



Kern Oil & Refining Co.

7724 E. PANAMA LANE
BAKERSFIELD, CALIFORNIA 93307-9210
(661) 845-0761 FAX (661) 845-0330

April 6, 2018

Mr. Stephen Leonard
San Joaquin Valley Air
Pollution Control District
34946 Flyover Ct.
Bakersfield, CA 93308

RECEIVED
APR 06 2018
SJVAPCD
Southern Region

**Subject: Notice of Incomplete Application
ERC Banking Application
Facility ID#: S-37
Project Number: S-1180895**

Dear Mr. Leonard:

Kern Oil & Refining Co. (Kern) is in receipt of the District's Notice of Incomplete Application letter dated March 22, 2018. Please accept the following information in response to your information request:

Attached, please find the historical actual fuel usage and higher heating value (hhv) of the fuel combusted in permit unit S-37-103 for the period of October 2015, through September 2017. In addition, please find an attached copy of the Electronic Fund Transfer (EFT) detail report showing that Kern completed the electronic payment transaction for the \$832.00 application fee on Wednesday, March 14, 2018. Please note the invoice number directly references the project number for your convenience.

It is Kern's hope that once this information is received and payment verified, the ERC banking application can be completed and processed as requested.

If you have any questions or need further information, please feel free to contact me at (661) 845-0761 or Nicholas Diercks of EnviroTech at (661) 377-0073 x13.

Sincerely,

Melinda Hicks
Government Affairs Manager

Attachments

cc: Nicholas Diercks

Boiler 11 Fuel Usage
October 2015 - September 2017

Month	Mscf	HHV
Oct-15	17,736	1,079
Nov-15	19,463	1,092
Dec-15	15,984	1,074
Jan-16	7,455	846
Feb-16	8,397	844
Mar-16	8,752	942
Apr-16	4,366	940
May-16	11,280	921
Jun-16	13,267	929
Jul-16	12,847	991
Aug-16	9,640	910
Sep-16	14,536	870
Oct-16	7,277	882
Nov-16	7,232	904
Dec-16	20,141	900
Jan-17	5,197	944
Feb-17	5,281	1,043
Mar-17	8,108	1,074
Apr-17	6,951	973
May-17	17,246	1,025
Jun-17	21,342	924
Jul-17	11,664	1,015
Aug-17	10,664	988
Sep-17	12,254	960

Date: Friday, April 06, 2018
 Time: 12:53PM
 User: JHERNANDEZ

Kern Oil & Refining Co.

Check Register - Standard

Periods: 04-18 Through 05-18 As of: 4/6/2018

Page: 1 of 1
 Report: 03630.rpt
 Company: NEWKERN

Check Nbr	Check Type	Check Date	Vendor ID Vendor Name	Period To Post	Ref Closed Nbr	Doc Type	Invoice Number	Invoice Date	Discount Taken	Amount Paid	
Company: NEWKERN											
Acct / Sub:	1002		000								
513878	CK	3/14/2018	SAN021 SJVAPCD	04-18		401936	VO	S-1180895	3/12/2018	0.00	832.00

Check Count: 1

Acct Sub Total: 832.00

Check Type	Count	Amount Paid
Regular	1	832.00
Hand	0	0.00
Electronic Payment	0	0.00
Void	0	0.00
Stub	0	0.00
Zero	0	0.00
Mask	0	0.00
Total:	1	832.00

Company Disc Total 0.00 Company Total 832.00



San Joaquin Valley
AIR POLLUTION CONTROL DISTRICT



MAY 10 2018

Melinda Hicks
Kern Oil & Refining Co.
7724 E Panama Lane
Bakersfield, CA 93307-9210

**Re: Notice of Receipt of Complete Application - Emission Reduction Credits
Banking
Facility Number: S-37
Project Number: S-1180895**

Dear Ms. Hicks:

The District has received the additional information requested regarding your application for Emission Reduction Credits (ERCs) resulting from the permanent shutdown of boiler '-103 at Panama Ln & Weedpatch Hwy, Bakersfield, and has again reviewed the application for completeness. Based on this review, the application now appears to be complete. However, during processing of your application, the District may request additional information to clarify, correct, or otherwise supplement, the information on file.

Pursuant to District Rule 3060, your application may be subject to an hourly Engineering Evaluation Fee. If the applicable fees exceed the submitted application filing fee, the District will notify you at the conclusion of our review.

Thank you for your cooperation. Should you have any questions, please contact Mr. Stephen Leonard at (661) 392-5605.

Sincerely,

Arnaud Marjollet
Director of Permit Services

Leonard Scandura, P.E.
Permit Services Manager

AM: spl

Sayed 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

EMISSION REDUCTION CREDIT

PROJECT ROUTING FORM

FACILITY NAME: Kern Oil & Refining CO

FACILITY ID: S-37 PROJECT NUMBER: S-1180895

PERMIT #'s: ERC #3 S-4976-1, -2, -3, -4, & -5

DATE RECEIVED: February 21, 2018

PRELIMINARY REVIEW	ENGR	DATE	SUPR	DATE
A. Application Deemed Incomplete	SPL	3/20/2018	CG	3/23/18
Second Information Letter				
B. Application Deemed Complete	SPL	5/8/18	CG	5/10/18
C. Application Pending Denial				
D. Application Denied				

ENGINEERING EVALUATION	INITIAL	DATE
E. Engineering Evaluation Complete	SPL	6/12/18
F. Supervising Engineer Approval Direct Convert <input type="checkbox"/> Yes <input type="checkbox"/> No	RAWK	6/27/18
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 checked="" type="checkbox"/> No Review Requested		
I. Minor source with emission increase and SSPE2 > 80% major source threshold: <input type="checkbox"/> Yes – send ATC synthetic minor letter and copy of ATC to EPA, <input checked="" type="checkbox"/> No		
J. Permit Services Regional Manager Approval	CG	7/12/18

DIRECTOR REVIEW <input type="checkbox"/> Not Required	INITIAL	DATE
K. Preliminary Approval to Director		
L. Final Approval to Director		

4264258

PUBLIC NOTICE CHECK LIST

PROJECT #: S-37 PROJECT #: S-1180895

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 Bakersfield Californian Pub Date: 7/21 Due Date: 8/21

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 7/13/18/By Stephen Leonard

CALIFORNIA NEWSPAPER SERVICE BUREAU

DAILY JOURNAL CORPORATION

Mailing Address : 915 E FIRST ST, LOS ANGELES, CA 90012
Telephone (213) 229-5300 / Fax (213) 229-5481
Visit us @ WWW.LEGALADSTORE.COM

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

CNS 3155461

COPY OF NOTICE

Notice Type: GPN GOVT PUBLIC NOTICE
Ad Description: ERC Preliminary Public Notice for Kern Oil and Refining Company, Project #S-1180895, Bakersfield

To the right is a copy of the notice you sent to us for publication in the THE BAKERSFIELD CALIFORNIAN. 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):

07/21/2018

The charge(s) for this order is as follows. An invoice will be sent after the last date of publication. If you prepaid this order in full, you will not receive an invoice.

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

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 Kern Oil and Refining Company for the shutdown of a boiler, at 7724 Panama Lane, near Bakersfield CA. The quantity of ERCs proposed for banking is 846 lb-NOx/yr, 1,691 lb-SOx/yr, 605 lb-PM10/yr, 22,216 lb-CO/yr, and 581 lb-VOC/yr. The analysis of the regulatory basis for this proposed action, Project # S-1180895, 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 (861) 392-5500. Written comments on this project must be sent or postmarked by August 21, 2018 to publicnotices@valleyair.org or ARNAUD MARJOLLET, DIRECTOR OF PERMIT SERVICES, SAN JOAQUIN VALLEY UNIFIED AIR POLLUTION CONTROL DISTRICT, 34946 FLYOVER COURT, BAKERSFIELD, CA 93308.
7/21/18
CNS-3155461#
THE BAKERSFIELD CALIFORNIAN



* A 0 0 0 0 0 4 8 1 3 5 2 5 *

Diseree Alvarez

From: Diseree Alvarez
Sent: Wednesday, July 18, 2018 9:05 AM
To: Gerardo C. Rios - EPA (SJV_T5_Permits@epamail.epa.gov); 'Tung Le (tle@arb.ca.gov)'
Subject: ERC Preliminary Public Notice for Kern Oil and Refining Company, Facility #S-37, Project #S-1180895
Attachments: Prelim, S-1180895.pdf; Newspaper, S-1180895.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 Kern Oil and Refining Company for the shutdown of a boiler, at 7724 Panama Lane, near Bakersfield CA. The quantity of ERCs proposed for banking is 846 lb-NOx/yr, 1,691 lb-SOx/yr, 605 lb-PM10/yr, 22,216 lb-CO/yr, and 581 lb-VOC/yr.

Thank You,

Diseree Alvarez
Senior Office Assistant
San Joaquin Valley Air Pollution Control District
1990 E. Gettysburg Ave
Fresno, CA. 93726
559.230.6003
Diseree.Alvarez@valleyair.org



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Diseree Alvarez

From: postmaster@carb.onmicrosoft.com
To: 'Tung Le (ttle@arb.ca.gov)'
Sent: Wednesday, July 18, 2018 9:05 AM
Subject: Delivered: ERC Preliminary Public Notice for Kern Oil and Refining Company, Facility #S-37, Project #S-1180895

Your message has been delivered to the following recipients:

'Tung Le (ttle@arb.ca.gov)'

Subject: ERC Preliminary Public Notice for Kern Oil and Refining Company, Facility #S-37, Project #S-1180895

Diseree Alvarez

From: Mail Delivery System <MAILER-DAEMON@mintra12.rtp.epa.gov>
To: SJV_T5_Permits@epamail.epa.gov
Sent: Wednesday, July 18, 2018 9:05 AM
Subject: Expanded: ERC Preliminary Public Notice for Kern Oil and Refining Company, Facility #S-37, Project #S-1180895

Your message has been delivered to the following groups:

SJV_T5_Permits@epamail.epa.gov

Subject: ERC Preliminary Public Notice for Kern Oil and Refining Company, Facility #S-37, Project #S-1180895

Diseree Alvarez

From: Diseree Alvarez
Sent: Wednesday, July 18, 2018 9:08 AM
To: WebTeam
Subject: valleyair.org update: ERC Preliminary Public Notice for Kern Oil and Refining Company, Facility #S-37, Project #S-1180895
Attachments: Prelim, S-1180895.pdf; Newspaper, S-1180895.pdf; Aviso, S-1180895.pdf

July 18, 2018 (Facility S-37 Project S-1180895) 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 Kern Oil and Refining Company for the shutdown of a boiler, at 7724 Panama Lane, near Bakersfield CA. The quantity of ERCs proposed for banking is 846 lb-NOx/yr, 1,691 lb-SOx/yr, 605 lb-PM10/yr, 22,216 lb-CO/yr, and 581 lb-VOC/yr. The comment period ends on August 21, 2018.

Newspaper Notice

Aviso

Public Notice Package

Thank You,

Diseree Alvarez
Senior Office Assistant
San Joaquin Valley Air Pollution Control District
1990 E. Gettysburg Ave
Fresno, CA. 93726
559.230.6003
Diseree.Alvarez@valleyair.org



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**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 Kern Oil and Refining Company para el cierre de una caldera, en 7724 Panama Lane, near Bakersfield CA. La cantidad de ERCs propuestas para almacenar es 846 lb-NOx/año, 1,691 lb-SOx/año, 605 lb-PM10/año, 22,216 lb-CO/año y 581 lb-VOC/año.

El análisis de la base regulatoria para esta acción propuesta, Proyecto # S-1180895, 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 proyecto deben ser sometidos o con matasellos antes del 21 de agosto del 2018 a publicnotices@valleyair.org o 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 Kern Oil and Refining Company for the shutdown of a boiler, at 7724 Panama Lane, near Bakersfield CA. The quantity of ERCs proposed for banking is 846 lb-NOx/yr, 1,691 lb-SOx/yr, 605 lb-PM10/yr, 22,216 lb-CO/yr, and 581 lb-VOC/yr.

