following tables.

Total HAE (lb/Qtr)			
Quarter 1			
Pollutant	HAE	AQID	HAE Adjusted for AQID
NO _x	62	6.2	56
SO _x	8	0.8	7
PM ₁₀	151	15.1	136
CO	4,015	401.5	3,614
VOC	86	8.6	77

Total HAE (lb/Qtr)			
Quarter 2			
Pollutant	HAE	AQID	Adjusted for AQID
NO _x	63	6.3	57
SO _x	8	0.8	7
PM ₁₀	155	15.5	140
CO	4,123	412.3	3,711
VOC	88	8.8	79

Total HAE (lb/Qtr)			
Quarter 3			
Pollutant	HAE	AQID	Adjusted for AQID
NO _x	43	4.3	39
SO _x	5	0.5	5
PM ₁₀	105	10.5	95
CO	2,804	280.4	2,524
VOC	60	6	54

Total HAE (lb/Qtr)			
Quarter 4			
Pollutant	HAE	AQID	Adjusted for AQID
NO _x	59	5.9	53
SO _x	7	0.7	6
PM ₁₀	145	14.5	131
CO	3,860	386	3,474
VOC	82	8.2	74

7. Increase in Permitted Emissions (IPE)

The unit has been shut down and there are no increases in emissions associated with this project. Therefore no adjustment is necessary.

8. Bankable Emissions Reduction Credits

The bankable ERCs for criteria pollutants are presented in pounds/quarter in the following tables, while the bankable GHG ERCs are expressed in metric tons per year.

Bankable GHG emission reductions:

Bankable GHG ERCs (metric tons/year)	
GHG	1,522

Bankable criteria pollutant emission reductions:

Bankable ERCs (lb/qtr)	
Quarter 1	
NO _x	56
SO _x	7
PM ₁₀	136
CO	3,614
VOC	77

Bankable ERCs (lb/qtr)	
Quarter 2	
NO _x	57
SO _x	7
PM ₁₀	140
CO	3,711
VOC	79

Bankable ERCs (lb/qtr)	
Quarter 3	
NO _x	39
SO _x	5
PM ₁₀	95
CO	2,524
VOC	54

Bankable ERCs (lb/qtr)	
Quarter 4	
NO _x	53
SO _x	6
PM ₁₀	131
CO	3,474
VOC	74

VI. Compliance

Rule 2201 - New and Modified Stationary Source Review Rule

The applicant has proposed to bank ERCs for both criteria pollutants and GHG. While Rule 2201 provides requirements for banking the criteria pollutants (see following discussion), Rule 2301 provides requirements for banking both criteria pollutants and GHG (see discussion of Rule 2301 below).

Criteria Pollutants

To comply with the definition of AER, the reductions must be real, enforceable, quantifiable, permanent, and surplus.

A. Real

The emissions reductions were generated by the shutdown of an engine. The emissions were calculated from actual historic fuel-use data and recognized emission factors and source test data, therefore the emissions were real. The engine has been removed. Therefore, the emission reductions are real.

B. Enforceable

The associated permit for this unit has been surrendered to the District, and the engine has been removed. Operation of the equipment without a valid permit would subject the permittee to enforcement action, and this facility is subject to annual inspections. Therefore, the reductions are enforceable.

C. Quantifiable

The reductions are quantifiable since they were calculated from historic fuel use records, source testing data, established and accepted emission factors and methods according to District Rule 2201. Therefore, the reductions are quantifiable and have been quantified.

D. Permanent

The equipment has been shut down and removed and the permit has been surrendered. The gas in the field has been depleted, all compressor engines have been removed and there are no other engines or electric motors connected to compress any remaining gas. Since no emissions have been shifted, the reductions are permanent.

E. Surplus

To be considered surplus, AER shall be in excess, at the time the application for an ERC is deemed complete, of any emissions reduction which:

- Is required or encumbered by any laws, rules, regulations, agreements, orders, or
- Is attributed to a control measure noticed for workshop, or proposed or contained in a State Implementation Plan, or
- Is proposed in the adopted air quality plan pursuant to the California Clean Air Act.

As discussed in Section V above, there are no rules, regulations, plans, etc., that would serve to reduce the bankable emissions for criteria pollutants. Therefore the reductions are surplus.

F. Not used for the Approval of an Authority to Construct or as Offsets

The emission reduction credits generated by the shutdown of the engine have not been used for the approval of any Authority to Construct or as offsets or mitigation. The PTO has been surrendered.

Rule 2301 – Emission Reduction Credit Banking

Section 5.5 states that ERC Certificate applications shall be submitted within 180 days after the emission reduction occurs. The engine was removed in February of 2011 and the permit was canceled on 3/28/11. The applicant filed the ERC application on 5/27/11. Since the application was received within 180 days of the surrender of the permit, the application was submitted in a timely fashion.

Section 6.1.2 states that if the emission reductions were created as a result of the shutdown of a permitted emissions unit, the relevant Permit to Operate shall have been surrendered and voided. The Permit to Operate was surrendered and canceled by the District on 3/28/11.

Regarding GHG, the purpose of this Rule is to:

- 1.2.1 Provide an administrative mechanism for sources to bank voluntary greenhouse gas emission reductions for later use.
- 1.2.2 Provide an administrative mechanism for sources to transfer banked greenhouse gas emission reductions to others for any use.
- 1.2.3 Define eligibility standards, quantitative procedures and administrative practices to ensure that banked greenhouse gas emission reductions are real, permanent, quantifiable, surplus, and enforceable.

Section 4.5 specifies eligibility criteria for GHG emission reductions to qualify for banking. Below is a summary of each criteria and a description of how the emission reductions satisfy the criteria.

Section 4.5.1 requires that the emission reduction must have occurred after 1/1/05.

The emission reductions occurred when the engine was removed in February of 2011. As the emission reduction occurred after 1/1/05, this criteria has been satisfied.

Section 4.5.2 requires that the emissions must have occurred in the District.

The emissions occurred at the Coalinga Nose Unit in Coalinga, CA. Since this location is within the District, this criteria has been satisfied.

Section 4.5.3 requires that the emission reductions must be real, surplus, permanent, quantifiable, and enforceable.

Real:

The emissions reductions were generated by the shutdown of an engine. The emissions were calculated from actual historic fuel-use data and recognized emission factors and source test data, therefore the emissions were real. The engine has been removed. Therefore, the emission reductions are real.

Surplus:

There are no laws, rules, regulations, agreements, orders, or permits requiring any GHG emission reductions from the natural gas compressor. Therefore, the emission reductions satisfy the surplus requirement in Section 4.5.3.2.

The facility is subject to the CARB Cap and Trade regulation. Since the reductions occurred prior January 1, 2012, the emission reductions satisfy the surplus requirement in Section 4.5.3.1.

The facility is subject to the CARB Cap and Trade regulation. Since the reductions occurred prior to the baseline period of Cap and Trade, the emission reductions satisfy the surplus requirement in Section 4.5.3.2.

The emission reductions are not the result of an action taken by the permittee to comply with any requirement. The emission reductions are surplus and additional of all requirements. Therefore, the emission reductions satisfy the surplus requirement in Section 4.5.3.4.

Permanent:

The equipment has been shut down and removed and the permit has been surrendered. The gas in the field has been depleted, all compressor engines have been removed and there are no other engines or electric motors connected to compress any remaining gas. Since no emissions have been shifted, the reductions are permanent.

When determining the geographical boundary in which the emission reduction is determined to be permanent the applicant may consider how the GHG ERC may likely be used.

Please note that while Rule 2301 allows facilities to receive ERCs for GHG emission reductions, the District does not have any requirements on the use of GHG ERCs. However, it is anticipated that the likely uses of such GHG ERCs would be their future retirement as GHG mitigation in the CEQA process.

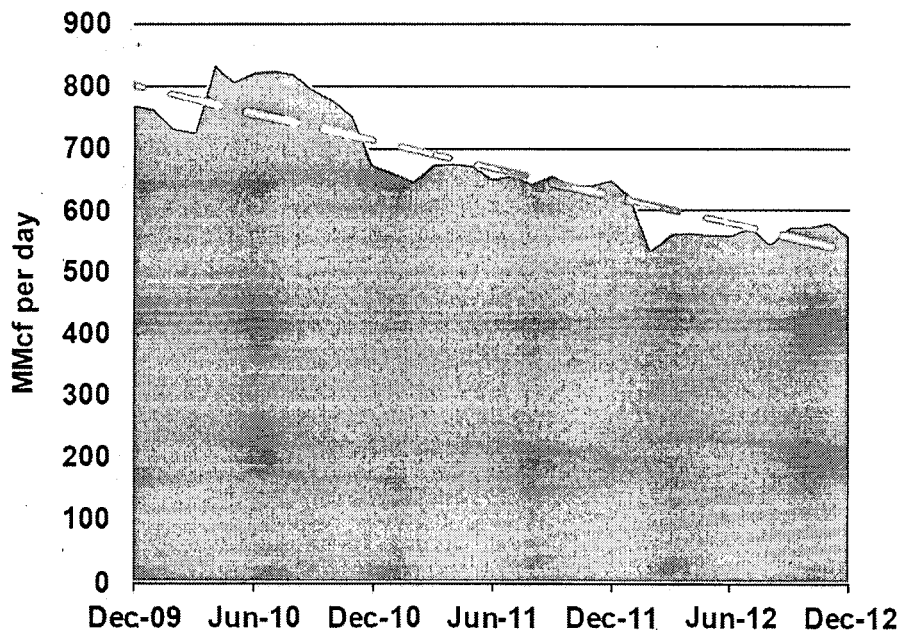
Pursuant to CEQA, lead agencies must consider the environmental impact of GHG emissions from a project and may require that such GHG emissions be mitigated. In evaluating various mitigation techniques, including the retirement of GHG ERCs, the lead agency must determine if the proposed mitigation technique adequately mitigates the projects GHG emission increase.

