



DECISION OF ISSUANCE NO. 066

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I. GENERAL INFORMATION

- a. ERC Owner/Percent Ownership: William (Wm.) Bolthouse Farms, Inc.
- b. Primary Contact Name: Mr. Michael Kovacevich
Primary Contact Company: Wm. Bolthouse Farms, Inc.
- c. ERC Application Date: February 22, 2010
- d. ERC Application Completeness Date: March 19, 2010
- e. ERC Stationary Source Name: Wm. Bolthouse Farms, Inc.
ERC Stationary Source Number: 10344
- f. ERC Facility Name: Wm. Bolthouse Farms, Inc.
ERC Facility Number: 10459
- g. ERC Source: [] ATC Permit Required. ATC Number: _____
 [] Registration Canceled. Reg Number: _____
 [x] PTO Required. PTO No: TBD
 [] Exempt. Cite: _____
- h. ERC Zone: Cuyama
- i. ERC Source Type: Agricultural

II. BACKGROUND

This Emission Reduction Credit (ERC) application is for the creation of NO_x, ROC, CO, PM and PM₁₀ ERCs due to the replacement of 3 diesel water well pump engines with electric motors. The stationary engines are located on two sites within the entire farm. One site has a deep well pump coupled with a stationary booster pump. The water well pumps are used for crop irrigation. Wm. Bolthouse Farms' Cuyama operations are subject to the permitting requirements of SB700, and currently are required to maintain a Title V Operating permit.

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III. EMISSION REDUCTION CREDIT QUALIFICATION

a. Total DOI ERCs Approved:

NOx	=	1.741 tpq	6.962 tpy
ROC	=	0.000 tpq	0.000 tpy
CO	=	0.000 tpq	0.000 tpy
PM	=	0.002 tpq	0.009 tpy
PM10	=	0.002 tpq	0.009 tpy

b. Number of Emission Elements: 1

c. Emission Element Data

c.1 Emission Element Name: Water Well Pumps –three Stationary Diesel IC Engines

- EE/DOI Number: 01/066

- Emission Element Description: A total of 3 agricultural water well pumps powered by stationary diesel reciprocating internal combustion engines. The engines will be replaced by electric motors. Specific engine data is attached.

- ERC Baseline: The three year emissions baseline is based on source test data, three years of hourly operational records and 2008 fuel rate data for each engine (as documented in the application). No adjustments to source tested emission factors were necessary since the engines complied with the emissions standards required by Rule 333 (RACT).

- Technical Uncertainty Factor Used? [] Yes [x] No

- ERC Due To: [x] Electrification of existing process (3 water well pumps)

- For Shutdowns/Reduction in Throughput: n/a (existing process remains, no shutdown)

[] BACT Discounted

[] 20 Percent Minimum Discount

- RACT/SIP/ATCM Discounted [] Yes [X] No

- RACT/SIP/ATCM Applicable Rules: The three diesel-fired reciprocating IC engines are subject to District permit and Rule 333 NOx diesel emission standards. All of the engines tested below the RACT required NOx level. In addition, all three units are In-Use engines that meet the ATCM definition as remotely located engines, and so the ATCM emission standards do not apply. Thus no discounts have been made due to Rule requirements.

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- ERC Adjustment to Tier 4 control: The approved ERCs do not reflect control from the baseline emissions levels down to the zero emissions level (i.e., 100% control). Credit was granted only to Tier 4 emission levels to allow flexibility for future owners and operators to use diesel powered engines to drive water pumps. The Tier 4 level applies since the stationary ATCM requires any future engine installations to comply with the Tier 4 standards. Since CO and ROC test results were less than the Tier 4 emission factors for each engine, the Tier 4 adjustment resulted in zero credits for CO and ROC. The approved ERCs (item a. above) reflect the Tier 4 adjustment.

- Special ERC Restrictions? Yes No

The ERCs are not approved for use on new NSR major source projects or major modifications to existing major sources (i.e. not valid as federal ERCs).

- ERC Termination Date: none

- Are There Emission Element-Specific Conditions? Yes No

(1) Well Pump Operations. All water well pumping operations at the designated wells listed in Exhibit 1 shall be powered by electric motors or shall be powered by a USEPA certified Tier 4 diesel engine. This requirement applies to any water well pump, including any coupled stationary booster pump for the wells listed in Exhibit 1 below. This requirement applies to the land owner (s) of the parcels (APN) listed below, the owner of the engine and the operator of the engine as will be listed on the Permit to Operate (PTO) required for the ERCs. The only exception to the Tier 4 requirements are when:

- (a) When a well is permanently lost (runs dry, or reaches end of useful life) and a replacement well is drilled before the year 2011. In this case, a USEPA certified Tier 3 diesel engine may be operated for a period not exceeding six months solely to allow for all electrical work to be completed in order to initiate pumping on the new well by electric motor.
- (b) During an electrical failure of an electric powered well pump. In this case, a PERP engine of the latest Tier available for the horsepower rating of the engine may be used for a temporary period not to exceed two months.