The analysis of the regulatory basis for this proposed action, Project # S-1180895, 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 sent or postmarked by August 21, 2018 to publicnotices@valleyair.org or **ARNAUD MARJOLLET, DIRECTOR OF PERMIT SERVICES, SAN JOAQUIN VALLEY UNIFIED AIR POLLUTION CONTROL DISTRICT, 34946 FLYOVER COURT, BAKERSFIELD, CA 93308.**


Misa Velasco

From: notices_of_permitting_actions-southern_region@lists.valleyair.org
Sent: Thursday, July 26, 2018 12:01 PM
To: Misa Velasco
Subject: Public Notice on Permitting Action S-1180895
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/2018/07-18-18_\(S-1180895\)/Newspaper.pdf](http://www.valleyair.org/notices/Docs/2018/07-18-18_(S-1180895)/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

Artemiza Velasco
Operations & Program Support Supervisor
San Joaquin Valley Air Pollution Control District
559-230-6002


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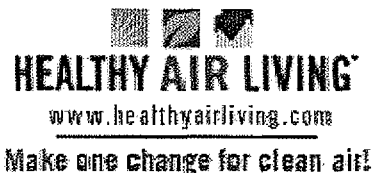
Misa Velasco

From: notices_of_permitting_actions-all_regions@lists.valleyair.org
Sent: Thursday, July 26, 2018 12:01 PM
To: Misa Velasco
Subject: Public Notice on Permitting Action S-1180895
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/2018/07-18-18_\(S-1180895\)/Newspaper.pdf](http://www.valleyair.org/notices/Docs/2018/07-18-18_(S-1180895)/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

Artemiza Velasco
Operations & Program Support Supervisor
San Joaquin Valley Air Pollution Control District
559-230-6002



Misa Velasco

From: avisos_sobre_acciones_de_permisos-todos@lists02.valleyair.org
Sent: Thursday, July 26, 2018 12:01 PM
To: Misa Velasco
Subject: Aviso Publico Sobre Acciones de Permisos S-1180895
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/2018/07-18-18_\(S-1180895\)/Aviso.pdf](http://www.valleyair.org/notices/Docs/2018/07-18-18_(S-1180895)/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,

Artemiza Velasco
Operations & Program Support Supervisor
San Joaquin Valley Air Pollution Control District
559-230-6002


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JUL 18 2018

Melinda Hicks
Kern Oil and Refining Company
7724 Panama Lane
Bakersfield, CA 93307-9210

Re: Notice of Preliminary Decision – Emission Reduction Credits
Facility Number: S-37
Project Number: S-1180895

Dear Ms. Hicks:

Enclosed for your review and comment is the District's analysis of Kern Oil and Refining Company's application for Emission Reduction Credits (ERCs) resulting from the shutdown of a boiler, at 7724 Panama Lane, near Bakersfield CA. The quantity of ERCs proposed for banking is 846 lb-NOx/yr, 1,691 lb-SOx/yr, 605 lb-PM10/yr, 22,216 lb-CO/yr, and 581 lb-VOC/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. Stephen Leonard of Permit Services at (661) 392-5605.

Sincerely,

Arnaud Marjollet
Director of Permit Services

AM:sl

Enclosures

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

Samir Sholkh
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 Refinery Boiler

Facility Name: Kern Oil and Refining Company
Mailing Address: 7724 Panama Lane
Bakersfield, CA 93307-9210

Date: July 10, 2018
Engineer: Steve Leonard
Lead Engineer: Rich Karrs
Date: June 27, 2018

Contact Person: Melinda Hicks
Telephone: 661-845-0761
Project #: S-1180895
Deemed Complete: May 10, 2018

I. Summary:

Kern Oil and Refining Company (KOR) has applied for Emission Reduction Credits (ERCs) for the shutdown of a 49 MMBtu/hr natural gas and refinery gas fired boiler, permit S-37-103-10. The application to bank ERC was received on February 20, 2018. The Permit to Operate (PTO) for the unit was canceled on May 21, 2018 as a condition of this banking action.

The District accepts that the date of actual emission reductions is the date the permit unit was permanently shut down, September 15, 2017.

KOR has replaced boiler S-37-103 with a more efficient 27.6 MMBtu/hr boiler, issued Authority to Construct (ATC) S-37-158, to satisfy KOR's steam requirements previously assigned to S-37-103.

Based on the historical operating data prior to the shutdown, and considering the discounts for the emission limit requirements of District Rule 4320, "Advanced Emission Reduction Options for Boilers, Steam Generators, and Process Heaters Greater than 5.0 MMBtu/hr", and any unmitigated increases from the new boiler S-37-158, the amounts of bankable Actual Emission Reductions (AER) for NO_x, CO, VOC, PM₁₀ and SO_x emissions are as shown in the table below. These values are calculated in Section V of this document:

Bankable Emission Reduction Credits (lbs/Qtr)				
Pollutant	1 st Qtr	2 nd Qtr	3 rd Qtr	4 th Qtr
NO _x	129	223	215	279
SO _x	256	447	430	558
PM ₁₀	92	159	154	200
CO	2,976	5,926	5,663	7,651
VOC	88	153	148	192

II. Applicable Rules:

Rule 2201 New and Modified Stationary Source Review Rule (2/18/16)
Rule 2301 Emission Reduction Credit Banking (1/19/12)

III. Location of Reduction:

The facility location is 7724 E. Panama Lane; Bakersfield, CA 93307.

IV. Method of Generating Reductions:

Actual Emission Reductions (AER) are being generated with the permanent shutdown of the following equipment:

S-37-103-10: 49.0 MMBTU/HR NATURAL-GAS/REFINERY FIRED FORCED AIR BOILER
#11 WITH A NORTH AMERICAN MODEL 4796-24 MAGNA-FLAME BURNER
AND FGR UTILIZING ELECTRIC OR STEAM FANS

The applicant has surrendered the Permit to Operate identified above for the equipment in order to validate the emission reduction credits. A copy of the PTO is included as Appendix A. As required by Rules 2201 and 2301, creditable emission reductions are to be based upon the historical actual emissions (HAE) over the appropriate baseline period, and the use of acceptable emission factors.

V. Calculations:

A. Assumptions and Emission Factors

Assumptions:

The KOR boiler was last source tested for NO_x and CO emissions on March 23, 2017, which is within the chosen baseline period. At that time, testing showed a NO_x emission level of 0.0341 lb/MMBtu or 27.67 ppmv @ 3% O₂. CO emissions were measured at 220.92 ppmv @ 3% O₂, equivalent to 0.1656 lb/MMBtu. Each measurement was below the permit limits of 30 ppmv NO_x and 344 ppmv CO, each corrected to 3% O₂. See Appendix C for a copy of the 2017 source test.

District Rule 4320 would require this boiler to lower the NO_x emission level to 6 ppmv @ 3% O₂, equivalent to 0.007 lb-NO_x/MMBtu. KOR opted to pay the NO_x fee for this boiler pursuant to Rule 4320, Section 5.1.2. Pursuant to the definition of "Actual Emissions Reduction", in Rule 2201, Section 3.2, "To be considered surplus, AER shall be in excess, at the time the application for an Emission Reduction Credit or an Authority to Construct authorizing such reductions is deemed complete, of any emissions reduction which is required or encumbered by any laws, rules, regulations, agreements, orders....."

Because Rule 4320 requires 6 ppmv NO_x, corrected to 3% O₂, for this type of unit, the surplus AER are only those emissions calculated from the baseline period using 6 ppmv @ 3% O₂ (equivalent to 0.007 lb-NO_x/MMBtu) as the NO_x emission factor. Emission factors or data used in calculating AER are listed in the table below. Rule 4320 also imposes particulate matter controls by requiring sources permit to limit sulfur content of fuel gases by one of the methods described in section 5.4. KOR has committed to satisfying the requirement through section 5.4.1.2, with a SO_x (as SO₂) emission limit of 0.014 lb-SO₂/MMBtu resulting from a fuel gas sulfur limit of 5 gr S/100 scf.

Emission Factors:

Emission Factors			
Unit	Pollutant	Emission Factor	Source
S-37-103-10	NO _x	6 ppmv @ 3% O ₂ (0.007 lb-NO _x /MMBtu)	Rule 4320, Table 1
	SO _x	0.014 lb/MMBtu (5 gr S/100scf)	Rule 4320, 5.4.1.2
	PM ₁₀	0.005 lb/MMBtu	Permit
	CO	289.5 ppmv @3% O ₂ (0.217 lb-CO/MMBtu)	Source Test
	VOC	0.0048 lb/MMBtu	Permit

B. Baseline Period Determination and Data

Pursuant to District Rule 2201, Section 3.8, the baseline period for determining actual historical emissions for banking purposes shall be a period of time equal to either:

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

3.8.2 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; or

3.8.3 a shorter period of at least one year if the emissions unit has not been in operation for two years and this represents the full operational history of the emissions unit, including any replacement units; or

3.8.4 zero years if an emissions unit has been in operation for less than one year (only for use when calculating AER).

KOR provided monthly fuel use (MMBtu) data for the two years immediately prior to the permanent shutdown of the boiler, October, 2015, through September 2017. As this two-year period is immediately prior to the shutdown of the boiler, there is no need to determine an alternate baseline period. The monthly fuel use data was used to calculate the total annual fuel use for each of the years.

Month	Mscf	HHV (Btu/scf)	MMBtu
October, 2015	17,736	1,079	19,137
November, 2015	19,463	1,092	21,254
December, 2015	15,984	1,074	17,167
January, 2016	7,455	846	6,307
February, 2016	8,397	844	7,087
March, 2016	8,752	942	8,244
April, 2016	4,366	940	4,104
May, 2016	11,280	921	10,389
June, 2016	13,267	929	12,325
July, 2016	12,847	991	12,731
August, 2016	9,640	910	8,772
September, 2016	14,536	870	12,646
October, 2016	7,277	882	6,418
November, 2016	7,232	904	6,538
December, 2016	20,141	900	18,127
January, 2017	5,197	944	4,906
February, 2017	5,281	1,043	5,508
March, 2017	8,108	1,074	8,708
April, 2017	6,951	973	6,763
May, 2017	17,246	1,025	17,677
June, 2017	21,342	924	19,720
July, 2017	11,664	1,015	11,839
August, 2017	10,664	988	10,536
September, 2017	12,254	960	11,764

The monthly fuel use data used to calculate total annual fuel use is also included in Appendix B. In order to produce an ERC banking certificate with quarterly emission values, it is necessary to average the monthly fuel use for the two-year baseline period, then create quarterly values by combining the three averaged monthly values for each calendar quarter.

Month	Averaged Fuel Usage (MMBtu)
January	5,607
February	6,298
March	8,476
April	5,434
May	14,033
June	16,023
July	12,285
August	9,654
September	12,205
October	12,778
November	13,896

Month	Averaged Fuel Usage (MMBtu)
December	17,647

Quarter	Cumulative Averaged Fuel Use (MMBtu)
First	20,381
Second	35,490
Third	34,144
Fourth	44,321

C. Historical Actual Emissions (HAE)

$$\text{(Cumulative Average [MMBtu/Qtr])} \times \text{(Emission Factor [lb-Pollutant/MMBtu])} = \text{Quarterly Emissions [lb-Pollutant/Qtr]}$$

D. Adjustments to HAE

Pursuant to Section 3.23 of Rule 2201, Historical Actual Emissions must be discounted for any emissions reduction which is:

- 3.23.1 Any emissions reductions required or encumbered by any laws, rules, regulations, agreements, orders, or permits; and
- 3.23.2 Any emissions reductions attributed to a control measure noticed for workshop, or proposed or contained in a State Implementation Plan, and
- 3.23.3 Any emissions reductions proposed in the District air quality plan for attaining the annual reductions required by the California Clean Air Act, and
- 3.23.4 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.

The emission factors above which are used to calculate HAE have been adjusted to reflect only surplus emissions pursuant to the current applicable emission standards of Rule 43020 for refinery boilers of this rating capacity. Therefore, no further adjustments to the calculated HAE are required.

E. Actual Emissions Reductions (AER)

Per Rule 2201, Section 4.12, the Actual Emissions Reductions due to shutdown of emissions units shall be calculated, on a pollutant-by-pollutant basis, as follows:

$$\text{AER} = \text{HAE} - \text{PE2}$$

Where:

HAE = Historic Actual Emissions

PE2 = Post-project Potential to Emit

Because this boiler is permanently shut down, PE2 = 0. Therefore,
AER = HAE – 0, or AER = HAE

AER (lbs/Qtr)				
Pollutant	1 st Qtr	2 nd Qtr	3 rd Qtr	4 th Qtr
NOx	143	248	239	310
SOx	285	497	478	620
PM10	102	177	171	222
CO	4,423	7,701	7,409	9,618
VOC	98	170	164	213

The emissions reductions were generated by the shutdown of one 49.0 MMBtu/hr natural gas and refinery gas fired boiler which provided steam for whatever refinery needs arose that it could supply. KOR acknowledges that it purchased and permitted a more efficient boiler, permitted under District Project S-1170172 as permit unit S-37-158-0, to take the place of S-37-103. Mitigating offsets for the total increases of NOx, SOx, PM10, and VOC were provided in the form of ERC banking certificates. CO offsets were not required pursuant to District Rule 2201, Section 4.6.1. As such, the AER for CO should be reduced by the potential to emit from the new boiler, 4,466 lbs-CO/year, equivalent to 1,116 lbs/qtr.