When a lead agency determines if the retirement of a particular GHG ERC provides adequate GHG mitigation for a project, the lead agency may choose to consider the location where the GHG ERC was generated and the geographical boundary used to determine the permanence of the emission reduction. The in making this determination, the lead agency may conclude that the retirement of a particular GHG ERC would provide adequate mitigation for projects within that same geographical boundary. Again, that determination will be made be the lead agency for a particular project.

This applicant has selected the State of California as the geographical boundary for which the emission reduction is permanent. Information has been provided below to validate this geographical boundary selection.

As shown in the following chart from the Division of Oil, Gas and Geothermal Resources (DOGGR), the total natural gas production in the State of California has been on a decline since 2009. Gas Production has declined from 800,000,000 cubic feet per day in 12/09 to 550,000,000 cubic feet per day in 12/12.

CALIFORNIA GAS PRODUCTION



Sources: EIA / DOGGR / Navigant

Chevron had three natural gas compressors serving the Coalinga Nose Unit, and due to a lack of gas to compress, all of the engines have been shut down and removed, and there are no other engines or electric motors compressing any of the remaining gas. Therefore there is no transfer of emissions to any other sources, and the emission reductions are permanent.

Based on this information, the geographical boundary for which the emission reduction is permanent is the State of California.

The ERC Certificate will include the following identifier:

"Shutdown of engine verified as permanent within the State of California"

Quantifiable:

The actual emissions were calculated from historic fuel-use records and accepted emission factors. Therefore, the emission reductions are quantifiable and have been quantified.

Enforceable:

The engine has been shut down and the PTO has been surrendered to the District. Operation of the equipment without a valid permit would subject the permittee to enforcement action. Therefore, the emission reductions are enforceable.

Section 4.5.4 requires that GHG emission reductions be calculated as the difference between the historic annual average GHG emissions (as CO₂e) and the PE2 after the reduction is complete. The historical GHG emissions must be calculated using the consecutive 24 month period immediately prior to the date the emission reductions occurred (the shutdown of the cotton gin), or another consecutive 24 month period in the 60 months prior to the date the emission reduction occurred if determined by the APCO as being more representative of normal operations.

The GHG emission reductions were calculated according to the baseline period identified above. Since this is a permanent shutdown of the compressor engine from a depleted natural gas field, with none of the load being shifted to any other compressor engines or electric motors in California, there is no post-project potential to emit GHG.

Section 4.5.5.5 requires that GHG emission reductions proposed to be quantified using CARB-approved emission reduction project protocols shall be calculated in accordance with the applicable protocol.

Since the GHG emission reductions are not subject to an applicable CARB-approved emission reduction project protocol, this section is not applicable.

Section 4.5.6 requires that ERCs shall be made enforceable through permit conditions or legally binding contract.

The compressor engine held a legal District operating permit. That permit has been surrendered to the District. Since the operation of a new engine would require a new Authority to Construct, as discussed above, the emission reduction is enforceable.

Section 5 identifies ERC Certificate application procedures.

Section 5.5.2 requires, for emission reductions occurring prior to 1/19/12, applications for ERCs must be submitted by 7/19/12.

The ERC application was submitted on 5/27/11, therefore the application is timely.

Section 6.15 specifies the registration requirements for GHG ERCs.

This emission reductions are surplus and additional of all requirements pursuant to Section 4.5.3.4. Therefore the ERC certificate shall include the following notation:

“This emission reduction is surplus and additional to all applicable regulatory requirements.”

Compliance with Rule 2301 has been demonstrated and no adjustments are necessary.

VII. Recommendation

Issue ERC Certificates in the amounts posted in the table below and on the Draft ERC Certificates in Appendix E.

Bankable Criteria ERCs (lb/quarter)					
	NO _x	SO _x	PM ₁₀	CO	VOC
1st Quarter	56	7	136	3,614	77
2nd Quarter	57	7	140	3,711	79
3rd Quarter	39	5	95	2,524	54
4th Quarter	53	6	131	3,474	74

Bankable GHG ERCs (metric tons/year)	
GHG	1,522

List of Appendixes

- A. Surrendered Permit to Operate
- B. Source Test Data
- C. Emission Factor Conversions
- D. Fuel Use Records
- E. Draft Emission Reduction Credit Certificates

Appendix A

Surrendered Permit to Operate

San Joaquin Valley Air Pollution Control District

PERMIT UNIT: C-2885-57-3

EXPIRATION DATE: 10/31/2012

EQUIPMENT DESCRIPTION:

1,478 BHP WAUKESHA MODEL L7042GSI NATURAL GAS-FIRED IC ENGINE WITH NON-SELECTIVE CATALYTIC REDUCTION (NSCR) POWERING A NATURAL GAS COMPRESSOR

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. 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
3. Particulate matter emissions shall not exceed 0.1 grains/dscf in concentration. [District Rule 4201] Federally Enforceable Through Title V Permit
4. Sulfur compound emissions shall not exceed 0.2% by volume, 2000 ppmv, on a dry basis averaged over 15 consecutive minutes. [District Rule 4801] Federally Enforceable Through Title V Permit
5. Unit shall be fired only on PUC quality natural gas with a sulfur content of less than or equal to 0.017% by weight. [District Rule 4801] Federally Enforceable Through Title V Permit
6. If the IC engine is fired on PUC-regulated natural gas, then maintain on file copies of all natural gas bills. [District Rule 2520, 9.4] Federally Enforceable Through Title V Permit
7. If the engine is not fired on PUC-regulated natural gas, then the sulfur content of the natural gas being fired in the IC engine shall be determined using ASTM method D 1072, D 3031, D 4084, D 3246, or grab sample analysis by GC-FPD/TCD performed in the laboratory. [District Rule 2520, 9.3] Federally Enforceable Through Title V Permit
8. If the engine is not fired on PUC-regulated natural gas, the sulfur content of each fuel source shall be tested weekly except that if compliance with the fuel sulfur content limit has been demonstrated for 8 consecutive weeks for a fuel source, then the testing frequency shall be quarterly. If a test shows noncompliance with the sulfur content requirement, the source must return to weekly testing until eight consecutive weeks show compliance. [District Rule 2520, 9.3] Federally Enforceable Through Title V Permit
9. This engine shall be operated and maintained in proper operating condition per the manufacturer's requirements as specified on the Inspection and Monitoring (I&M) plan submitted to the District. [District Rule 4702] Federally Enforceable Through Title V Permit
10. This engine shall be equipped with an operational non-resettable elapsed time meter or other APCO approved alternative. [District Rule 4702] Federally Enforceable Through Title V Permit
11. Emissions from this IC engine shall not exceed any of the following limits: 25 ppmvd NO_x @ 15% O₂ (equivalent to 0.3 g-NO_x/hp-hr), 0.009 g-SO_x/hp-hr, 0.064 g-PM₁₀/hp-hr, 2,000 ppmvd CO @ 15% O₂ (equivalent to 14.56 g-CO/hp-hr), or 60 ppmvd VOC @ 15% O₂ (equivalent to 0.25 g-VOC/hp-hr). [District NSR Rule and Rules 4701 and 4702] Federally Enforceable Through Title V Permit
12. Source testing to measure natural gas-combustion NO_x, CO, and VOC emissions from this unit shall be measured not less than once every 24 months. [District Rules 4701 and 4702] 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. Emissions source testing shall be conducted with the engine operating either at conditions representative of normal operations or conditions specified in the Permit to Operate. [District Rules 4701 and 4702] Federally Enforceable Through Title V Permit
14. For emissions source testing, the arithmetic average of three 30-consecutive-minute test runs shall apply. If two of three runs are above an applicable limit, the test cannot be used to demonstrate compliance with an applicable limit. VOC emissions shall be reported as methane. VOC, NO_x, and CO concentrations shall be reported in ppmv, corrected to 15% oxygen. [District Rules 4701 and 4702] Federally Enforceable Through Title V Permit
15. The following test methods shall be used: NO_x (ppmv) - EPA Method 7E or ARB Method 100, CO (ppmv) - EPA Method 10 or ARB Method 100, stack gas oxygen - EPA Method 3 or 3A or ARB Method 100, and VOC (ppmv) - EPA Method 18, 25A or 25B, or ARB Method 100. [District Rules 1081, 4701, and 4702] Federally Enforceable Through Title V Permit
16. Source testing shall be conducted using the methods and procedures approved by the District. The District must be notified at least 30 days prior to any compliance source test, and a source test plan must be submitted for approval at least 15 days prior to testing. [District Rule 1081] Federally Enforceable Through Title V Permit
17. The results of each source test shall be submitted to the District within 60 days thereafter. [District Rule 1081] Federally Enforceable Through Title V Permit
18. The permittee shall monitor and record the stack concentration of NO_x, CO, and O₂ at least once every month (in which a source test is not performed) using a portable emission monitor that meets District specifications. Monitoring shall not be required if the engine is not in operation, i.e. the engine need not be started solely to perform monitoring. Monitoring shall be performed within 5 days of restarting the engine unless monitoring has been performed within the last month. Records must be maintained of the dates of non-operation to validate extended monitoring frequencies. [District Rules 4701 and 4702] Federally Enforceable Through Title V Permit
19. If either the NO_x or CO concentrations corrected to 15% O₂, as measured by the portable analyzer, exceed the allowable emission concentration, the permittee shall return the emissions to within the acceptable range as soon as possible, but no longer than 8 hours after detection. If the portable analyzer readings continue to exceed the allowable emissions concentration after 8 hours, the permittee shall notify the District within the following 1 hour, and conduct a certified source test within 60 days of the first exceedance. In lieu of conducting a source test, the permittee may stipulate a violation has occurred, subject to enforcement action. The permittee must then correct the violation, show compliance has been re-established, and resume monitoring procedures. If the deviations are the result of a qualifying breakdown condition pursuant to Rule 1100, the permittee may fully comply with Rule 1100 in lieu of the performing the notification and testing required by this condition. [District Rules 4701 and 4702] Federally Enforceable Through Title V Permit
20. All alternate monitoring parameter emission readings shall be taken with the unit operating either at conditions representative of normal operations or conditions specified in the permit-to-operate. The analyzer shall be calibrated, maintained, and operated in accordance with the manufacturer's specifications and recommendations or a protocol approved by the APCO. Emission readings taken shall be averaged over a 15 consecutive-minute period by either taking a cumulative 15 consecutive-minute sample reading or by taking at least five (5) readings, evenly spaced out over the 15 consecutive-minute period. [District Rules 4701 and 4702] Federally Enforceable Through Title V Permit
21. The permittee shall maintain records of: (1) the date and time of NO_x, CO, and O₂ measurements, (2) the O₂ concentration in percent and the measured NO_x and CO concentrations corrected to 15% O₂, (3) make and model of exhaust gas analyzer, (4) exhaust gas analyzer calibration records, and (5) a description of any corrective action taken to maintain the emissions within the acceptable range. [District Rules 4701 and 4702] Federally Enforceable Through Title V Permit
22. The permittee shall maintain an engine operating log to demonstrate compliance. The engine operating log shall include, on a monthly basis, the following information: total hours of operation, type and quantity (cubic feet of gas or gallons of liquid) of fuel used, maintenance or modifications performed, monitoring data, compliance source test results, and any other information necessary to demonstrate compliance. [District Rules 4701 and 4702] 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.