AER – Adjusted for CO (lbs/Qtr)				
Pollutant	1 st Qtr	2 nd Qtr	3 rd Qtr	4 th Qtr
NOx	143	248	239	310
SOx	285	497	478	620
PM10	102	177	171	222
CO	3,307	6,585	6,292	8,501
VOC	98	170	164	213

F. Air Quality Improvement Deduction

The Air Quality Improvement Deduction (AQID) is 10% of the AER per Rule 2201, Sections 3.6 and 4.12.1, and is summarized as follows:

AQID (lbs/Qtr)				
Pollutant	1 st Qtr	2 nd Qtr	3 rd Qtr	4 th Qtr
NOx	14	25	24	31
SOx	29	50	48	62
PM10	10	18	17	22
CO	331	659	629	850
VOC	10	17	16	21

G. Increases in Permitted Emissions (IPE)

The emissions reductions were generated by the shutdown of one 49.0 MMBtu/hr natural gas and refinery gas fired boiler which provided steam for whatever refinery needs arose that it could supply. KOR acknowledges that it purchased and permitted a more efficient boiler, permitted under District Project S-1170172 as permit unit S-37-158-0, to take the place of S-37-103. Mitigating offsets for the total increases of NOx, SOx, PM10, and VOC were provided in the form of ERC banking certificates. CO offsets were not required pursuant to District Rule 2201, Section 4.6.1. As such, the AER for CO has been reduced by the potential to emit CO from the new boiler, as described in Section V.E. above.

H. Bankable Emissions Reduction Credits

The bankable emissions reduction credits, presented in following table, are determined by subtraction of the Air Quality Improvement Deduction (discussed in Section V.F) from the AER.

Bankable Emission Reduction Credits (lbs/Qtr)				
Pollutant	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr
NOx	129	223	215	279
SOx	256	447	430	558
PM10	92	159	154	200
CO	2,976	5,926	5,663	7,651
VOC	88	153	148	192

VI. Compliance:

Rule 2201 - New and Modified Stationary Source Review Rule:

To comply with the definition of Actual Emissions Reductions (Rule 2201, Section 3.2), the reductions must be real, enforceable, quantifiable, permanent, and surplus.

A. Real

The emissions reductions were generated by the shutdown of one 49.0 MMBtu/hr natural gas and refinery gas fired boiler which provided steam for whatever refinery needs arose that it could supply. KOR acknowledges that it purchased and permitted a more efficient boiler, permitted under District Project S-1170172 as permit unit S-37-158-0, to take the place of S-37-103. Mitigating offsets were provided for the new boiler for the entire potential to emit of NOx, SOx, PM10, and VOC in the form of ERC banking certificates. CO offsets were exempted for the new unit pursuant to District Rule 2201, Section 4.6.1. As such, the AER for CO in this banking action has been reduced by the calculated increase in CO emissions from the new boiler. KOR is a major source for all pollutants so offsets were provided at the following offset ratios in Project S-1170172: NOx (major source, 1.5:1); SOx (onsite reduction, 1:1); PM10 (onsite reduction, 1:1); VOC (major source, 1.5:1). Therefore, the emission reductions being banked are real.

B. Enforceable

The PTO for the boiler S-37-103 has been surrendered and the boiler cannot be operated without a valid PTO. Therefore, the reductions are enforceable.

C. Quantifiable

Reduction amounts were calculated from historic process data, and accepted emission factors which consider any discounting requirements for banking emissions from the replaced boiler. Therefore, the reductions are quantifiable.

D. Permanent

The replaced boiler has been rendered permanently inoperable and likely removed to provide installation for the new, smaller boiler. The Permit to Operate is surrendered and invalid. Therefore, the reductions are permanent

E. Surplus

To be considered a surplus actual emission reduction (pursuant to Rule 2201 section 3.2.2), the emission reduction must be in excess of any emissions reduction which is:

- 1) required or encumbered by any laws, rules, regulations, agreements, orders,
- 2) attributed to a control measure noticed for workshop, or proposed or contained in a State implementation Plan, or
- 3) proposed in the APCO's adopted air quality plan pursuant to the California Clean Air Act

The discussion below evaluates if the emission reductions resulting from shutdown of the boiler meets the criteria above:

The boiler is subject to the emission limits in the following District rules:

Rule 4201	Particulate Matter Concentration (PM emissions of 0.1 gr/dscf)
Rule 4305	Boilers, Steam Generators, and Process Heaters - Phase 2
Rule 4306	Boilers, Steam Generators, and Process Heaters - Phase 3
Rule 4351	Boilers, Steam Generators, and Process Heaters - Phase 1
Rule 4801	Sulfur Compounds (SOx emissions of 0.2 % by volume, 2,000 ppmv)

The following emission limits (from the PTO) reflect compliance with the above rules:

Emissions Limits (lb/MMBtu)	
Pollutant	PTO S-37-103-10
NO _x	0.036
SO _x	0.027
PM ₁₀	0.005
CO	0.2578 (344 ppmv @ 3% O ₂)
VOC	0.0048

NO_x Emission Reductions:

The KOR boiler was last source tested for NO_x emissions on March 23, 2017, which is within the chosen baseline period. At that time, testing showed a NO_x emission level of 0.0341 lb/MMBtu or 27.67 ppmv @ 3% O₂. Each measurement was below the permit limits of 30 ppmv NO_x corrected to 3% O₂.

District Rule 4320 would require this boiler to lower the NO_x emission level to 6 ppmv @ 3% O₂, equivalent to 0.007 lb-NO_x/MMBtu. KOR opted to pay the NO_x fee for this boiler pursuant to Rule 4320, Section 5.1.2. Pursuant to the definition of "Actual Emissions Reduction", in Rule 2201, Section 3.2, "To be considered surplus, AER shall be in excess, at the time the application for an Emission Reduction Credit or an Authority to Construct authorizing such reductions is deemed complete, of any emissions reduction which is required or encumbered by any laws, rules, regulations, agreements, orders....." Therefore, only AER that is calculated at 0.007 lb-NO_x/MMBtu is eligible for banking. As such, the emission reduction is surplus of the emissions allowed in its permit to operate and Rule 4320.

SO_x Emission Reductions:

No source test information was available for SO_x during the chosen baseline period as it is not required by Rule 4306. The permitted SO_x level at the time of shutdown of the boiler and surrender of the permit was 0.027 lb-SO_x (as SO₂). Rule 4320 imposes particulate matter controls by requiring sources subject to the rule to limit sulfur content of fuel gases by one of the methods described in section 5.4. KOR committed in their Rule 4320 "Emission Control Plan", submitted December 24, 2009, to satisfying the requirement by complying with section 5.4.1.2, which would require a SO_x (as SO₂) emission limit of 0.014 lb-SO₂/MMBtu resulting from a fuel gas sulfur limit of 5 gr S/100 scf. Therefore, only AER that is calculated at 0.014 lb-SO₂/MMBtu is eligible for banking. As such, the emission reduction is surplus of the emissions allowed in its permit to operate and Rule 4320.

PM₁₀ Emission Reductions:

No source test information was available for PM₁₀ during the chosen baseline period as it is not required by Rule 4306. The emissions factor for PM₁₀ used to calculate the AER, 0.005 lb/MMBtu, is from the unit's Permit to Operate and is less than the value typically

used from AP-42 to limit PM₁₀ from natural gas combustion and less than would be required by District Rules 4201 or 4320. Therefore, the emission reduction is surplus of the emissions allowable by District rule or source test data.

CO Emission Reductions:

The KOR boiler was last source tested for CO emissions on March 23, 2017, which is within the chosen baseline period. At that time, testing showed a CO emissions measured at 220.92 ppmv @ 3% O₂, equivalent to 0.1656 lb/MMBtu. Each measurement was below the permit limit of 344 ppmv CO, each corrected to 3% O₂. District Rule 4320 requires CO emissions be no greater than 400 ppmv @ 3% O₂.

Recently permitted boiler S-37-158, which has replaced the steam requirements of the shutdown boiler, was offset for the entire potential to emit for all pollutant increases except for CO emissions, pursuant to District Rule 2201. To ensure that only surplus CO is being banked, the entire increase in CO emissions from the new boiler, 4,466 lbs-CO/year has been subtracted from the AER before banking the reduction in this project. Therefore, the CO emission reduction is surplus of the emissions allowable by District rule, new unit installed, or source test data.

VOC Emissions Reductions:

The emissions factor for VOC used to calculate the AER, 0.003 lb/MMBtu, is equal to less than the permit limits listed. As such, the emission reduction is surplus of the emissions allowable in its permit to operate.

Based on the above findings, the emission reductions of NO_x, PM₁₀, CO and VOC are surplus of the allowable permitted emissions and of Rules 2201, 4201, and 4307.

The emission reduction is in excess of any emission reduction attributed to a control measure noticed for workshop, or proposed or contained in a State implementation Plan

The units were subject to Rules 4305, 4306, and 4320 before removal of the burners. The District has not noticed for workshop any amendments to Rule 4320.

Further, a review of the most recent EPA approved attainment plan (the 2012 PM_{2.5} attainment plan that is part of the SIP) revealed that this attainment plan did not include a commitment to amend Rule 4320 to require further emission reductions from the boiler. As such, the emission reduction is surplus of any control measure contained in a State Implementation Plan.

The emission reduction is in excess of any emission reduction which is proposed in the APCO's adopted air quality plan pursuant to the California Clean Air Act

A review of the 2016 ozone and 2016 PM_{2.5} attainment plans (not yet approved by EPA as part of the SIP) revealed that these attainment plans did not include a commitment to

amend Rule 4320 to require further emission reductions from boilers. As such, the emission reduction is surplus of any control measure contained in an adopted air quality attainment plan.

As discussed above, the emission reduction meets the criterial for a surplus actual emission reduction.

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

The emission reductions generated by the shutdown of the boiler were not previously used for the approval of any Authority to Construct(s).

Rule 2301 – Emission Reduction Banking:

Section 5.5 states that ERC certificate applications for reductions shall be submitted within 180 days after the emission reduction occurs. KOR permanently ceased operation of the boiler on September 15, 2017. The ERC application was received on February 20, 2018, within the 180 day timeframe allowed. Therefore, 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(s) to Operate has been surrendered and voided. The Permits to Operate were surrendered with this banking action and canceled by the District on May 21, 2018.

VII. Recommendation:

Issue Emission Reduction Credit (ERC) Certificates S-4976-1 (VOC), S-4976-2 (NOx), S-4976-3 (CO), S-4976-4 (PM10), & S-4976-5 (SOx) in the amounts shown below and on the draft ERC certificate contained in Appendix D.

Bankable Emission Reduction Credits (lbs/Qtr)				
Pollutant	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr
NOx	129	223	215	279
SOx	256	447	430	558
PM10	92	159	154	200
CO	2,976	5,926	5,663	7,651
VOC	88	153	148	192

List of Appendices

- A. Surrendered Permit to Operate S-37-103
- B. Historic Actual Fuel Usage During Baseline Period
- C. 2017 Source Test Results for Unit S-37-103
- D. Draft ERC Certificates S-4976

APPENDIX A

Surrendered Permit to Operate S-37-103

San Joaquin Valley Air Pollution Control District

PERMIT UNIT: S-37-103-10

EXPIRATION DATE: 08/31/2022

SECTION: 25 **TOWNSHIP:** 30S **RANGE:** 28E

EQUIPMENT DESCRIPTION:

49.0 MMBTU/HR NATURAL-GAS/REFINERY FIRED FORCED AIR BOILER #11 WITH A NORTH AMERICAN MODEL 4796-24 MAGNA-FLAME BURNER AND FGR UTILIZING ELECTRIC OR STEAM FANS

PERMIT UNIT REQUIREMENTS

1. The emission control systems shall be in operation and emissions shall be minimized insofar as technologically feasible during startup and shutdown. [District Rules 4305 and 4306] Federally Enforceable Through Title V Permit
2. The duration of each startup and shutdown period for the 49.0 MMBtu/hr Coen dual-fired induced draft broiler shall not exceed 6.1 hours and 3.5 hours respectively. Emission limits of District Rule 4305 and 4306 shall be waived during periods of startup and shutdown. [District Rules 4305 and 4306] Federally Enforceable Through Title V Permit
3. The combustion in the fuel gas combustion devices of gases released as a result of start-up, shutdown, upset, malfunction, or the result of relief valve leakage is exempt from the H₂S or sulfur content requirement. [District Rules 2201, 4001, Subpart J, 60.104(a)(1)] Federally Enforceable Through Title V Permit
4. Particulate matter emissions shall not exceed 0.1 grain/dscf, calculated to 12% CO₂, nor 10 lb/hr. [District Rules 4201, 3.1 and 4301, 5.1 and 5.2.3] Federally Enforceable Through Title V Permit
5. Total combined steam production shall not exceed 80,000 lbm/hr from this permit unit and permit S-37-6. [District NSR Rule] Federally Enforceable Through Title V Permit
6. Emission rates shall not exceed any of the following: PM₁₀: 0.005 lb/MMBtu; SO_x (as SO₂): 0.027 lb/MMBtu (@ 161 ppmv-H₂S); NO_x: 0.036 lb/MMBtu (@ 3% O₂) VOC: 0.0048 lb/MMBtu; or CO: 0.2578 lb/MMBtu or 344 ppmv @ 3% O₂. [District Rules 4305, 4306, and 4351] Federally Enforceable Through Title V Permit
7. Source testing to demonstrate compliance with NO_x, CO, and VOC emission limits shall be conducted not less than once every 12 months for NO_x and CO, except as provided below. [District NSR Rule and District Rules 4305, 4306, and 4351] Federally Enforceable Through Title V Permit
8. District witnessed source testing to demonstrate compliance with NO_x and CO emission limits shall be conducted not less than once every 36 months if compliance is demonstrated on two consecutive annual tests. [District Rules 4305, 4306, and 4351] Federally Enforceable Through Title V Permit
9. If permittee fails any compliance demonstration for NO_x and/or CO emission limits when testing not less than once every 36 months, compliance with NO_x and CO emission limits shall be demonstrated not less than once every 12 months. [District Rules 4305, 4306, and 4351] Federally Enforceable Through Title V Permit
10. Compliance demonstration (source testing) shall be by District witnessed, or authorized, sample collection by CARB certified testing laboratory. [District Rule 1081] Federally Enforceable Through Title V Permit
11. Source testing shall be conducted using the methods and procedures approved by the District. The District must be notified 30 days prior to any compliance source test, and a source test plan must be submitted for approval 15 days prior to testing. [District Rule 1081] 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.

12. 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
13. The following test methods shall be used: NO_x (ppmv) - EPA Method 7E or ARB Method 100, NO_x (lb/MMBtu) - EPA Method 19, CO (ppmv) - EPA Method 10 or ARB Method 100, and stack gas oxygen - EPA Method 3 or 3A or ARB Method 100. [District Rules 4305, 4306, and 4351] Federally Enforceable Through Title V Permit
14. Permittee shall comply with all applicable testing, recordkeeping, and reporting requirements specified in Rule 4001 - New Source Performance Standards, including but not limited to Subparts A and J. [District Rule 4001] Federally Enforceable Through Title V Permit
15. 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 analyzer that meets District specifications. Monitoring shall not be required if the unit is not in operation, i.e. the unit need not be started solely to perform monitoring. Monitoring shall be performed within 5 days of restarting the unit unless monitoring has been performed within the last month. [District Rules 4305 and 4306]
16. If either the NO_x or CO concentrations corrected to 3% O₂, as measured by the portable analyzer, exceed the allowable emissions concentration, the permittee shall return the emissions to within the acceptable range as soon as possible, but no longer than 1 hour of operation after detection. If the portable analyzer readings continue to exceed the allowable emissions concentration after 1 hour of operation after detection, 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 performing the notification and testing required by this condition. [District Rules 4305 and 4306]
17. 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 4305 and 4306]
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 by volume and the measured NO_x and CO concentrations corrected to 3% 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 4305 and 4306]
19. Refinery fuel gas burned in this unit shall be continuously monitored for H₂S content and records of such measurements shall be maintained for a period of at least five years and exceedances of 161 ppmv H₂S shall be reported as required by Rule 4001. [District Rule 4001] Federally Enforceable Through Title V Permit
20. The permittee shall maintain accurate records of the following: fuel usage and higher heating value (HHV); fuel gas sulfur content; and hourly steam production rate for this permit unit and permit S-37-6. [District Rule 1070 and 40CFR 60.48c(g)(2)] Federally Enforceable Through Title V Permit
21. Draeger tubes shall be used as an alternative method for measuring fuel gas H₂S during scheduled maintenance or unscheduled interruptions of CEMs. Draeger tube use shall be limited to no more than 96 continuous hours and fuel gas H₂S shall be checked a minimum of every two hours during scheduled maintenance or unscheduled interruptions of CEMs. Alternate method of measuring fuel gas H₂S shall occur no more than 192 hours in any calendar year. [40CFR60.13(i)] Federally Enforceable Through Title V Permit
22. Operator shall maintain all records of the reason for alternative monitoring and required fuel gas H₂S monitoring data and support information for inspection at any time for a period of five years. [District Rule 2520, 9.4.2] Federally Enforceable Through Title V Permit

PERMIT UNIT REQUIREMENTS CONTINUE ON NEXT PAGE

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

23. Pursuant to Rule 4320, beginning in 2010 the operator shall pay an annual emission fee to the District for NOx emissions from this unit for the previous calendar year. Payments are due by July 1 of each year. Payments shall continue annually until either the unit is permanently removed from service in the District or the operator demonstrates compliance with the applicable NOx emission limit listed in Rule 4320. [District Rule 4320]
24. Permittee shall maintain records of annual heat input (MMBtu) for this unit on a calendar year basis. Such 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 1070 and Rule 4320]

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

APPENDIX B

Historic Actual Fuel Usage During Baseline Period

Boiler 11 Fuel Usage

October 2015 - September 2017

Month	Mscf	HHV
Oct-15	17,736	1,079
Nov-15	19,463	1,092
Dec-15	15,984	1,074
Jan-16	7,455	846
Feb-16	8,397	844
Mar-16	8,752	942
Apr-16	4,366	940
May-16	11,280	921
Jun-16	13,267	929
Jul-16	12,847	991
Aug-16	9,640	910
Sep-16	14,536	870
Oct-16	7,277	882
Nov-16	7,232	904
Dec-16	20,141	900
Jan-17	5,197	944
Feb-17	5,281	1,043
Mar-17	8,108	1,074
Apr-17	6,951	973
May-17	17,246	1,025
Jun-17	21,342	924
Jul-17	11,664	1,015
Aug-17	10,664	988
Sep-17	12,254	960

APPENDIX C

2017 Source Test Results for Unit S-37-103

Company: KERN OIL & REFINING CO.

Test Date: 03/23/2017

Pass Fail

Permit#: S-37-103-8

FacilityID: 37

Unit ID: BOILER #11

Witnessed By:

Area Inspector: CHAVEZR

Reason For Testing:

Annual Initial CGA RATA Stationary/RATA QTR:
 ReTest RepTest AMS Dist Performed Unit Dormant
 Postponed

Test Company: BEST ENVIRONMENTAL INC.

Project Number: Boiler #11

Next Test: 3/18/2020

Test Company Contact: Mr. Bobby Asfour

Equipment: 49 MMBTU NAT GAS/REFINERY GAS FIRED BOILER W/ FGR,

Equipment Type: Boiler

Input Rate: 49.0 MMBTU

Output Rate:

Control Equipment:

Catalyst Scrubber Baghouse FGR O2
 LoNOx Incin ESP H2O/Stm Inj NH3/SCR
 DLN PSC PCC Rich Burn Lean Burn
 Cyclone TEOR-Gas

Fuel Data And Operational Data:

Fuel Type: Refinery Gas

F-Factor: 8851

BTU:

Fuel Rate:

Second Fuel:

O2 % Stack: 4.67

Stack Flow:

Process Rate:

Comments:

Result page submitted 5/23/17

Enforcement Action:

NOV#:

Report Rec: 05/23/2017

Reviewed By: ADEGUNWO

Results Sent Date: 06/15/2017

Test Results:

Pollutant	Unit	Result	Limit	O2 Correction	Failed	Unit ID
CO	lbs/MMBtu	0.1656	0.2578			Default
CO	ppm	220.92	344.0	3		Default
NOx	lbs/MMBtu	0.0341	0.036			Default
NOx	ppm	27.67	30.0	3		Default
VOC	lbs/MMBtu		0.0048			Default

APPENDIX D

Draft ERC Certificates S-4976

San Joaquin Valley
Air Pollution Control District

Southern Regional Office • 34946 Flyover Court • Bakersfield, CA 93308

Emission Reduction Credit Certificate

S-4976-1

ISSUED TO: KERN OIL & REFINING CO.
ISSUED DATE: <DRAFT>
LOCATION OF REDUCTION: PANAMA LN & WEEDPATCH HWY
BAKERSFIELD, CA 93307-9210

For VOC Reductions In The Amount Of:

Quarter 1	Quarter 2	Quarter 3	Quarter 4
88 lbs	153 lbs	148 lbs	192 lbs

Method Of Reduction

- Shutdown of Entire Stationary Source
 Shutdown of Emissions Units
 Other

Shutdown of boiler S-37-103-10

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

Southern Regional Office • 34946 Flyover Court • Bakersfield, CA 93308

Emission Reduction Credit Certificate

S-4976-2

ISSUED TO: KERN OIL & REFINING CO.
ISSUED DATE: <DRAFT>
LOCATION OF REDUCTION: PANAMA LN & WEEDPATCH HWY
BAKERSFIELD, CA 93307-9210

For NOx Reductions In The Amount Of:

Quarter 1	Quarter 2	Quarter 3	Quarter 4
129 lbs	223 lbs	215 lbs	279 lbs

Method Of Reduction

- Shutdown of Entire Stationary Source
 Shutdown of Emissions Units
 Other

Shutdown of boiler S-37-103-10

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

Southern Regional Office • 34946 Flyover Court • Bakersfield, CA 93308

Emission Reduction Credit Certificate

S-4976-3

DRAFT

ISSUED TO: KERN OIL & REFINING CO.
ISSUED DATE: <DRAFT>
LOCATION OF REDUCTION: PANAMA LN & WEEDPATCH HWY
BAKERSFIELD, CA 93307-9210

For CO Reductions In The Amount Of:

Quarter 1	Quarter 2	Quarter 3	Quarter 4
2,976 lbs	5,926 lbs	5,663 lbs	7,651 lbs

Method Of Reduction

- Shutdown of Entire Stationary Source
 Shutdown of Emissions Units
 Other

Shutdown of boiler S-37-103-10

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

Southern Regional Office • 34946 Flyover Court • Bakersfield, CA 93308

Emission Reduction Credit Certificate

S-4976-4

DRAFT

ISSUED TO: KERN OIL & REFINING CO.
ISSUED DATE: <DRAFT>
LOCATION OF REDUCTION: PANAMA LN & WEEDPATCH HWY
BAKERSFIELD, CA 93307-9210

For PM10 Reductions In The Amount Of:

Quarter 1	Quarter 2	Quarter 3	Quarter 4
92 lbs	159 lbs	154 lbs	200 lbs

Method Of Reduction

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

Shutdown of boiler S-37-103-10

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

Southern Regional Office • 34946 Flyover Court • Bakersfield, CA 93308

Emission Reduction Credit Certificate

S-4976-5

DRAFT

ISSUED TO: KERN OIL & REFINING CO.
ISSUED DATE: <DRAFT>
LOCATION OF REDUCTION: PANAMA LN & WEEDPATCH HWY
BAKERSFIELD, CA 93307-9210

For SO_x Reductions In The Amount Of:

Quarter 1	Quarter 2	Quarter 3	Quarter 4
256 lbs	447 lbs	430 lbs	558 lbs

Method Of Reduction

- Shutdown of Entire Stationary Source
 Shutdown of Emissions Units
 Other

Shutdown of boiler S-37-103-10

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 Matjollet, Director of Permit Services

DRAFT

CALIFORNIA NEWSPAPER SERVICE BUREAU

DAILY JOURNAL CORPORATION

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Telephone (213) 229-5300 / Fax (213) 229-5481
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DISEREE GOMEZ
SAN JOAQUIN VALLEY AIR POLL CONTROL DIST
1990 E. GETTYSBURG AVE.
FRESNO, CA 93726

CNS 3155461

COPY OF NOTICE

Notice Type: GPN GOVT PUBLIC NOTICE
Ad Description: ERC Preliminary Public Notice for Kern Oil and Refining Company, Project #S-1180895, Bakersfield

To the right is a copy of the notice you sent to us for publication in the THE BAKERSFIELD CALIFORNIAN. 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):

07/21/2018

The charge(s) for this order is as follows. An invoice will be sent after the last date of publication. If you prepaid this order in full, you will not receive an invoice.