23. The permittee shall update the I&M plan for this engine prior to any planned change in operation. The permittee must notify the District no later than seven days after changing the I&M plan and must submit an updated I&M plan to the APCO for approval no later than 14 days after the change. The date and time of the change to the I&M plan shall be recorded in the engine's operating log. For modifications, the revised I&M plan shall be submitted to and approved by the APCO prior to issuance of the Permit to Operate. The permittee may request a change to the I&M plan at any time. [District Rule 4702] Federally Enforceable Through Title V Permit
24. All records shall be maintained and retained on-site for a minimum of five (5) years, and shall be made available for District inspection upon request. [District Rules 4701 and 4702] Federally Enforceable Through Title V Permit

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

Appendix B

Source Test Data

Facility: C 2885 CHEVRON USA, INC.	Permit ID: 57	Mod#: 4
------------------------------------	---------------	---------

Test Tracking	Periodic Test Setup	Test Equipment Details	Test Result Details				
Representative Test							
Unit Identification: <input type="text" value="IC #1"/>		Description: <input type="text"/>					
1 Unit Total		<input type="button" value="Add New Unit"/>	<input type="button" value="Save"/> <input type="button" value="Cancel"/>				
Test Results For: IC Engine #1							
Pollutant	Units	Limit	Result	Failed	O2 Correction (%)	# Runs	Description
CO	g/bhp-hr	14.56	3.779	<input type="checkbox"/>		3	
CO	ppm	2000.0	444.0	<input checked="" type="checkbox"/>		3	
NOx	ppm	25.0	4.0	<input checked="" type="checkbox"/>		3	
NOx	g/bhp-hr	0.3	0.0566	<input type="checkbox"/>		3	
SOx	g/bhp-hr	0.009	0.0008	<input type="checkbox"/>		3	calc'd from fuel H2S
VOC	ppm	60.0	11.3	<input checked="" type="checkbox"/>		3	
VOC	g/bhp-hr	0.25	0.0549	<input type="checkbox"/>		3	
4/24/07							
<input type="button" value="Add New Pollutant"/>				<input type="button" value="Close"/>	<input type="button" value="Save"/>		

Facility: C 2885 CHEVRON USA, INC.	Permit ID: 57	Mod#: 3
------------------------------------	---------------	---------

Test Tracking	Periodic Test Setup	Test Equipment Details	Test Result Details																																																								
<p>Representative Test</p> <p>Unit Identification: <input type="text" value="Engine #1"/> Description: <input type="text"/></p> <p style="text-align: right;"> <input type="button" value="Add New Unit"/> <input type="button" value="Save"/> <input type="button" value="Cancel"/> </p> <p>1 Unit Total</p>																																																											
<p>Test Results For: Engine #1</p> <table border="1"> <thead> <tr> <th>Pollutant</th> <th>Units</th> <th>Limit</th> <th>Result</th> <th>Failed</th> <th>O2 Correction (%)</th> <th># Runs</th> <th>Description</th> </tr> </thead> <tbody> <tr> <td>CO</td> <td>g/bhp-hr</td> <td>14.56</td> <td>0.134</td> <td><input type="checkbox"/></td> <td></td> <td>3</td> <td></td> </tr> <tr> <td>CO</td> <td>ppm</td> <td>2000.0</td> <td>16.0</td> <td><input checked="" type="checkbox"/></td> <td>15</td> <td>3</td> <td></td> </tr> <tr> <td>NOx</td> <td>ppm</td> <td>25.0</td> <td>0.3</td> <td><input checked="" type="checkbox"/></td> <td>15</td> <td>3</td> <td></td> </tr> <tr> <td>NOx</td> <td>g/bhp-hr</td> <td>0.3</td> <td>0.004</td> <td><input type="checkbox"/></td> <td></td> <td>3</td> <td></td> </tr> <tr> <td>VOC</td> <td>ppm</td> <td>60.0</td> <td>5.8</td> <td><input checked="" type="checkbox"/></td> <td>15</td> <td>3</td> <td></td> </tr> <tr> <td>VOC</td> <td>g/bhp-hr</td> <td>0.25</td> <td>0.028</td> <td><input type="checkbox"/></td> <td></td> <td>3</td> <td></td> </tr> </tbody> </table> <p>SOx .06 ppm (Applicant's records)</p> <p>4/24/09</p>				Pollutant	Units	Limit	Result	Failed	O2 Correction (%)	# Runs	Description	CO	g/bhp-hr	14.56	0.134	<input type="checkbox"/>		3		CO	ppm	2000.0	16.0	<input checked="" type="checkbox"/>	15	3		NOx	ppm	25.0	0.3	<input checked="" type="checkbox"/>	15	3		NOx	g/bhp-hr	0.3	0.004	<input type="checkbox"/>		3		VOC	ppm	60.0	5.8	<input checked="" type="checkbox"/>	15	3		VOC	g/bhp-hr	0.25	0.028	<input type="checkbox"/>		3	
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Appendix C

Emission Factor Conversions

The emission factors from the source tests are averaged together in the table below.

Average Emission Factors			
Pollutant	4/24/07	4/24/09	Average
NO _x	4.0 ppmv	0.3 ppmv	2.15 ppmv
SO _x	-	0.0001 lb/MMBtu	0.0001 lb/MMBtu
CO	444 ppmv	16.0 ppmv	230 ppmv
VOC	11.3 ppmv	5.8 ppmv	8.55 ppmv

While the emission factor for SO_x is given in lb/MMBtu, the emission factors for NO_x, CO and VOC are converted into lb/MMBtu as follows:

Assumptions:

- STP is 14.7 psia @ 520°R
- ppmv figures are given at 15% oxygen
- Universal gas constant is 10.73 psi·ft³/lb·mol·°R
- Molecular weight of NO_x (as NO₂) is 46 lb/lb-mole
- Molecular weight of CO is 28 lb/lb-mole
- Molecular weight of VOC (as methane) is 16 lb/lb-mole
- F-factor for natural gas is 8,578 dscf/MMBtu @ STP
- Natural gas heating value = 1,057 Btu/scf (Applicant)

NO_x

$$\frac{2.15 \text{ parts}}{1,000,000} \times \frac{14.7 \text{ psi}}{520^\circ\text{R}} \times \frac{\text{lb} \cdot \text{mole} \cdot ^\circ\text{R}}{10.73 \text{ psi} \cdot \text{ft}^3} \times \frac{46 \text{ lb}}{\text{lb} \cdot \text{mole}} \times \frac{8,578 \text{ ft}^3}{\text{MMBtu}} \times \frac{20.9}{20.9 - 15} = 0.00792 \frac{\text{lb}}{\text{MMBtu}}$$

CO

$$\frac{230 \text{ parts}}{1,000,000} \times \frac{14.7 \text{ psi}}{520^\circ\text{R}} \times \frac{\text{lb} \cdot \text{mole} \cdot ^\circ\text{R}}{10.73 \text{ psi} \cdot \text{ft}^3} \times \frac{28 \text{ lb}}{\text{lb} \cdot \text{mole}} \times \frac{8,578 \text{ ft}^3}{\text{MMBtu}} \times \frac{20.9}{20.9 - 15} = 0.516 \frac{\text{lb}}{\text{MMBtu}}$$

VOC

$$\frac{8.55 \text{ parts}}{1,000,000} \times \frac{14.7 \text{ psi}}{520^\circ\text{R}} \times \frac{\text{lb} \cdot \text{mole} \cdot ^\circ\text{R}}{10.73 \text{ psi} \cdot \text{ft}^3} \times \frac{16 \text{ lb}}{\text{lb} \cdot \text{mole}} \times \frac{8,578 \text{ ft}^3}{\text{MMBtu}} \times \frac{20.9}{20.9 - 15} = 0.0110 \frac{\text{lb}}{\text{MMBtu}}$$

Appendix D
Fuel-Use Records

Month	C-2885-57 MSCF	C-2885-57 Btu/scf	Total MMBtu
Oct-06	2,242	1,057	2,370
Nov-06	2,270	1,057	2,399
Dec-06	2,036	1,057	2,152
Jan-07	2,000	1,057	2,114
Feb-07	1,805	1,057	1,908
Mar-07	2,511	1,057	2,654
Apr-07	2,166	1,057	2,289
May-07	1,402	1,057	1,482
Jun-07	1,384	1,057	1,463
Jul-07	2,069	1,057	2,187
Aug-07	2,166	1,057	2,289
Sep-07	2,250	1,057	2,378
Oct-07	2,650	1,057	2,801
Nov-07	2,547	1,057	2,692
Dec-07	2,096	1,057	2,215
Jan-08	2,296	1,057	2,427
Feb-08	2,243	1,057	2,371
Mar-08	1,833	1,057	1,937
Apr-08	2,190	1,057	2,315
May-08	2,208	1,057	2,334
Jun-08	1,911	1,057	2,020
Jul-08	2,242	1,057	2,370
Aug-08	1,347	1,057	1,424
Sep-08	2,013	1,057	2,128
Oct-08	2,283	1,057	2,413
Nov-08	2,011	1,057	2,126
Dec-08	2,195	1,057	2,320
Jan-09	2,739	1,057	2,895
Feb-09	2,379	1,057	2,515
Mar-09	2,739	1,057	2,895
Apr-09	2,627	1,054	2,769
May-09	2,963	1,054	3,123
Jun-09	2,815	1,054	2,967
Jul-09	2,040	1,054	2,150
Aug-09	254	1,054	268
Sep-09	2,385	1,054	2,514
Oct-09	2,761	1,054	2,910
Nov-09	2,558	1,054	2,698
Dec-09	2,347	1,054	2,474
Jan-10	2,306	1,054	2,431
Feb-10	2,076	1,054	2,188
Mar-10	2,482	1,054	2,616
Apr-10	2,596	1,054	2,736
May-10	545	1,054	574
Jun-10	0	1,054	0

Appendix E
Draft ERC Certificates

San Joaquin Valley
Air Pollution Control District

Central Regional Office • 1990 E. Gettysburg Ave. • Fresno, CA 93726

Emission Reduction Credit Certificate

G-1147-1
DRAFT

ISSUED TO: CHEVRON USA, INC.
ISSUED DATE: <DRAFT>
LOCATION OF REDUCTION: COALINGA NOSE UNIT
FRESNO COUNTY, CA
SECTION: 7 TOWNSHIP: 20S RANGE: 16E

For VOC Reduction In The Amount Of:

Quarter 1	Quarter 2	Quarter 3	Quarter 4
77 lbs	79 lbs	54 lbs	74 lbs

Conditions Attached

Method Of Reduction

- Shutdown of Entire Stationary Source
 Shutdown of Emissions Units
 Other

Shutdown of natural gas-fired IC engine C-2885-57

Use of these credits outside the San Joaquin Valley Unified Air Pollution Control District (SJVUAPCD) is not allowed without express written authorization by the SJVUAPCD.

Seyed Sadredin, Executive Director / APCO

DRAFT

David Warner, Director of Permit Services

San Joaquin Valley
Air Pollution Control District

Central Regional Office • 1990 E. Gettysburg Ave. • Fresno, CA 93726

Emission Reduction Credit Certificate

G-1147-2
DRAFT

ISSUED TO: CHEVRON USA, INC.
ISSUED DATE: <DRAFT>
LOCATION OF REDUCTION: COALINGA NOSE UNIT
FRESNO COUNTY, CA
SECTION: 7 TOWNSHIP: 20S RANGE: 16E

For NOx Reduction In The Amount Of:

Quarter 1	Quarter 2	Quarter 3	Quarter 4
56 lbs	57 lbs	39 lbs	53 lbs

Conditions Attached

Method Of Reduction

- Shutdown of Entire Stationary Source
 Shutdown of Emissions Units
 Other

Shutdown of natural gas-fired IC engine C-2885-57

Use of these credits outside the San Joaquin Valley Unified Air Pollution Control District (SJVUAPCD) is not allowed without express written authorization by the SJVUAPCD.

Seyed Sadredin, Executive Director / APCO

DRAFT

David Warner, Director of Permit Services

San Joaquin Valley
Air Pollution Control District

Central Regional Office • 1990 E. Gettysburg Ave. • Fresno, CA 93726

Emission Reduction Credit Certificate

C-1147-3
DRAFT

ISSUED TO: CHEVRON USA, INC.
ISSUED DATE: <DRAFT>
LOCATION OF REDUCTION: COALINGA NOSE UNIT
FRESNO COUNTY, CA
SECTION: 7 TOWNSHIP: 20S RANGE: 16E

For CO Reduction In The Amount Of:

Quarter 1	Quarter 2	Quarter 3	Quarter 4
3,614 lbs	3,711 lbs	2,524 lbs	3,474 lbs

Conditions Attached

Method Of Reduction

- Shutdown of Entire Stationary Source
 Shutdown of Emissions Units
 Other

Shutdown of natural gas-fired IC engine C-2885-57

Use of these credits outside the San Joaquin Valley Unified Air Pollution Control District (SJVUAPCD) is not allowed without express written authorization by the SJVUAPCD.

Seyed Sadredin, Executive Director / APCO

DRAFT

David Warner, Director of Permit Services

San Joaquin Valley
Air Pollution Control District

Central Regional Office • 1990 E. Gettysburg Ave. • Fresno, CA 93726

Emission Reduction Credit Certificate

DRAFT
C-1147-4

ISSUED TO: CHEVRON USA, INC.
ISSUED DATE: <DRAFT>
LOCATION OF REDUCTION: COALINGA NOSE UNIT
FRESNO COUNTY, CA
SECTION: 7 TOWNSHIP: 20S RANGE: 16E

For PM10 Reduction In The Amount Of:

Quarter 1	Quarter 2	Quarter 3	Quarter 4
136 lbs	140 lbs	95 lbs	131 lbs

Conditions Attached

Method Of Reduction

- Shutdown of Entire Stationary Source
 Shutdown of Emissions Units
 Other

Shutdown of natural gas-fired IC engine C-2885-57

Use of these credits outside the San Joaquin Valley Unified Air Pollution Control District (SJVUAPCD) is not allowed without express written authorization by the SJVUAPCD.