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ORANGE COUNTY REPORTER, SANTA ANA	(714) 543-2027
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 DAILY TRANSCRIPT, SAN DIEGO	(619) 232-3486
THE INTER-CITY EXPRESS, OAKLAND	(510) 272-4747

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 Kern Oil and Refining Company for the shutdown of a boiler, at 7724 Panama Lane, near Bakersfield CA. The quantity of ERCs proposed for banking is 846 lb-NOx/yr, 1,691 lb-SOx/yr, 605 lb-PM10/yr, 22,216 lb-CO/yr, and 581 lb-VOC/yr. The analysis of the regulatory basis for this proposed action, Project # S-1180895, 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 sent or postmarked by August 21, 2018 to publicnotices@valleyair.org or ARNAUD MARJOLLET, DIRECTOR OF PERMIT SERVICES, SAN JOAQUIN VALLEY UNIFIED AIR POLLUTION CONTROL DISTRICT, 34946 FLYOVER COURT, BAKERSFIELD, CA 93308.
7/21/18
CNS-3155461#
THE BAKERSFIELD CALIFORNIAN



* A 0 0 0 0 0 4 8 1 3 5 2 5 *



San Joaquin Valley
AIR POLLUTION CONTROL DISTRICT



AUG 24 2018

Kern Oil and Refining Company
Attn: Melinda Hicks
7724 Panama Lane
Bakersfield, CA 93307

RE: Emission Reduction Credits – Final Invoice
Project Number S-1180895

Dear Ms. Hicks:

The District has issued the Emission Reduction Credits (ERC's) for the above referenced project. The certificates that represent those ERC's will arrive under separate cover.

Enclosed is an invoice for the engineering evaluation fees pursuant to District Rule 3010. Please remit the amount owed, along with a copy of the attached invoice within 60 days.

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

Sincerely,

Arnaud Marjollet
Director of Permit Services


Leonard Scandura, PE
Permit Services Manager

AM: spl

Enclosure

Samir Sheikh
Executive Director/Air Pollution Control Officer

Northern Region
4800 Enterprise Way
Modesto, CA 95358-8718
Tel: (209) 557-6400 FAX: (209) 557-6475

Central Region (Main Office)
1990 E. Gettysburg Avenue
Fresno, CA 93726-0244
Tel: (559) 230-8000 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

Due Date
9/20/2018

Amount Due
\$ 2,153.30

Amount Enclosed

ERCFEE S1180895
37 S140393 8/21/2018

RETURN THIS TOP PORTION ONLY, WITH REMITTANCE TO:

KERN OIL & REFINING CO
7724 E PANAMA LN
BAKERSFIELD, CA 93307-9210

SJVAPCD
34946 Flyover Court
Bakersfield, CA 93308

Thank You!



San Joaquin Valley
AIR POLLUTION CONTROL DISTRICT

SJVAPCD Tax ID: 77-0262563

KERN OIL & REFINING CO.
PANAMA LN & WEEDPATCH HWY
BAKERSFIELD, CA 93307-9210

Facility ID
S37

Invoice Date
8/21/2018

Invoice Number
S140393

Invoice Type
Project: S1180895

PROJECT NUMBER: 1180895

ENGINEERING TIME FEES	\$ 2,153.30
LESS PREVIOUSLY PAID PROJECT FEES APPLIED TO THIS INVOICE	\$ 0.00
PROJECT FEES DUE (Enclosed is a detailed statement outlining the fees for each item.)	\$ 2,153.30

Invoice Detail

Facility ID: S37

KERN OIL & REFINING CO.
PANAMA LN & WEEDPATCH HWY
BAKERSFIELD, CA 93307-9210

Invoice Nbr: S140393
Invoice Date: 8/21/2018
Page: 1

Engineering Time Fees

Project Nbr	Quantity	Rate	Description	Fee
S1180895	27.9 hours	\$ 107.00 /h	Standard Engineering Time	\$ 2,985.30
			Less Credit For Application Filing Fees	(\$ 832.00)
			Standard Engineering Time SubTotal	\$ 2,153.30
			Total Engineering Time Fees:	\$ 2,153.30

San Joaquin Valley Air Pollution Control District

Account Summary

Facility ID: S37

KERN OIL & REFINING CO.
 PANAMA LN & WEEDPATCH HWY
 BAKERSFIELD, CA 93307-9210

Statement Date: 8/21/2018

Invoice Date	Invoice Number	Invoice Due Date	Description of Fees	Amount Due
07/05/2018	S139617	09/04/2018	18/19 Annual Permits To Operate	\$ 38,200.00
07/19/2018	S139975	09/17/2018	Title V Hourly Fees: 2nd Quarter 2018	\$ 53.50
07/26/2018	S140300	08/27/2018	Project: S1183238	\$ 83.00
07/26/2018	S140301	08/27/2018	Project: S1183237	\$ 83.00
08/02/2018	S140367	10/01/2018	Project: S1181577	\$ 4,843.80
08/21/2018	S140393	09/20/2018	Project: S1180895	\$ 2,153.30
Total Outstanding Balance:				\$ 45,416.60

PUBLIC NOTICE CHECK LIST

PROJECT #: S-37 PROJECT #: S-1180895

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 Bakersfield Californian

Pub Date: 9.7.18

- ✓ ✓

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 (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 **FINAL** Public Notice package to EDMS

- ✓ ✓

Assign Mailing Date

-

Other Special Instructions (please specify): _____

Date Completed 8/21/18/By Stephen Leonard

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

CNS 3170930

COPY OF NOTICE

Notice Type: GPN GOVT PUBLIC NOTICE
Ad Description Final Public Notice for Kern Oil and Refining Company,
S-1180895, Bakersfield

To the right is a copy of the notice you sent to us for publication in the THE BAKERSFIELD CALIFORNIAN. 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):

09/07/2018

The charge(s) for this order is as follows. An invoice will be sent after the last date of publication. If you prepaid this order in full, you will not receive an invoice.

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 Kern Oil and Refining Company for emission reductions generated by the shutdown of a boiler, at 7724 Panama Lane, near Bakersfield CA. The quantity of ERCs to be issued is 846 lb-NOx/yr, 1,691 lb-SOx/yr, 605 lb-PM10/yr, 22,216 lb-CO/yr, and 581 lb-VOC/yr.

No comments were received following the District's preliminary decision on this project. The application review for Project # S-1180895 is available for public inspection at http://www.valleyair.org/notices/public_notices_ldx.htm, the SAN JOAQUIN VALLEY UNIFIED AIR POLLUTION CONTROL DISTRICT, 34948 FLYOVER COURT, BAKERSFIELD, CA 93308, and at any other District office. For additional information, please contact the District at (661) 392-5500.
9/7/18
CNS-3170930#
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THE DAILY RECORDER, SACRAMENTO	(916) 444-2355
THE DAILY TRANSCRIPT, SAN DIEGO	(619) 232-3486
THE INTER-CITY EXPRESS, OAKLAND	(510) 272-4747



* A 0 0 0 0 0 4 8 5 3 0 9 3 *

Ariana Orozco

From: Ariana Orozco
Sent: Tuesday, September 4, 2018 9:47 AM
To: 'tle@arb.ca.gov'; 'SVJ_T5_Permits@epamail.epa.gov'
Subject: Final Public Notice for Kern Oil and Refining Company, Facility ID #S-37, Project #S-1180895
Attachments: Newspaper S-1180895.pdf; Final S-1180895.pdf
Importance: High

NOTICE IS HEREBY GIVEN that the Air Pollution Control Officer has issued Emission Reduction Credits (ERCs) to Kern Oil and Refining Company for emission reductions generated by the shutdown of a boiler, at 7724 Panama Lane, near Bakersfield CA. The quantity of ERCs to be issued is 846 lb-NOx/yr, 1,691 lb-SOx/yr, 605 lb-PM10/yr, 22,216 lb-CO/yr, and 581 lb-VOC/yr.

Ariana Orozco

*Senior Office Assistant
San Joaquin Valley Air Pollution Control District
1990 E. Gettysburg Ave | Fresno CA | 93726 | 559-230-6106*



HEALTHY AIR LIVING

www.healthyairliving.com

Make one change for clean air!

Ariana Orozco

From: postmaster@carb.onmicrosoft.com
To: ttle@arb.ca.gov
Sent: Tuesday, September 4, 2018 9:47 AM
Subject: Delivered: Final Public Notice for Kern Oil and Refining Company, Facility ID #S-37, Project #S-1180895

Your message has been delivered to the following recipients:

ttle@arb.ca.gov

Subject: Final Public Notice for Kern Oil and Refining Company, Facility ID #S-37, Project #S-1180895

Ariana Orozco

From: Mail Delivery System <MAILER-DAEMON@mintra12.rtp.epa.gov>
To: SJV_T5_Permits@epamail.epa.gov
Sent: Tuesday, September 4, 2018 9:47 AM
Subject: Expanded: Final Public Notice for Kern Oil and Refining Company, Facility ID #S-37, Project #S-1180895

Your message has been delivered to the following groups:

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

Subject: Final Public Notice for Kern Oil and Refining Company, Facility ID #S-37, Project #S-1180895

Ariana Orozco

From: Ariana Orozco
Sent: Tuesday, September 4, 2018 9:49 AM
To: WebTeam
Subject: valleyair.org update: Final Public Notice for Kern Oil and Refining Company, Facility ID #S-37, Project #S-1180895
Attachments: Final S-1180895.pdf; Newspaper S-1180895.pdf; Aviso S-1180895.pdf

September 4, 2018 (Facility S-37 Project S-1180895) NOTICE IS HEREBY GIVEN that the Air Pollution Control Officer has issued Emission Reduction Credits (ERCs) to Kern Oil and Refining Company for emission reductions generated by the shutdown of a boiler, at 7724 Panama Lane, near Bakersfield CA. The quantity of ERCs to be issued is 846 lb-NOx/yr, 1,691 lb-SOx/yr, 605 lb-PM10/yr, 22,216 lb-CO/yr, and 581 lb-VOC/yr.

Newspaper Notice

Aviso

Public Notice Package

Ariana Orozco

*Senior Office Assistant
San Joaquin Valley Air Pollution Control District
1990 E. Gettysburg Ave | Fresno CA | 93726 | 559-230-6106*



HEALTHY AIR LIVING

www.healthyairliving.com

Make one change for clean air!

Ariana Orozco

From: Ariana Orozco
Sent: Monday, September 10, 2018 10:16 AM
To: 'notices_of_permitting_actions-southern_region@lists.valleyair.org';
'Notices_of_Permitting_Actions-All_Regions@lists.valleyair.org'
Subject: Public Notice on Permitting Action S-1180895

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/2018/09-04-18_\(S-1180895\)/Newspaper.pdf](http://www.valleyair.org/notices/Docs/2018/09-04-18_(S-1180895)/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

Ariana Orozco

*Senior Office Assistant
San Joaquin Valley Air Pollution Control District
1990 E. Gettysburg Ave | Fresno CA | 93726 | 559-230-6036*

Ariana Orozco

From: Ariana Orozco
Sent: Monday, September 10, 2018 10:16 AM
To: 'Avisos_Sobre_Acciones_de_Permisos-Todos@lists02.valleyair.org'
Subject: Aviso Publico Sobre Acciones de Permisos S-1180895

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/2018/09-04-18_\(S-1180895\)/Aviso.pdf](http://www.valleyair.org/notices/Docs/2018/09-04-18_(S-1180895)/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,

Ariana Orozco

*Senior Office Assistant
San Joaquin Valley Air Pollution Control District
1990 E. Gettysburg Ave | Fresno CA | 93726 | 559-230-6036*

**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 Kern Oil and Refining Company por la reducción de emisiones generadas por el cierre de una caldera, en 7724 Panama Lane, near Bakersfield CA. La cantidad de ERCs que serán otorgados son 846 lb-NOx/año, 1,691 lb-SOx/año, 605 lb-PM10/año, 22,216 lb-CO/año y 581 lb-VOC/año.