Seyed Sadredin, Executive Director / APCO

DRAFT

David Warner, Director of Permit Services

San Joaquin Valley
Air Pollution Control District

Central Regional Office • 1990 E. Gettysburg Ave. • Fresno, CA 93726

Emission Reduction Credit Certificate

G-1147-5
DRAFT

ISSUED TO: CHEVRON USA, INC.
ISSUED DATE: <DRAFT>
LOCATION OF REDUCTION: COALINGA NOSE UNIT
FRESNO COUNTY, CA
SECTION: 7 TOWNSHIP: 20S RANGE: 16E

For SOx Reduction In The Amount Of:

Quarter 1	Quarter 2	Quarter 3	Quarter 4
7 lbs	7 lbs	5 lbs	6 lbs

Conditions Attached

Method Of Reduction

- Shutdown of Entire Stationary Source
 Shutdown of Emissions Units
 Other

Shutdown of natural gas-fired IC engine C-2885-57

Use of these credits outside the San Joaquin Valley Unified Air Pollution Control District (SJVUAPCD) is not allowed without express written authorization by the SJVUAPCD.

Seyed Sadredin, Executive Director / APCO

DRAFT

David Warner, Director of Permit Services

San Joaquin Valley
Air Pollution Control District

Central Regional Office • 1990 E. Gettysburg Ave. • Fresno, CA 93726

Emission Reduction Credit Certificate

C-1248-24

DRAFT

ISSUED TO: CHEVRON USA, INC.
ISSUED DATE: <DRAFT>
LOCATION OF REDUCTION: COALINGA NOSE UNIT
FRESNO COUNTY, CA
SECTION: 7 TOWNSHIP: 20S RANGE: 16E

For CO₂e Reduction In The Amount Of:

1522 metric tons / year

Conditions Attached

Method Of Reduction

- Shutdown of Entire Stationary Source
 Shutdown of Emissions Units
 Other

Shutdown of natural gas-fired IC engine C-2885-57 is verified as permanent within the State of California

Emission Reduction Qualification Criteria

This emission reduction is surplus and additional to all applicable regulatory requirements.

Seyed Sadredin, Executive Director / APCO

DRAFT

David Warner, Director of Permit Services

Fresno Bee

Newspaper notice for publication in Fresno Bee and for posting on valleyair.org

**NOTICE OF PRELIMINARY DECISION
FOR THE PROPOSED ISSUANCE OF
EMISSION REDUCTION CREDITS**

NOTICE IS HEREBY GIVEN that the San Joaquin Valley Unified Air Pollution Control District solicits public comment on the proposed issuance of Emission Reduction Credits to Chevron USA, Inc. for the shutdown of one 1,478 hp natural gas-fired compressor engine, at the Coalinga Nose Unit in the Coalinga Oilfield in Fresno County. The quantity of ERCs proposed for banking is 205 lb-NOx/yr, 25 lb-SOx/yr, 502 lb-PM10/yr, 13,323 lb-CO/yr, 284 lb-VOC/yr and 1,522 metric tons CO₂e/yr.

The analysis of the regulatory basis for this proposed action, Project #C-1111565, is available for public inspection at http://www.valleyair.org/notices/public_notices_idx.htm and at any District office. For additional information, please contact the District at (661) 392-5500. Written comments on this project must be submitted by January 2, 2014 to **DAVID WARNER, DIRECTOR OF PERMIT SERVICES, SAN JOAQUIN VALLEY UNIFIED AIR POLLUTION CONTROL DISTRICT, 34946 FLYOVER COURT, BAKERSFIELD, CA 93308.**

**AVISO DE DECISIÓN PRELIMINAR
PARA LA PROPUESTA OTORGACIÓN DE
CERTIFICADOS DE REDUCCIÓN DE EMISIONES**

POR EL PRESENTE SE NOTIFICA que el Distrito Unificado para el Control de la Contaminación del Aire del Valle de San Joaquín está solicitando comentarios del público para la propuesta emisión de Certificados de Reducción de Emisiones (ERC, por sus siglas en inglés) a Chevron USA, Inc. para la clausura de un motor de gas natural de 1,478 caballos de fuerza que apodera un compresor, en the Coalinga Nose Unit in the Coalinga Oilfield in Fresno County. La cantidad de ERCs propuestas para almacenar es 205 lb-NOx/año, 25 lb-SOx/año, 502 lb-PM10/año, 13,323 lb-CO/año, 284 lb-VOC/año y 1,522 toneladas de CO2e/año.

El análisis de la base regulatoria para esta acción propuesta, Proyecto #C-1111565, está disponible para la inspección pública en http://www.valleyair.org/notices/public_notices_idx.htm y en cualquiera de las oficinas del Distrito. Para más información en Español, por favor comuníquese con el Distrito al (661) 392-5500. Comentarios por escrito acerca de este propuesto permiso inicial deben de ser sometidos antes del 2 de Enero del 2014 a **DAVID WARNER, DIRECTOR DEL DEPARTAMENTO DE PERMISOS, SAN JOAQUIN VALLEY UNIFIED AIR POLLUTION CONTROL DISTRICT, 34946 FLYOVER COURT, BAKERSFIELD, CA 93308.**

**NOTICE OF PRELIMINARY DECISION
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PUBLIC NOTICE CHECK LIST

PROJECT #: C-2885 PROJECT #: C-1111565

REQST. COMPL.

ERC FINAL PUBLIC NOTICE

Newspaper Notice Emailed to Clerical (Check box and tab to generate Notice)

Send email to "OA-PublicNotices" containing the following:

SUBJECT: facility name, facility id#, project #, type of notice (prelim/final)

BODY: project description and why it is being noticed (Emission Reduction Credit banking)

ENCLOSED DOCUMENTS REQUIRE:

Enter Correct Date, Print All Documents from File and Obtain Director's Signature and District Seal Embossed on ERC Certificates

Email **FINAL** Newspaper Notice for Publication in Fresno Bee Pub

Date: 1-31-14

Mail **FINAL** Notice Letter to Applicant by **Certified Mail** including the following attachments:

Original ERC Certificates

Newspaper Notice

Email **FINAL** Public Notice package to **EPA**

Email **FINAL** Public Notice package to **CARB**

Email **FINAL** Newspaper Notice, Aviso en Español and Public Notice package to "webmaster"

After posted on website, send email with weblink of Newspaper notice, Aviso en Español, and full public notice package to:

specific [C, S, or N] region **and** District wide permitting notification list-serves (both English and Spanish list serves)

facility specific distribution list, (AQE – enter email address from PAS facility details notifications tab, if none enter NONE below):

none

Mail the newspaper notice and aviso en español (NN/AE), or full public notice package (FNP) to the persons on facility specific distribution list, as follows (entered by AQE, if none, enter NONE below):

NN/AE or FNP Name/address: none

NN/AE or FNP Name/address: none

Send **FINAL** Public Notice package to EDMS

Assign Mailing Date JAN 28 2014

Other Special Instructions (please specify): _____

Date Completed January 15, 2014/By Steve Roeder

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Street, Apt. No., or PO Box No.	CHEVRON USA, INC.	C-1111565
City, State, ZIP+4	PO BOX 1392 BAKERSFIELD, CA 93302	

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Yolanda
SAN JOAQUIN VALLEY AIR POLL CONTROL DIST
1990 E. GETTYSBURG AVE.
FRESNO, CA 93726

COPY OF NOTICE

Notice Type: GPN GOVT PUBLIC NOTICE
Ad Description: ERC Final PNP C-1111565, Chevron USA, Inc. Fresno

To the right is a copy of the notice you sent to us for publication in the THE FRESNO BEE. Please read this notice carefully and call us with any corrections. The Proof of Publication will be filed with the County Clerk, if required, and mailed to you after the last date below. Publication date(s) for this notice is (are):

01/31/2014

CNS 2582675

NOTICE OF FINAL ACTION FOR THE ISSUANCE OF EMISSION REDUCTION CREDITS

NOTICE IS HEREBY GIVEN that the Air Pollution Control Officer has issued Emission Reduction Credits (ERCs) to Chevron USA, Inc for emission reductions generated by the shutdown of one 1,478 hp natural gas-fired compressor engine, at the Coalinga Nose Unit in the Coalinga Oilfield in Fresno County. The quantity of ERCs to be issued is 205 lb-NOx/yr, 25 lb-SOx/yr, 502 lb-PM10/yr, 13,323 lb-CO/yr, 284 lb-VOC/yr and 1,522 metric tons CO2e/yr.

No comments were received following the District's preliminary decision on this project.

The application review for Project #C-1111565 is available for public inspection at http://www.valleyair.org/notices/public_notices_idx.htm, the SAN JOAQUIN VALLEY UNIFIED AIR POLLUTION CONTROL DISTRICT, 34946 FLYOVER COURT, BAKERSFIELD, CA 93308, and at any other District office. For additional information, please contact the District at (661) 392-5500.
1/31/14
CNS-2582675#
THE FRESNO BEE

Daily Journal Corporation

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DAILY COMMERCE, LOS ANGELES	(213) 229-5300
LOS ANGELES DAILY JOURNAL, LOS ANGELES	(213) 229-5300
ORANGE COUNTY REPORTER, SANTA ANA	(714) 543-2027
SAN DIEGO COMMERCE, SAN DIEGO	(619) 232-3486
SAN FRANCISCO DAILY JOURNAL, SAN FRANCISCO	(800) 640-4829
SAN JOSE POST-RECORD, SAN JOSE	(408) 287-4866
THE DAILY RECORDER, SACRAMENTO	(916) 444-2355
THE INTER-CITY EXPRESS, OAKLAND	(510) 272-4747



* A 0 0 0 0 0 3 3 2 2 3 1 1 *

Yolanda R. Alvarez

From: Yolanda R. Alvarez
Sent: Tuesday, January 28, 2014 11:39 AM
To: Gerardo Rios (SJV_T5_Permits@epa.gov); Mike Tollstrup (mtollstr@arb.ca.gov)
Subject: Final ERC Public Notice for Chevron USA, Inc. Facility: C-2885, Project# C-1111565
Attachments: ERC Final C-1111565.pdf; Newspaper.pdf

Importance: High

NOTICE IS HEREBY GIVEN that the Air Pollution Control Officer has issued Emission Reduction Credits (ERCs) to Chevron USA, Inc for emission reductions generated by the shutdown of one 1,478 hp natural gas-fired compressor engine, at the Coalinga Nose Unit in the Coalinga Oilfield in Fresno County. The quantity of ERCs to be issued is 205 lb-NOx/yr, 25 lb-SOx/yr, 502 lb-PM10/yr, 13,323 lb-CO/yr, 284 lb-VOC/yr and 1,522 metric tons CO2e/yr.

Yolanda R. Alvarez



Make one change for clean air!

Service Teamwork Attitude Respect ★

Yolanda R. Alvarez

From: Mail Delivery System <MAILER-DAEMON@mintra11.rtp.epa.gov>
To: SJV_T5_Permits@epamail.epa.gov
Sent: Tuesday, January 28, 2014 11:39 AM
Subject: Expanded: Final ERC Public Notice for Chevron USA, Inc. Facility: C-2885, Project# C-1111565

Your message has been delivered to the following groups:

[SJV T5 Permits@epamail.epa.gov](mailto:SJV_T5_Permits@epamail.epa.gov)

Subject: Final ERC Public Notice for Chevron USA, Inc. Facility: C-2885, Project# C-1111565

Yolanda R. Alvarez

From: Microsoft Outlook
To: Mike Tollstrup (mtollstr@arb.ca.gov)
Sent: Tuesday, January 28, 2014 11:39 AM
Subject: Relayed: Final ERC Public Notice for Chevron USA, Inc. Facility: C-2885, Project# C-1111565

Delivery to these recipients or groups is complete, but no delivery notification was sent by the destination server:

Mike Tollstrup (mtollstr@arb.ca.gov) (mtollstr@arb.ca.gov) <<mailto:mtollstr@arb.ca.gov>>

Subject: Final ERC Public Notice for Chevron USA, Inc. Facility: C-2885, Project# C-1111565

Song Thao

From: Song Thao
Sent: Wednesday, January 29, 2014 8:36 AM
To: All Region (Notices_of_Permitting_Actions-All_Regions@lists.valleyair.org); Central (Notices_of_Permitting_Actions-Central_Region@lists.valleyair.org)
Subject: Public Notice on Permitting Action C-1111565

The District has posted a new permitting public notice. The public notice can be viewed on our website at: [http://www.valleyair.org/notices/Docs/2014/01-28-14_\(C-1111565\)/Newspaper.pdf](http://www.valleyair.org/notices/Docs/2014/01-28-14_(C-1111565)/Newspaper.pdf)

For a list of public notices and public notice packages, please visit our website at: http://www.valleyair.org/notices/public_notices_idx.htm#PermittingandEmissionReductionCreditCertificateNotices

Thank you.

Song Thao

From: Song Thao
Sent: Wednesday, January 29, 2014 8:38 AM
To: All Spanish (Avisos_Sobre_Acciones_de_Permisos-Todos@lists02.valleyair.org)
Subject: Aviso Publico Sobre Acciones de Permisos C-1111565

El Distrito del Aire a publicado un nuevo aviso público de permiso. El aviso público se puede ver en nuestro sitio de web en: [http://www.valleyair.org/notices/Docs/2014/01-28-14_\(C-1111565\)/Aviso.pdf](http://www.valleyair.org/notices/Docs/2014/01-28-14_(C-1111565)/Aviso.pdf)

Para obtener una lista de avisos públicos y paquetes de avisos públicos, por favor visite nuestro sitio de web en: http://www.valleyair.org/notices/public_notices_idx.htm#PermittingandEmissionReductionCreditCertificateNotices

Gracias

Yolanda R. Alvarez

From: Yolanda R. Alvarez
Sent: Tuesday, January 28, 2014 11:43 AM
To: WebMaster
Subject: valleyair.org update: Final ERC Public Notice for Chevron USA, Inc. Facility: C-2885, Project# C-1111565
Attachments: ERC Final C-1111565.pdf; Newspaper.pdf; Aviso.pdf

January 28, 2014 (Facility C-2885 Project C-1111565) NOTICE IS HEREBY GIVEN that the Air Pollution Control Officer has issued Emission Reduction Credits (ERCs) to Chevron USA, Inc for emission reductions generated by the shutdown of one 1,478 hp natural gas-fired compressor engine, at the Coalinga Nose Unit in the Coalinga Oilfield in Fresno County. The quantity of ERCs to be issued is 205 lb-NOx/yr, 25 lb-SOx/yr, 502 lb-PM10/yr, 13,323 lb-CO/yr, 284 lb-VOC/yr and 1,522 metric tons CO₂e/yr.

[Newspaper Notice](#)

[Aviso](#)

[Public Notice Package](#)

Yolanda R. Alvarez



HEALTHY AIR LIVING™

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Make one change for clean air!

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**AVISO DE DECISIÓN FINAL
PARA LA OTORGACIÓN DE
CERTIFICADOS DE REDUCCIÓN DE EMISIONES**

POR EL PRESENTE SE NOTIFICA que el Oficial para el Control de la Contaminación del Aire a otorgado Certificados de Reducción de Emisiones (ERCs, por sus siglas en inglés) a Chevron USA, Inc por la reducción de emisiones generadas por la clausura de un motor de gas natural de 1,478 caballos de fuerza que apodera un compresor, en the Coalinga Nose Unit in the Coalinga Oilfield in Fresno County. La cantidad de ERCs que serán otorgadas es 205 lb-NOx/año, 25 lb-SOx/año, 502 lb-PM10/año, 13,323 lb-CO/año, 284 lb-VOC/año y 1,522 toneladas de CO2e/año.

No se recibieron comentarios acerca de este proyecto despues del aviso de decision preliminar del Distrito.

La revisión de la solicitud del Proyecto #C-1111565 está disponible para la inspección del público en http://www.valleyair.org/notices/public_notices_idx.htm, el DISTRITO PARA EL CONTROL DE LA CONTAMINACIÓN DEL AIRE DEL VALLE DE SAN JOAQUIN, 34946 FLYOVER COURT, BAKERSFIELD, CA 93308, y en cualquiera de las oficinas del Distrito. Para más información en Español, por favor comuníquese con el Distrito al (661) 392-5500.

**NOTICE OF FINAL ACTION
FOR THE ISSUANCE OF
EMISSION REDUCTION CREDITS**

NOTICE IS HEREBY GIVEN that the Air Pollution Control Officer has issued Emission Reduction Credits (ERCs) to Chevron USA, Inc for emission reductions generated by the shutdown of one 1,478 hp natural gas-fired compressor engine, at the Coalinga Nose Unit in the Coalinga Oilfield in Fresno County. The quantity of ERCs to be issued is 205 lb-NOx/yr, 25 lb-SOx/yr, 502 lb-PM10/yr, 13,323 lb-CO/yr, 284 lb-VOC/yr and 1,522 metric tons CO2e/yr.

No comments were received following the District's preliminary decision on this project.

The application review for Project #C-1111565 is available for public inspection at http://www.valleyair.org/notices/public_notices_idx.htm, the SAN JOAQUIN VALLEY UNIFIED AIR POLLUTION CONTROL DISTRICT, 34946 FLYOVER COURT, BAKERSFIELD, CA 93308, and at any other District office. For additional information, please contact the District at (661) 392-5500.



San Joaquin Valley
AIR POLLUTION CONTROL DISTRICT



JAN 28 2014

Lance Ericksen
Chevron USA, Inc
PO Box 1392
Bakersfield, CA 93302

RE: Notice of Final Action – Emission Reduction Credits
Facility Number: C-2885
Project Number: C-1111565

Dear Mr. Ericksen:

The Air Pollution Control Officer has issued Emission Reduction Credits (ERCs) to Chevron USA, Inc for emission reductions generated by the shutdown of one 1,478 hp natural gas-fired compressor engine, at the Coalinga Nose Unit in the Coalinga Oilfield in Fresno County. The quantity of ERCs to be issued is 205 lb-NOx/yr, 25 lb-SOx/yr, 502 lb-PM10/yr, 13,323 lb-CO/yr, 284 lb-VOC/yr and 1,522 metric tons CO2e/yr.

Enclosed are the ERC Certificates and a copy of the notice of final action to be published approximately three days from the date of this letter.