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

La revisión de la solicitud del Proyecto # S-1180895 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 Kern Oil and Refining Company for emission reductions generated by the shutdown of a boiler, at 7724 Panama Lane, near Bakersfield CA. The quantity of ERCs to be issued is 846 lb-NOx/yr, 1,691 lb-SOx/yr, 605 lb-PM10/yr, 22,216 lb-CO/yr, and 581 lb-VOC/yr.

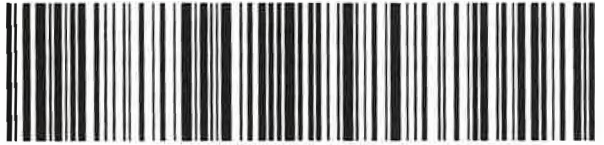
No comments were received following the District's preliminary decision on this project.

The application review for Project # S-1180895 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.

PLACE STICKER AT TOP OF ENVELOPE TO THE RIGHT OF THE RETURN ADDRESS. FOLD AT DOTTED LINE

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USPS CERTIFIED MAIL



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SEP - 4 2018

Melinda Hicks
Kern Oil and Refining Company
7724 Panama Lane
Bakersfield, CA 93307-9210

RE: Notice of Final Action – Emission Reduction Credits
Facility Number: S-37
Project Number: S-1180895

Dear Ms. Hicks:

The Air Pollution Control Officer has issued Emission Reduction Credits (ERCs) to Kern Oil and Refining Company for emission reductions generated by the shutdown of a boiler, at 7724 Panama Lane, near Bakersfield CA. The quantity of ERCs to be issued is 846 lb-NOx/yr, 1,691 lb-SOx/yr, 605 lb-PM10/yr, 22,216 lb-CO/yr, and 581 lb-VOC/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 July 21, 2018. The District's analysis of the proposal was also sent to CARB and US EPA Region IX on July 18, 2018. No comments were received following the District's preliminary decision on this project.

Samir Sheikh

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

Ms. Melinda Hicks
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,



Arnaud Marjollet
Director of Permit Services

AM:sl

Enclosures

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



Southern Regional Office • 34946 Flyover Court • Bakersfield, CA 93308

Emission Reduction Credit Certificate
S-4976-1

ISSUED TO: KERN OIL & REFINING CO.
ISSUED DATE: August 21, 2018
LOCATION OF REDUCTION: PANAMA LN & WEEDPATCH HWY
BAKERSFIELD, CA 93307-9210

For VOC Reductions In The Amount Of:

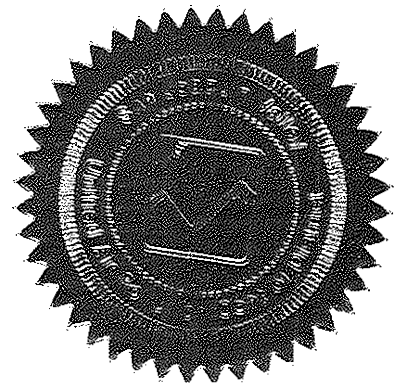
Quarter 1	Quarter 2	Quarter 3	Quarter 4
88 lbs	153 lbs	148 lbs	192 lbs

Method Of Reduction

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

Shutdown of boiler S-37-103-10

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.



Samir Sheikh, Executive Director / APCO

Arnaud Marjollet
Arnaud Marjollet, Director of Permit Services



Southern Regional Office • 34946 Flyover Court • Bakersfield, CA 93308

Emission Reduction Credit Certificate
S-4976-2

ISSUED TO: KERN OIL & REFINING CO.
ISSUED DATE: August 21, 2018
LOCATION OF REDUCTION: PANAMA LN & WEEDPATCH HWY
BAKERSFIELD, CA 93307-9210

For NOx Reductions In The Amount Of:

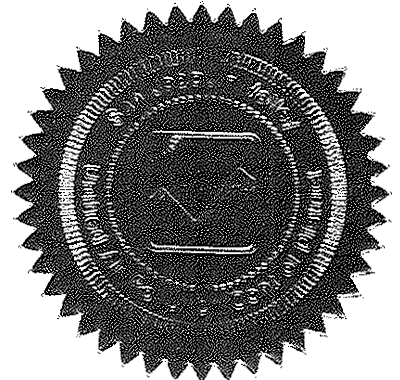
Quarter 1	Quarter 2	Quarter 3	Quarter 4
129 lbs	223 lbs	215 lbs	279 lbs

Method Of Reduction

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

Shutdown of boiler S-37-103-10

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.



Samir Sheikh, Executive Director / APCO



Arnaud Marjolle, Director of Permit Services



Southern Regional Office • 34946 Flyover Court • Bakersfield, CA 93308

Emission Reduction Credit Certificate
S-4976-3

ISSUED TO: KERN OIL & REFINING CO.
ISSUED DATE: August 21, 2018
LOCATION OF REDUCTION: PANAMA LN & WEEDPATCH HWY
BAKERSFIELD, CA 93307-9210

For CO Reductions In The Amount Of:

Quarter 1	Quarter 2	Quarter 3	Quarter 4
2,976 lbs	5,926 lbs	5,663 lbs	7,651 lbs

Method Of Reduction

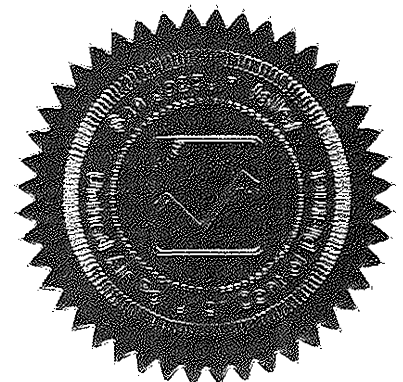
- Shutdown of Entire Stationary Source
- Shutdown of Emissions Units
- Other

Shutdown of boiler S-37-103-10

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.

Samir Sheikh, Executive Director / APCO

Arnaud Marjollet
Arnaud Marjollet, Director of Permit Services





Southern Regional Office • 34946 Flyover Court • Bakersfield, CA 93308

Emission Reduction Credit Certificate
S-4976-4

ISSUED TO: KERN OIL & REFINING CO.
ISSUED DATE: August 21, 2018
LOCATION OF REDUCTION: PANAMA LN & WEEDPATCH HWY
BAKERSFIELD, CA 93307-9210

For PM10 Reductions In The Amount Of:

Quarter 1	Quarter 2	Quarter 3	Quarter 4
92 lbs	159 lbs	154 lbs	200 lbs

Method Of Reduction

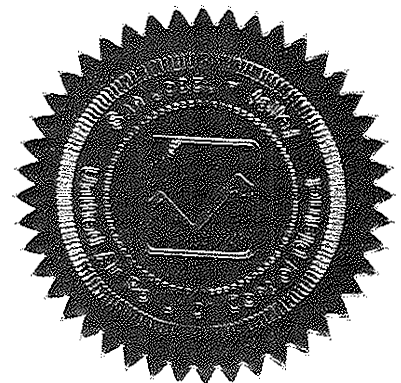
- Shutdown of Entire Stationary Source
- Shutdown of Emissions Units
- Other

Shutdown of boiler S-37-103-10

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.

Samir Sheikh, Executive Director / APCO

Arnaud Marjollet
Arnaud Marjollet, Director of Permit Services





Southern Regional Office • 34946 Flyover Court • Bakersfield, CA 93308

Emission Reduction Credit Certificate
S-4976-5

ISSUED TO: KERN OIL & REFINING CO.
ISSUED DATE: August 21, 2018
LOCATION OF REDUCTION: PANAMA LN & WEEDPATCH HWY
BAKERSFIELD, CA 93307-9210

For SOx Reductions In The Amount Of:

Quarter 1	Quarter 2	Quarter 3	Quarter 4
256 lbs	447 lbs	430 lbs	558 lbs

Method Of Reduction

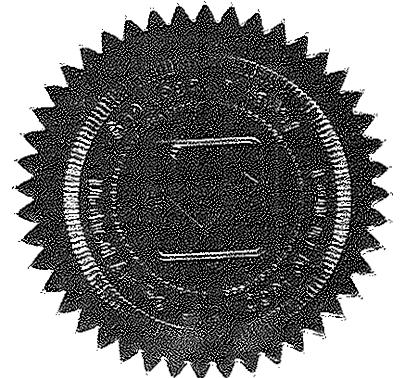
- Shutdown of Entire Stationary Source
- Shutdown of Emissions Units
- Other

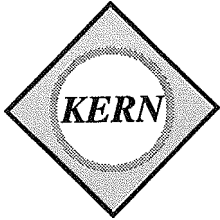
Shutdown of boiler S-37-103-10

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.

Samir Sheikh, Executive Director / APCO

Arnaud Marjollet, Director of Permit Services





Kern Oil & Refining Co.

7724 E. PANAMA LANE
BAKERSFIELD, CALIFORNIA 93307-9210
(661) 845-0761 FAX (661) 845-0330

February 15, 2018

RECEIVED
FEB 20 2018
SJVAPCD
Southern Region

Mr. Leonard Scandura
Permit Services Manager
San Joaquin Valley Unified APCD
34946 Flyover Ct.
Bakersfield, CA 93308

**Subject: ERC Banking Application
Facility ID#: S-37**

Dear Mr. Scandura:

Kern Oil & Refining Co. (Kern) is submitting the attached Application for Emission Reduction Credit (ERC) Banking. Kern is requesting ERCs from the reduction in all criteria pollutant emissions resultant from the permanent shutdown of the boiler listed in PTO S-37-103-10.

Please be advised that Kern will pay application fees using the District Electronic Fund Transfer (EFT) program. Kern will complete the electronic payment transaction for the \$832.00 application fee upon notification of the assigned APCD project number.

If you have any questions or need further information, please feel free to contact me at (661) 845-0761 or Nicholas Diercks of EnviroTech at (661) 377-0073 x13.

Sincerely,

Melinda Hicks
Government Affairs Manager

Attachments


cc: Nicholas Diercks

San Joaquin Valley Air Pollution Control District

Application for

EMISSION REDUCTION CREDIT (ERC)

CONSOLIDATION OF ERC CERTIFICATES

1. ERC TO BE ISSUED TO: Kern Oil & Refining Co.		Facility ID: <u>S - 37</u> (if known)				
2. MAILING ADDRESS: Street/P.O. Box: <u>7724 Panama Ln.</u> City: <u>Bakersfield</u> State: <u>CA</u> Zip Code: <u>93307</u>						
3. LOCATION OF REDUCTION: Street: <u>7724 Panama Ln.</u> City: <u>Bakersfield</u> <u> </u> /4 SECTION <u> </u> TOWNSHIP <u> </u> RANGE <u> </u>		4. DATE OF REDUCTION: <u>9/15/2017</u>				
5. PERMIT NO(S): <u>S-37-103-10</u>		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: <u>Boiler listed on PTO S-37-103-10 was permanently shutdown on 9/15/2017.</u> <div style="text-align: right; font-size: small;">(Use additional sheets if necessary)</div>						
7. REQUESTED ERCs: (In pounds per calendar quarter except CO ₂ e) <u>See Attachments</u>						
	VOC	NOx	CO	PM ₁₀	SOx	Other
1 st Qtr	70	513	2,221	97	7	
2 nd Qtr	70	513	2,221	97	7	
3 rd Qtr	70	513	2,221	97	7	
4 th Qtr	69	513	2,220	96	6	
CO ₂ e metric ton/yr						
8. SIGNATURE OF APPLICANT: 			TYPE OR PRINT TITLE OF APPLICANT: <u>Government Affairs Mgr.</u>			
9. TYPE OR PRINT NAME OF APPLICANT: <u>Melinda L. Hicks</u>			DATE: <u>2/15/2018</u>	PHONE #: (661) 845-0761 CELL PHONE #: FAX #: (661) 845-0330 E-MAIL: <u>mhicks@kernoil.com</u>		

FOR APCD USE ONLY:

DATE STAMP RECEIVED FEB 20 2018 <small>SWAPCD Southern Region</small>	FILING FEE RECEIVED: \$ <u>NO \$</u> DATE PAID: PROJECT NO.: <u>S-1180895</u> FACILITY ID.: <u>S-37</u>
---	--

ATTACHMENT A
CALCULATED ERCS

NOx	
1.09	2015 Tons (EI)
1.19	2016 Tons (EI)
1.14	2015/2016 Avg Tons
(0.11)	10% ERC adjustment
1.03	tons net
2,052	lbs net
513	lbs QTR