Notice of the District's preliminary decision to issue the ERC Certificates was published on December 2, 2013. The District's analysis of the proposal was also sent to CARB and US EPA Region IX on November 27, 2013. No comments were received following the District's preliminary decision on this project.

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

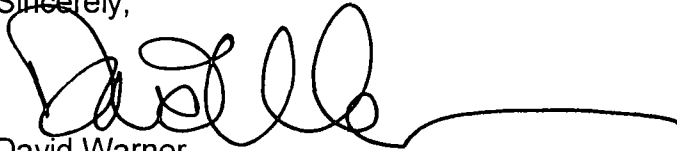
Central Region (Main Office)
1990 E. Gettysburg Avenue
Fresno, CA 93726-0244
Tel: (559) 230-6000 FAX: (559) 230-6061

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

Mr. Lance Ericksen
Page 2

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

Sincerely,

A handwritten signature in black ink, appearing to read 'D. Warner', followed by a long horizontal line extending to the right.

David Warner
Director of Permit Services

DW:SAR

Enclosures

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



Central Regional Office • 1990 E. Gettysburg Ave. • Fresno, CA 93726

Emission Reduction Credit Certificate C-1147-1

ISSUED TO: CHEVRON USA, INC.
 ISSUED DATE: January 15, 2014
 LOCATION OF REDUCTION: COALINGA NOSE UNIT
 FRESNO COUNTY, CA
 SECTION: 7 TOWNSHIP: 20S RANGE: 16E

For VOC Reduction In The Amount Of:

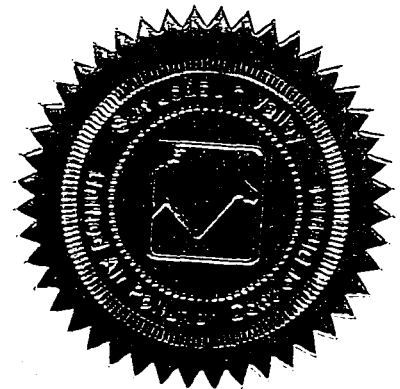
Quarter 1	Quarter 2	Quarter 3	Quarter 4
77 lbs	79 lbs	54 lbs	74 lbs

Conditions Attached

Method Of Reduction

- Shutdown of Entire Stationary Source
- Shutdown of Emissions Units
- Other

Shutdown of natural gas-fired IC engine C-2885-57



Use of these credits outside the San Joaquin Valley Unified Air Pollution Control District (SJVUAPCD) is not allowed without express written authorization by the SJVUAPCD.

Sayed Sadredin, Executive Director / APCO

David Warner, Director of Permit Services



Central Regional Office • 1990 E. Gettysburg Ave. • Fresno, CA 93726

Emission Reduction Credit Certificate C-1147-2

ISSUED TO: CHEVRON USA, INC.
 ISSUED DATE: January 15, 2014
 LOCATION OF REDUCTION: COALINGA NOSE UNIT
 FRESNO COUNTY, CA
 SECTION: 7 TOWNSHIP: 20S RANGE: 16E

For NOx Reduction In The Amount Of:

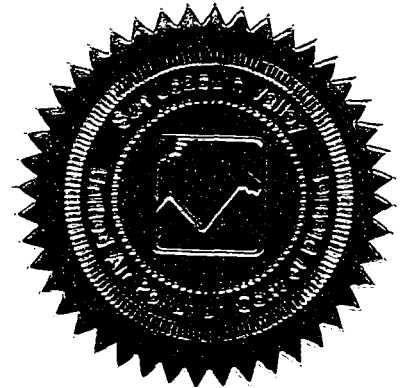
Quarter 1	Quarter 2	Quarter 3	Quarter 4
56 lbs	57 lbs	39 lbs	53 lbs

Conditions Attached

Method Of Reduction


- Shutdown of Entire Stationary Source
- Shutdown of Emissions Units
- Other

Shutdown of natural gas-fired IC engine C-2885-57



Use of these credits outside the San Joaquin Valley Unified Air Pollution Control District (SJVUAPCD) is not allowed without express written authorization by the SJVUAPCD.

Seyed Sadredin, Executive Director / APCO



 David Warner, Director of Permit Services



Central Regional Office • 1990 E. Gettysburg Ave. • Fresno, CA 93726

Emission Reduction Credit Certificate C-1147-3

ISSUED TO: CHEVRON USA, INC.
ISSUED DATE: January 15, 2014
LOCATION OF REDUCTION: COALINGA NOSE UNIT
 FRESNO COUNTY, CA
 SECTION: 7 TOWNSHIP: 20S RANGE: 16E

For CO Reduction In The Amount Of:

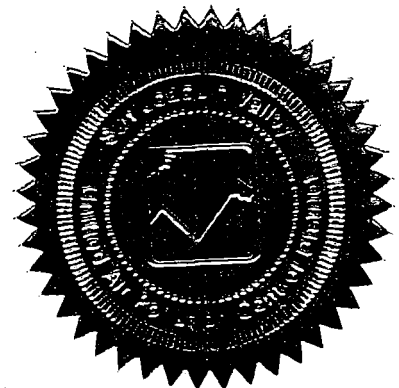
Quarter 1	Quarter 2	Quarter 3	Quarter 4
3,614 lbs	3,711 lbs	2,524 lbs	3,474 lbs

Conditions Attached

Method Of Reduction

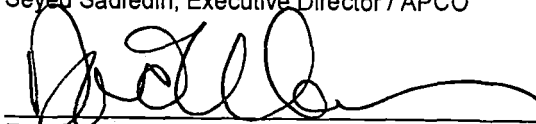
- Shutdown of Entire Stationary Source
- Shutdown of Emissions Units
- Other

Shutdown of natural gas-fired IC engine C-2885-57



Use of these credits outside the San Joaquin Valley Unified Air Pollution Control District (SJVUAPCD) is not allowed without express written authorization by the SJVUAPCD.

Seyed Sadredin, Executive Director / APCO



David Warner, Director of Permit Services



Central Regional Office • 1990 E. Gettysburg Ave. • Fresno, CA 93726

Emission Reduction Credit Certificate C-1147-4

ISSUED TO: CHEVRON USA, INC.
 ISSUED DATE: January 15, 2014
 LOCATION OF REDUCTION: COALINGA NOSE UNIT
 FRESNO COUNTY, CA
 SECTION: 7 TOWNSHIP: 20S RANGE: 16E

For PM10 Reduction In The Amount Of:

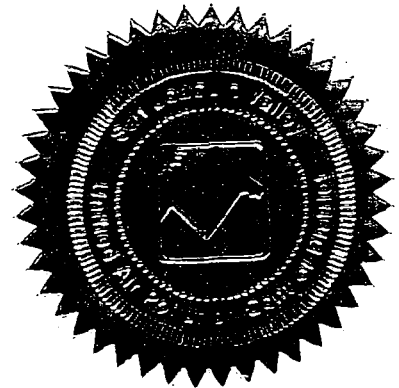
Quarter 1	Quarter 2	Quarter 3	Quarter 4
136 lbs	140 lbs	95 lbs	131 lbs

Conditions Attached

Method Of Reduction


- Shutdown of Entire Stationary Source
- Shutdown of Emissions Units
- Other

Shutdown of natural gas-fired IC engine C-2885-57



Use of these credits outside the San Joaquin Valley Unified Air Pollution Control District (SJVUAPCD) is not allowed without express written authorization by the SJVUAPCD.

Seyed Sadredin, Executive Director / APCO


 David Warner, Director of Permit Services



Central Regional Office • 1990 E. Gettysburg Ave. • Fresno, CA 93726

Emission Reduction Credit Certificate C-1147-5

ISSUED TO: CHEVRON USA, INC.
 ISSUED DATE: January 15, 2014
 LOCATION OF REDUCTION: COALINGA NOSE UNIT
 FRESNO COUNTY, CA
 SECTION: 7 TOWNSHIP: 20S RANGE: 16E

For SOx Reduction In The Amount Of:

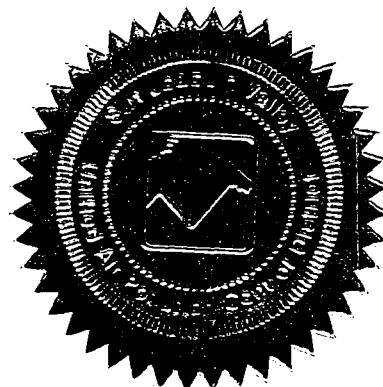
Quarter 1	Quarter 2	Quarter 3	Quarter 4
7 lbs	7 lbs	5 lbs	6 lbs

Conditions Attached

Method Of Reduction

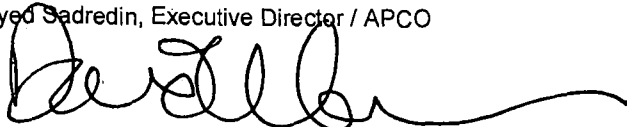
- Shutdown of Entire Stationary Source
- Shutdown of Emissions Units
- Other

Shutdown of natural gas-fired IC engine C-2885-57



Use of these credits outside the San Joaquin Valley Unified Air Pollution Control District (SJVUAPCD) is not allowed without express written authorization by the SJVUAPCD.