VOC	
0.02	2015 Tons (EI)
0.29	2016 Tons (EI)
0.16	2015/2016 Avg Tons
(0.02)	10% ERC adjustment
0.14	tons net
279	lbs net
69.75	lbs QTR

SOx	
0	2015 Tons (EI)
0.03	2016 Tons (EI)
0.02	2015/2016 Avg Tons
(0.00)	10% ERC adjustment
0.01	tons net
27	lbs net
6.75	lbs QTR

CO	
0.8	2015 Tons (EI)
9.07	2016 Tons (EI)
4.94	2015/2016 Avg Tons
(0.49)	10% ERC adjustment
4.44	tons net
8,883	lbs net
2220.75	lbs QTR

PM10	
0.03	2015 Tons (EI)
0.4	2016 Tons (EI)
0.22	2015/2016 Avg Tons
(0.02)	10% ERC adjustment
0.19	tons net
387	lbs net
96.75	lbs QTR

ATTACHMENT B

EMISSION INVENTORY DATA

Date / Time Printed 05/06/2016
2 48.20 PM

Emission Statement - Calendar Year 2015 Emissions

UTM Zone : 11
UTM East: 325.564
UTM North: 3907.51

Please Sign and Return to:
San Joaquin Valley APCD
1990 East Gettysburg Avenue
Fresno, CA 93726

Facility ID # S - 37
TAD # 15 - 37
SIC # 2911 NAICS 324110
Facility Name KERN OIL & REFINING CO.
TOXID # 50130
Planning Inventory: 3170

CHECK BOX IF PROCESS RATES ARE CONFIDENTIAL :

Y

Note: NH3 emissions are in lbs / yr

Device ID #	Process #	Equipment Type	Yearly Process Rate	Units	NOX Lb / Unit	VOC Lb / Unit	SOX Lb / Unit	CO Lb / Unit	PM10 Lb / Unit	NH3 Lb / Unit	
				Source Classification Code							
84	1	165 bhp Natural Gas IC Engine	5.804033	MILLION CUBIC FEET	41.7	.0	.0	2342.9	0	0	
				20200202	.12	.0	.0	6.8	.0	.0	(Tons/Yr)
85	1	165 bhp Natural Gas IC Engine	5.017103	MILLION CUBIC FEET	45.2	0	.0	1929.3	0	0	
				20200202	.11	.0	.0	4.84	.0	.0	(Tons/Yr)
86	1	165 bhp Natural-Gas IC Engine	9.150024	MILLION CUBIC FEET	51.8	0	.0	1852.1	0	0	
				20200202	.24	.0	.0	8.47	.0	.0	(Tons/Yr)
87	1	120 bhp Natural Gas IC Engine	7.019999	MILLION CUBIC FEET	54.8	0	.0	1226.0	0	0	
				20200202	.19	.0	.0	4.3	.0	.0	(Tons/Yr)
88	1	120 bhp Natural Gas IC Engine	6.080922	MILLION CUBIC FEET	55.0	0	.0	2005.7	0	0	
				20200202	.17	.0	.0	6.1	.0	.0	(Tons/Yr)
90	1	105,000 Gal Fixed Roof Organic Liq Tank	0	1000 GALLONS THROUGHPUT	0	0	.0	.0	0	0	
				40301099	.0	.0	.0	.0	.0	.0	(Tons/Yr)
91	1	105,000 Gal Fixed Roof Organic Liq Tank	0	1000 GALLONS THROUGHPUT	0	0	.0	.0	0	0	
				40301099	.0	.0	.0	.0	.0	.0	(Tons/Yr)
92	1	180 bhp Natural Gas IC Engine	7.21	MILLION CUBIC FEET	19.3	0	.0	233.4	0	0	
				20200202	.07	.0	.0	.84	.0	.0	(Tons/Yr)
95	1	Tank# 10003 w/carbon cannister	3129.42	1000 GALLONS THROUGHPUT	0	0	.0	.0	0	0	
				40301099	.0	.0	.0	.0	.0	.0	(Tons/Yr)
96	1	Tank# 10004 w/carbon cannister	0	1000 GALLONS THROUGHPUT	0	.14	.0	.0	0	0	
				40301099	.0	.0	.0	.0	.0	.0	(Tons/Yr)
97	1	126,000 Gal Fixed Roof Organic Liq Tank	0	1000 GALLONS THROUGHPUT	0	0	.0	.0	0	0	
				40301099	.0	.0	.0	.0	.0	.0	(Tons/Yr)
100	1	180 bhp Natural Gas IC Engine	3.47	MILLION CUBIC FEET	31.8	0	.0	2359.7	0	0	
				20200202	.06	.0	.0	4.09	.0	.0	(Tons/Yr)
101	1	180 bhp Natural Gas IC Engine	3.89	MILLION CUBIC FEET	36.4	0	.0	2940.3	0	0	
				20200202	.07	.0	.0	5.72	.0	.0	(Tons/Yr)
103	1	49 MMBtu/hr NG Boiler #11	60.3157	MILLION CUBIC FEET BURNED	36.14	5.4	.0	186.5	7.5	0	
				10200602	1.09	.02	.0	.8	.03	.0	(Tons/Yr)
107	1	LPG, NG, Hydrocarbon Load/Unload Op	0	1000 GALLONS TRANSFERRED	0	0	.0	.0	0	0	
				40400250	.0	.0	.0	.0	.0	.0	(Tons/Yr)

Last Updated By LAUDIGB

2015 Emission Inventory

2016 Emission Inventory

Emission Statement - Calendar Year 2016 Emissions

Date / Time Printed 04/13/2017 9:46:04 AM

UTM Zone : 11
 UTM East : 325,564
 UTM North : 3907,51

Please Sign and Return to:
 San Joaquin Valley APCD
 1990 East Gettysburg Avenue
 Fresno, CA 93726

Facility ID # S - 37
 TAD # 15 - 37
 SIC # 2911
 Facility Name NAICS 324110
 KERN OIL & REFINING CO
 TOXID # 50130
 Planning Inventory: 3170

Y **CHECK BOX IF PROCESS RATES ARE CONFIDENTIAL :**

Device ID #	Process #	Equipment Type	Yearly Process Rate	Units Source Classification Code	NOX Lb / Unit	VOC Lb / Unit	SOX Lb / Unit	CO Lb / Unit	PM10 Lb / Unit	NH3 Lb / Unit	Note: NH3 emissions are in lbs / yr
101	1	180 bhp IC Engine - NG	3.1	MILLION CUBIC FEET 20200202	36.4	120.0	.59	2940.3	38.4	.0	
103	1	49 MMBtu/hr Boiler #11 - NG	105.65	MILLION CUBIC FEET BURNED 10200602	22.34	5.41	.59	170.08	7.48	.0	
107	1	LP-G, NG, Hydrocarbon Load/Unload Cp	87.41	1000 GALLONS TRANSFERRED 40400250	.0	.03	.0	.0	.0	.0	
108	1	5,000 BBL Pressure Vessel	0	1000 GALLONS THROUGHPUT 40781699	.0	.0	.0	.0	.0	.0	
109	1	5,000 BBL Pressure Vessel	0	1000 GALLONS THROUGHPUT 40781699	.0	.0	.0	.0	.0	.0	
111	1	55,000 BBL Float Roof Tank	111.3	1000 GALLONS THROUGHPUT 40301099	.0	10.91	.0	.0	.0	.0	
114	1	23 MMBtu/hr Combustion - NG	462.74	MILLION CUBIC FEET BURNED 20200203	7.18	2.14	10.88	1.2	7.14	1145.02	
116	1	14.1 MMBtu/hr Splitter Heater - NG	85.34	MILLION CUBIC FEET BURNED 30600105	1.66	.5	2.52	.28	1.65	529846.54	
118	1	23.7 MMBtu/hr Naptha Hydrotreater - NG	170.34	MILLION CUBIC FEET BURNED 30600105	.98	.18	.02	.61	.24	.0	
119	1	55.3 MMBtu/hr-NG Naptha Reformer Heaters	315.95	MILLION CUBIC FEET BURNED 30600105	12.42	5.41	.59	6.0	7.48	.0	
120	1	Amine System	0	1000 BBL REFINERY FEED 30600603	3.77	.9	.09	.21	1.18	.0	
121	1	Sour Water System	0	1000 BBL REFINERY FEED 30600603	.0	.0	.0	.0	.0	.0	
122	1	2.5 MMBtu/hr SRU Incinerator - NG	644.82	MILLION CUBIC FEET BURNED 30600105	58.93	5.5	8.67	1.07	14.18	.0	
123	1	481 bhp Emerg IC Engine-Testing - Diesel	0.88	1000 GALLONS BURNED 20200102	604.25	48.59	1.16	126.0	41.49	.0	
123	2	481 bhp Emerg IC Engine-Emergency - Diesel	0	1000 GALLONS BURNED 20200102	615.38	48.72	2.1	128.21	51.28	.0	

Last Updated By LAUDIGB



MAR 22 2018

Melinda Hicks
Kern Oil & Refining Co.
7724 E. Panama Lane
Bakersfield, CA 93307

Re: Notice of Incomplete Application
Facility Number: S-37
Project Number: S-1180895

Dear Ms. Hicks:

The District has received your Permit to Operate application for emissions reduction credits for the permanent shutdown of boiler '103, at Panama Ln & Weedpatch Hwy, Bakersfield. Based on our preliminary review, the application has been determined to be incomplete. The following information is required prior to further processing:

Please provide historical actual monthly fuel usage and the higher heating value (hhv) of the fuel combusted in permit unit S-37-103 for the period of October 2015, through September 2017, or provide historical actual monthly fuel usage and hhv of the fuel for the period spanning October 2012, through September 2017, if this period is more representative of normal operation of the boiler.

In addition, the District has determined that the application filing fee has not been fully paid. Payment of the attached invoice is required prior to further processing.

In response, please refer to the above project number, and send to the attention of Mr. Stephen Leonard.

Please submit the requested information within 30 days. The District will not be able to process your application until this information is received and the attached invoice is paid in full.

Thank you for your cooperation in this matter. If you have any questions, please contact

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

MAR 22 2018

Ms. Hicks

Page 2

Mr. Stephen Leonard at (661) 392-5605.

Sincerely,

Arnaud Marjollet
Director of Permit Services



Leonard Scandura, P.E.
Permit Services Manager

AM:spl

Attachment



San Joaquin Valley
AIR POLLUTION CONTROL DISTRICT

Due Date
4/20/2018

Amount Due
\$ 832.00

Amount Enclosed

ERCFEE S1180895
37 S138050 3/21/2018

RETURN THIS TOP PORTION ONLY, WITH REMITTANCE TO:

KERN OIL & REFINING CO
7724 E PANAMA LN
BAKERSFIELD, CA 93307-9210

SJVAPCD
34946 Flyover Court
Bakersfield, CA 93308

Thank You!



San Joaquin Valley
AIR POLLUTION CONTROL DISTRICT

SJVAPCD Tax ID: 77-0262563

Facility ID
S37

Invoice Date
3/21/2018

Invoice Number
S138050

Invoice Type
Project: S1180895

KERN OIL & REFINING CO
PANAMA LN & WEEDPATCH HWY
BAKERSFIELD, CA 93307-9210

PROJECT NUMBER: 1180895

APPLICATION FILING FEES	\$ 832.00
LESS PREVIOUSLY PAID PROJECT FEES APPLIED TO THIS INVOICE	\$ 0.00
PROJECT FEES DUE (Enclosed is a detailed statement outlining the fees for each item.)	\$ 832.00

Invoice Detail

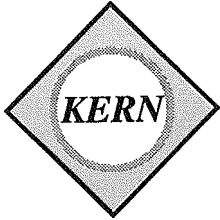
Facility ID: S37

KERN OIL & REFINING CO
PANAMA LN & WEEDPATCH HWY
BAKERSFIELD, CA 93307-9210

Invoice Nbr: S138050
Invoice Date: 3/21/2018
Page: 1

Application Filing Fees

Project Nbr	Permit Number	Description	Application Fee
S1180895	S-37-1180895-0	Emission Reduction Credit Banking Evaluation Fee	\$ 832.00
Total Application Filing Fees:			\$ 832.00



Kern Oil & Refining Co.

7724 E. PANAMA LANE
BAKERSFIELD, CALIFORNIA 93307-9210
(661) 845-0761 FAX (661) 845-0330

February 15, 2018

RECEIVED
FEB 20 2018
SJVAPCD
Southern Region

Mr. Leonard Scandura
Permit Services Manager
San Joaquin Valley Unified APCD
34946 Flyover Ct.
Bakersfield, CA 93308

**Subject: ERC Banking Application
Facility ID#: S-37**

Dear Mr. Scandura:

Kern Oil & Refining Co. (Kern) is submitting the attached Application for Emission Reduction Credit (ERC) Banking. Kern is requesting ERCs from the reduction in all criteria pollutant emissions resultant from the permanent shutdown of the boiler listed in PTO S-37-103-10.

Please be advised that Kern will pay application fees using the District Electronic Fund Transfer (EFT) program. Kern will complete the electronic payment transaction for the \$832.00 application fee upon notification of the assigned APCD project number.

If you have any questions or need further information, please feel free to contact me at (661) 845-0761 or Nicholas Diercks of EnviroTech at (661) 377-0073 x13.

Sincerely,

Melinda Hicks
Government Affairs Manager

Attachments


cc: Nicholas Diercks

San Joaquin Valley Air Pollution Control District

Application for

EMISSION REDUCTION CREDIT (ERC)

CONSOLIDATION OF ERC CERTIFICATES

1. ERC TO BE ISSUED TO: Kern Oil & Refining Co.		Facility ID: <u>S - 37</u> (if known)				
2. MAILING ADDRESS: Street/P.O. Box: <u>7724 Panama Ln.</u> City: <u>Bakersfield</u> State: <u>CA</u> Zip Code: <u>93307</u>						
3. LOCATION OF REDUCTION: Street: <u>7724 Panama Ln.</u> City: <u>Bakersfield</u> <u> </u> /4 SECTION <u> </u> TOWNSHIP <u> </u> RANGE <u> </u>	4. DATE OF REDUCTION: <u>9/15/2017</u>					
5. PERMIT NO(S): <u>S-37-103-10</u> 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: <u>Boiler listed on PTO S-37-103-10 was permanently shutdown on 9/15/2017.</u> <div style="text-align: right; font-size: small;">(Use additional sheets if necessary)</div>						
7. REQUESTED ERCs: (In pounds per calendar quarter except CO ₂ e) <u>See Attachments</u>						
	VOC	NOx	CO	PM ₁₀	SOx	Other
1 st Qtr	70	513	2,221	97	7	
2 nd Qtr	70	513	2,221	97	7	
3 rd Qtr	70	513	2,221	97	7	
4 th Qtr	69	513	2,220	96	6	
CO ₂ e metric ton/yr						
8. SIGNATURE OF APPLICANT: 			TYPE OR PRINT TITLE OF APPLICANT: <u>Government Affairs Mgr.</u>			
9. TYPE OR PRINT NAME OF APPLICANT: <u>Melinda L. Hicks</u>			DATE: <u>2/15/2018</u>	PHONE #: (661) 845-0761 CELL PHONE #: FAX #: (661) 845-0330 E-MAIL: <u>mhicks@kernoil.com</u>		

FOR APCD USE ONLY:

DATE STAMP RECEIVED FEB 20 2018	FILING FEE RECEIVED: \$ <u>NO \$</u> DATE PAID: PROJECT NO.: <u>S-1180895</u> FACILITY ID.: <u>S-37</u>
--	---

ATTACHMENT A
CALCULATED ERCS

NOx	
1.09	2015 Tons (EI)
1.19	2016 Tons (EI)
1.14	2015/2016 Avg Tons
(0.11)	10% ERC adjustment
1.03	tons net
2,052	lbs net
513	lbs QTR

VOC	
0.02	2015 Tons (EI)
0.29	2016 Tons (EI)
0.16	2015/2016 Avg Tons
(0.02)	10% ERC adjustment
0.14	tons net
279	lbs net
69.75	lbs QTR

SOx	
0	2015 Tons (EI)
0.03	2016 Tons (EI)
0.02	2015/2016 Avg Tons
(0.00)	10% ERC adjustment
0.01	tons net
27	lbs net
6.75	lbs QTR

CO	
0.8	2015 Tons (EI)
9.07	2016 Tons (EI)
4.94	2015/2016 Avg Tons
(0.49)	10% ERC adjustment
4.44	tons net
8,883	lbs net
2220.75	lbs QTR

PM10	
0.03	2015 Tons (EI)
0.4	2016 Tons (EI)
0.22	2015/2016 Avg Tons
(0.02)	10% ERC adjustment
0.19	tons net
387	lbs net
96.75	lbs QTR

ATTACHMENT B

EMISSION INVENTORY DATA

Date / Time Printed 05/06/2016
2 48.20 PM

Emission Statement - Calendar Year 2015 Emissions

UTM Zone : 11
UTM East: 325.564
UTM North: 3907.51

Please Sign and Return to:
San Joaquin Valley APCD
1990 East Gettysburg Avenue
Fresno, CA 93726

Facility ID # S - 37
TAD # 15 - 37
SIC # 2911 NAICS 324110
Facility Name KERN OIL & REFINING CO.
TOXID # 50130
Planning Inventory: 3170

CHECK BOX IF PROCESS RATES ARE CONFIDENTIAL :

Y

Note: NH3 emissions are in lbs / yr

Device ID #	Process #	Equipment Type	Yearly Process Rate	Units	NOX Lb / Unit	VOC Lb / Unit	SOX Lb / Unit	CO Lb / Unit	PM10 Lb / Unit	NH3 Lb / Unit	
				Source Classification Code							
84	1	165 bhp Natural Gas IC Engine	5.804033	MILLION CUBIC FEET	41.7	.0	.0	2342.9	0	0	
				20200202	.12	.0	.0	6.8	.0	.0	(Tons/Yr)
85	1	165 bhp Natural Gas IC Engine	5.017103	MILLION CUBIC FEET	45.2	0	.0	1929.3	0	0	
				20200202	.11	.0	.0	4.84	.0	.0	(Tons/Yr)
86	1	165 bhp Natural-Gas IC Engine	9.150024	MILLION CUBIC FEET	51.8	0	.0	1852.1	0	0	
				20200202	.24	.0	.0	8.47	.0	.0	(Tons/Yr)
87	1	120 bhp Natural Gas IC Engine	7.019999	MILLION CUBIC FEET	54.8	0	.0	1226.0	0	0	
				20200202	.19	.0	.0	4.3	.0	.0	(Tons/Yr)
88	1	120 bhp Natural Gas IC Engine	6.080922	MILLION CUBIC FEET	55.0	0	.0	2005.7	0	0	
				20200202	.17	.0	.0	6.1	.0	.0	(Tons/Yr)
90	1	105,000 Gal Fixed Roof Organic Liq Tank	0	1000 GALLONS THROUGHPUT	0	0	.0	0	0	0	
				40301099	.0	.0	.0	.0	.0	.0	(Tons/Yr)
91	1	105,000 Gal Fixed Roof Organic Liq Tank	0	1000 GALLONS THROUGHPUT	0	0	.0	0	0	0	
				40301099	.0	.0	.0	.0	.0	.0	(Tons/Yr)
92	1	180 bhp Natural Gas IC Engine	7.21	MILLION CUBIC FEET	19.3	0	.0	233.4	0	0	
				20200202	.07	.0	.0	.84	.0	.0	(Tons/Yr)
95	1	Tank# 10003 w/carbon cannister	3129.42	1000 GALLONS THROUGHPUT	0	0	.0	0	0	0	
				40301099	.0	.0	.0	.0	.0	.0	(Tons/Yr)
96	1	Tank# 10004 w/carbon cannister	0	1000 GALLONS THROUGHPUT	0	.14	.0	0	0	0	
				40301099	.0	.0	.0	.0	.0	.0	(Tons/Yr)
97	1	126,000 Gal Fixed Roof Organic Liq Tank	0	1000 GALLONS THROUGHPUT	0	0	.0	0	0	0	
				40301099	.0	.0	.0	.0	.0	.0	(Tons/Yr)
100	1	180 bhp Natural Gas IC Engine	3.47	MILLION CUBIC FEET	31.8	0	.0	2359.7	0	0	
				20200202	.06	.0	.0	4.09	.0	.0	(Tons/Yr)
101	1	180 bhp Natural Gas IC Engine	3.89	MILLION CUBIC FEET	36.4	0	.0	2940.3	0	0	
				20200202	.07	.0	.0	5.72	.0	.0	(Tons/Yr)
103	1	49 MMBtu/hr NG Boiler #11	60.3157	MILLION CUBIC FEET BURNED	36.14	5.4	.0	186.5	7.5	0	
				10200602	1.09	.02	.0	.8	.03	.0	(Tons/Yr)
107	1	LPG, NG, Hydrocarbon Load/Unload Op	0	1000 GALLONS TRANSFERRED	0	0	.0	0	0	0	
				40400250	.0	.0	.0	.0	.0	.0	(Tons/Yr)

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2015 Emission Inventory

2016 Emission Inventory

Emission Statement - Calendar Year 2016 Emissions

Date / Time Printed: 04/13/2017 9:46:04 AM

UTM Zone: 11
 UTM East: 325,564
 UTM North: 3907,51

Please Sign and Return to:
 San Joaquin Valley APCD
 1990 East Gettysburg Avenue
 Fresno, CA 93726

Facility ID #: S - 37
 TAD #: 15 - 37
 SIC #: 2911
 Facility Name: KERN OIL & REFINING CO
 TOXID #: 50130
 Planning Inventory: 3170

Y

CHECK BOX IF PROCESS RATES ARE CONFIDENTIAL :

Device ID #	Process #	Equipment Type	Yearly Process Rate	Units		NOX Lb / Unit	VOC Lb / Unit	SOX Lb / Unit	CO Lb / Unit	PM10 Lb / Unit	NH3 Lb / Unit	Note: NH3 emissions are in lbs / yr
				Source Classification Code	Source Classification Code							
101	1	180 bhp IC Engine - NG	3.1	MILLION CUBIC FEET	20200202	36.4	120.0	.59	2940.3	38.4	.0	
103	1	49 MMBtu/hr Boiler #11 - NG	105.65	MILLION CUBIC FEET BURNED		22.34	5.41	.59	170.08	7.48	.0	
107	1	LP-G, NG, Hydrocarbon Load/Unload Cp	87.41	1000 GALLONS TRANSFERRED		1.19	.29	.03	9.07	.4	.0	
108	1	5,000 BBL Pressure Vessel	0	40400250		.0	.0	.0	.0	.0	.0	
109	1	5,000 BBL Pressure Vessel	0	1000 GALLONS THROUGHPUT		.0	.0	.0	.0	.0	.0	
111	1	55,000 BBL Float Roof Tank	111.3	40781699		.0	.0	.0	.0	.0	.0	
114	1	23 MMBtu/hr Combustion - NG	462.74	1000 GALLONS THROUGHPUT		.0	10.91	.0	.0	.0	.0	
116	1	14.1 MMBtu/hr Splitter Heater - NG	85.34	40301099		7.18	2.14	10.88	1.2	7.14	1145.02	
118	1	23.7 MMBtu/hr Naptha Hydrotreater - NG	170.34	MILLION CUBIC FEET BURNED		1.66	.5	2.52	.28	1.65	529846.54	
119	1	55.3 MMBtu/hr-NG Naptha Reformer Heaters	315.95	20200203		30.44	5.41	.59	15.68	7.48	.0	
120	1	Amine System	0	MILLION CUBIC FEET BURNED		.98	.18	.02	.61	.24	.0	
121	1	Sour Water System	0	MILLION CUBIC FEET BURNED		12.42	5.41	.59	6.0	7.48	.0	
122	1	2.5 MMBtu/hr SRU Incinerator - NG	644.82	30600105		1.06	.46	.05	.51	.64	.0	
123	1	481 bhp Emerg IC Engine-Testing - Diesel	0.88	MILLION CUBIC FEET BURNED		23.85	5.72	.59	1.35	7.48	.0	
123	2	481 bhp Emerg IC Engine-Emergency - Diesel	0	30600105		3.77	.9	.09	.21	1.18	.0	
				1000 BBLs REFINERY FEED		.0	.0	.0	.0	.0	.0	
				1000 BBLs REFINERY FEED		.0	.0	.0	.0	.0	.0	
				MILLION CUBIC FEET BURNED		58.93	5.5	8.67	1.07	14.18	.0	
				1000 GALLONS BURNED		18.0	1.77	2.8	.34	4.57	.0	
				202000102		604.25	48.59	1.16	126.0	41.49	.0	
				1000 GALLONS BURNED		27.38	.02	.0	.06	.02	.0	
				202000102		615.38	48.72	21	128.21	51.28	.0	
				1000 GALLONS BURNED		.0	.0	.0	.0	.0	.0	

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