Seyed Sadredin, Executive Director / APCO



David Warner, Director of Permit Services



Central Regional Office • 1990 E. Gettysburg Ave. • Fresno, CA 93726

Emission Reduction Credit Certificate

C-1248-24

ISSUED TO: CHEVRON USA, INC.
ISSUED DATE: January 15, 2014
LOCATION OF REDUCTION: COALINGA NOSE UNIT
FRESNO COUNTY, CA
SECTION: 7 TOWNSHIP: 20S RANGE: 16E

For CO2E Reduction In The Amount Of:

1522 metric tons / year

Conditions Attached

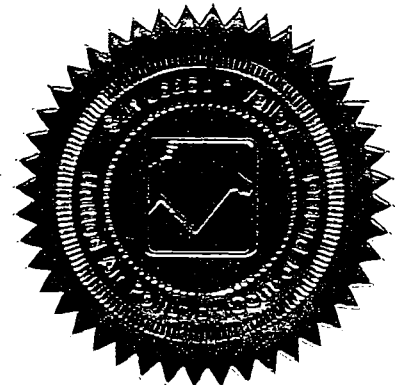
Method Of Reduction

- Shutdown of Entire Stationary Source
- Shutdown of Emissions Units
- Other

Shutdown of natural gas-fired IC engine C-2885-57 is verified as permanent within the State of California

Emission Reduction Qualification Criteria

This emission reduction is surplus and additional to all applicable regulatory requirements.



Seyed Sadredin, Executive Director / APCO

David Warner, Director of Permit Services

Fresno Bee

Newspaper notice for publication in Fresno Bee and for posting on valleyair.org

**NOTICE OF FINAL ACTION
FOR THE ISSUANCE OF
EMISSION REDUCTION CREDITS**

NOTICE IS HEREBY GIVEN that the Air Pollution Control Officer has issued Emission Reduction Credits (ERCs) to Chevron USA, Inc for emission reductions generated by the shutdown of one 1,478 hp natural gas-fired compressor engine, at the Coalinga Nose Unit in the Coalinga Oilfield in Fresno County. The quantity of ERCs to be issued is 205 lb-NOx/yr, 25 lb-SOx/yr, 502 lb-PM10/yr, 13,323 lb-CO/yr, 284 lb-VOC/yr and 1,522 metric tons CO₂e/yr.

No comments were received following the District's preliminary decision on this project.

The application review for Project #C-1111565 is available for public inspection at http://www.valleyair.org/notices/public_notices_idx.htm, the SAN JOAQUIN VALLEY UNIFIED AIR POLLUTION CONTROL DISTRICT, 34946 FLYOVER COURT, BAKERSFIELD, CA 93308, and at any other District office. For additional information, please contact the District at (661) 392-5500.

**AVISO DE DECISIÓN FINAL
PARA LA OTORGACIÓN DE
CERTIFICADOS DE REDUCCIÓN DE EMISIONES**

POR EL PRESENTE SE NOTIFICA que el Oficial para el Control de la Contaminación del Aire a otorgado Certificados de Reducción de Emisiones (ERCs, por sus siglas en inglés) a Chevron USA, Inc por la reducción de emisiones generadas por la clausura de un motor de gas natural de 1,478 caballos de fuerza que apodera un compresor, en the Coalinga Nose Unit in the Coalinga Oilfield in Fresno County. La cantidad de ERCs que serán otorgadas es 205 lb-NOx/año, 25 lb-SOx/año, 502 lb-PM10/año, 13,323 lb-CO/año, 284 lb-VOC/año y 1,522 toneladas de CO2e/año.

No se recibieron comentarios acerca de este proyecto despues del aviso de decision preliminar del Distrito.

La revisión de la solicitud del Proyecto #C-1111565 está disponible para la inspección del público en http://www.valleyair.org/notices/public_notices_idx.htm, el DISTRITO PARA EL CONTROL DE LA CONTAMINACIÓN DEL AIRE DEL VALLE DE SAN JOAQUIN, 34946 FLYOVER COURT, BAKERSFIELD, CA 93308, y en cualquiera de las oficinas del Distrito. Para más información en Español, por favor comuníquese con el Distrito al (661) 392-5500.

**NOTICE OF FINAL ACTION
FOR THE ISSUANCE OF
EMISSION REDUCTION CREDITS**

NOTICE IS HEREBY GIVEN that the Air Pollution Control Officer has issued Emission Reduction Credits (ERCs) to Chevron USA, Inc for emission reductions generated by the shutdown of one 1,478 hp natural gas-fired compressor engine, at the Coalinga Nose Unit in the Coalinga Oilfield in Fresno County. The quantity of ERCs to be issued is 205 lb-NOx/yr, 25 lb-SOx/yr, 502 lb-PM10/yr, 13,323 lb-CO/yr, 284 lb-VOC/yr and 1,522 metric tons CO2e/yr.

No comments were received following the District's preliminary decision on this project.

The application review for Project #C-1111565 is available for public inspection at http://www.valleyair.org/notices/public_notices_idx.htm, the SAN JOAQUIN VALLEY UNIFIED AIR POLLUTION CONTROL DISTRICT, 34946 FLYOVER COURT, BAKERSFIELD, CA 93308, and at any other District office. For additional information, please contact the District at (661) 392-5500.

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

LANCE ERICKSEN
 CHEVRON USA, INC.
 PO BOX 1392
 BAKERSFIELD, CA 93302

2. Article Number

(Transfer from st)

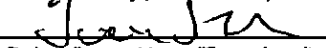
7013 0600 0001 4793 5491

COMPLETE THIS SECTION ON DELIVERY

A. Signature


 Agent Addressee

B. Received by (Printed Name)



C. Date of Delivery

1/30/14

D. Is delivery address different from item 1?

 Yes

If YES, enter delivery address below:

 No

3. Service Type

 Certified Mail Express Mail Registered Return Receipt for Merchandise Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee)

 Yes

UNITED STATES POSTAL SERVICE



First-Class Mail
Postage & Fees Paid
USPS
Permit No. G-10

• Sender: Please print your name, address, and ZIP+4 in this box •

San Joaquin Valley APCD
1990 E. Gettysburg Ave.
Fresno, CA 93726

Roeder, Final ERCPNP C-2885



S. Roeder

CA NEWSPAPER SERVICE
BILLING DEPT
PO BOX 60460
LOS ANGELES, CA 90060

PROOF OF PUBLICATION

RECEIVED
DEC 10 2013
Permits Services
SJVAPCD

COUNTY OF FRESNO
STATE OF CALIFORNIA

487.20

EXHIBIT A. C-2885
C-1111565

The undersigned states:

McClatchy Newspapers in and on all dates herein stated was a corporation, and the owner and publisher of The Fresno Bee.

The Fresno Bee is a daily newspaper of general circulation now published, and on all-the-dates herein stated was published in the City of Fresno, County of Fresno, and has been adjudged a newspaper of general circulation by the Superior Court of the County of Fresno, State of California, under the date of November 22, 1994, Action No. 520058-9.

The undersigned is and on all dates herein mentioned was a citizen of the United States, over the age of twenty-one years, and is the principal clerk of the printer and publisher of said newspaper; and that the notice, a copy of which is hereto annexed, marked Exhibit A, hereby made a part hereof, was published in The Fresno Bee in each issue thereof (in type not smaller than nonpareil), on the following dates.

Dec. 2, 2013

PUBLIC NOTICE
#47251

NOTICE OF PRELIMINARY DECISION FOR THE PROPOSED ISSUANCE OF EMISSION REDUCTION CREDITS

NOTICE IS HEREBY GIVEN that the San Joaquin Valley Unified Air Pollution Control District solicits public comment on the proposed issuance of Emission Reduction Credits to Chevron USA, Inc. for the shutdown of one 1,478 hp natural gas-fired compressor engine, at the Coalinga Nose Unit in the Coalinga Oilfield in Fresno County. The quantity of ERCs proposed for banking is 205 lb-NOx/yr, 25 lb-SOx/yr, 502 lb-PM10/yr, 73,323 lb-CO/yr, 284 lb-VOC/yr and 1,522 metric tons CO2e/yr.

The analysis of the regulatory basis for this proposed action, Project #C-1111565, is available for public inspection at http://www.valleyair.org/notices/public_notices_idx.htm and at any District office. For additional information, please contact the District at (661) 392-5500. Written comments on this project must be submitted by January 2, 2014 to **DAVID WARNER, DIRECTOR OF PERMIT SERVICES, SAN JOAQUIN VALLEY UNIFIED AIR POLLUTION CONTROL DISTRICT, 34946 FLYOVER COURT, BAKERSFIELD, CA 93308.**
12/2/13
CNS-2563506#
THE FRESNO BEE



I certify (or declare) under penalty of perjury that the foregoing is true and correct.

Dated DECEMBER 2, 2013
C. Williams