Exhibit 1

Site name	Well Number	Engine Serial #	Longitude	Latitude	APN
Riverside East	IRR 205	46233198	34° 55' 12.299" N	119° 35'11.45" W	149-150-39
Riverside East	IRR 205	14035517	34° 55' 12.299" N	119° 35'11.45" W	149-150-39
KP3	IRR 131	14035505	34° 54' 58.626" N	119° 35'17.714" W	149-150-39

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- (2) New Wells. All new water wells that are commissioned or operated on any Santa Barbara County land parcel comprising the Wm. Bolthouse Farms Cuyama stationary source shall be equipped with electrically powered water pumps or shall be powered by a USEPA certified Tier 4 diesel engine. This provision applies to any new wells in San Luis Obispo County that tie into the common distribution system serving parcels in Santa Barbara County. Temporary Tier 3 replacement wells are allowed in accordance with condition 1(a) above.
- (3) Shift-in- Load. On a three calendar year rolling basis, the average hours of operation for each well pump shall be equal to or greater than the number of hours specified in Exhibit 2 below. This requirement shall also apply to any well that replaces a well listed in Exhibit 2. The only exceptions to this condition are:
- (a) If a well is permanently shut-down, then the year in which it was shut-down may be excluded from the averaging period.
 - (b) If no hours are recorded for all diesel pumping engines and coupled diesel stationary booster engines at the stationary source in a particular year, then that year may be excluded from the averaging period.
 - (c) If a catastrophic event (e.g., disease that decimates the field crops) occurs that drastically reduces water demand at the Cuyama fields to levels well below historic water use, then the minimum requirement may be waived by the APCD.

Operating hours shall be verified through individual non-resettable hour meters on each electric motor. The hour requirements in this condition will no longer apply if all wells on all ranch properties at the stationary source are electrified.

Exhibit 2

Pump Unit	Site name	Well Number	Minumum hours	Latitude	Longitude	APN
Booster Pump	Riverside East	IRR 205	3762	34° 55' 12.299" N	119° 35'11.45" W	149-150-39
Deep Well	Riverside East	IRR 205	3546	34° 55' 12.299" N	119° 35'11.45" W	149-150-39
Deep Well	KP3	IRR 131	3054	34° 54' 58.626" N	119° 35'17.714" W	149-150-39

- (4) Portable Booster Pumping. Portable booster pump engines powered by any fuel shall not be used for the direct pumping of water from underground reservoirs for any of the water wells identified in Conditions 1 and 3 above unless powered by a USEPA certified Tier 4 diesel engine. This provision includes booster pump operations directly associated with the water wells.
- (5) Disposal of Water Pump Engines. Wm. Bolthouse Farms shall provide the following information to the District regarding the disposition of the water pump engines identified in Exhibit 1 above:

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- (a) Proof of installation of the new replacement electric motors.
 - (b) Written certification or signed declaration from Wm. Bolthouse Farms along with proof that the original diesel-fueled engines are destroyed, sold, or otherwise transferred or relocated to a new owner who operates the engine outside of the State of California with the location and identity of the new owner, if applicable, along with a copy of a written notification informing the new owner that the original engine must not be operated, sold, or otherwise transferred or delivered in the State of California.
- (6) Permit to Operate. To enforce the conditions of this DOI, a District Permit to Operate (PTO) is required to be maintained jointly by the owner of the farm equipment, each owner of the farm parcels listed in Exhibit 1 above, and the operator of the equipment. This permit is required to be in place for the life of the farming operation in accordance with the findings made by the APCD Board of Directors per California Health and Safety Code 42301.16 (Resolution 09-11 on 08/20/09) providing the District the authority to require permits for any agricultural source generating ERCs. The PTO shall remain in place and is enforceable for the life of the ERCs even if the agricultural source reduces its pollution levels below the permit thresholds in SB 700 or if all emission units are removed from the source. A permit transfer shall be executed in accordance with APCD Rule 203 within 30 days whenever there is a change in owner of the equipment, owner of the farm land, or operator of the equipment.
- (7) Life of DOI. This Decision of Issuance #066 remains active for the life of the ERCs. This is defined as (a) the ERCs are being used by a project as approved by the APCD, or (b) the ERCs remain unused in an active ERC Certificate.
- (8) Replacement Engines. Prior to replacing an electric motor on a well with a temporary Tier 3 or permanent Tier 4 engine, Wm. Bolthouse Farms shall notify the District and obtain a District permit or a registration as required by State and APCD rules.
- (9) Records and Reporting. For each agricultural well pump, Wm. Bolthouse Farms shall maintain records of the items listed below. These records shall be submitted to the District within 14 days upon written request from the District.
- (a) The location of the agricultural pump (parcel number, ranch ID, well ID, and geographic coordinates).
 - (b) Well ID, electric motor make, model, model year, and serial number.
 - (c) When an agricultural pump motor is replaced due to loss or malfunction, identification of each replaced and replacement agricultural pump including make, model, model year, and serial number. The reason for the replacement.
 - (d) The date, time, Tier, make, model, year of any diesel engine replacing an electric motor.
 - (e) The hours of operation of each well pump, and calendar year hours to date for any well pump motor that is replaced.
 - (f) Date and well ID of each new well installed, and hours of operation.

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rate data obtained during source testing (performed at a later date) was lower than the 72 hour test period. In these cases, the source test fuel rate data was applied. The District's administrative file for this project contains the 72 hour fuel monitoring records for each engine and the source test fuel rates. The source test measured rates are documented in the source test reports. The resultant fuel rates were multiplied by the corresponding engine operating hours to derive actual annual fuel consumed in the engine each year of the baseline period. The hours data were based on hour meter (totalizer) records for each engine by year and is contained in the District's administrative files. The ERCs are based on a 3 year emissions baseline (2007-2009). The derived fuel use for that 3 year period and the source tested emission factors, or surplus adjusted factors form the basis for the ERCs. The proposed ERCs are considered quantifiable.


Permanency- In order to avoid a shift-in-load, each well equipped with an electric motor or Tier 4 engine for ERC credit must operate a minimum number of hours per year consistent with the baseline hours operation data that form the basis of the ERCs. This will ensure that water demand historically served by these wells is not disproportionately shifted to other well pumps in the field powered by engines with higher emissions. The minimum hours for each well are specified as a condition of this DOI, and allow for a three year rolling average criterion to address year-to-year variability in water required by the fields. With the DOI conditioned accordingly, and a permit in place to enforce the hours requirements, the proposed ERCs are considered permanent.

Enforceability- A mechanism is necessary to ensure that Bolthouse Farms and future owners/operators of the ranches will continue to use electric motors or Tier 4 engines to power stationary water well pumps subject to this DOI. Although Bolthouse's Cuyama operations are currently subject to permit under SB700, permits are not required for an agricultural stationary source under SB700 if emissions fall below specified thresholds. Thus, there is no assurance that Bolthouse or a future farm operator will be required to retain permits under SB700. In general to address this uncertainty and to ensure the permanency of ERCs, the District will require permits for all agricultural sources that voluntarily propose to create ERCs. To implement this requirement, the APCD Board of Directors has made required findings per SB700 /H&SC 42301.16 (per Resolution 09-11 on 08/20/09) that provides the District the authority to require permits for agricultural sources generating ERCs. These permits shall remain in place and will be enforceable for the life of the ERCs even if the agricultural source reduces its pollution levels below the permit thresholds in SB 700 or if all emission units are removed from the source. In addition, such permits will have a transfer condition in accordance with APCD Rule 203, requiring application for a permit transfer within 30 days whenever there is a change in owner of the equipment, owner of the farm land, or operator of the equipment. The permits will be issued jointly to the owner of the farm equipment, each owner of the farm land, and the operator of the equipment. With these permitting requirements, the proposed ERCs are considered enforceable.

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- e. Recommendation: Based on the ERC application, the analyses contained herein and attachment contained within the DOI, the approval of the ERCs is recommended.

<u>Brian P. Shafritz</u>	<u>4-21-10</u>	<u></u>	<u>4-22-10</u>
Evaluator	Date	Reviewer	Date



AIR POLLUTION CONTROL OFFICER

APR 23 2010

DATE

Attachments:

1. Emission Reduction Credit Calculations

Decision of Issuance No. 066
Attachment 1

DOI 066 Wm. Bolthouse Farms, Inc.
11-Apr-10
ERC Calculations - Baseline Data

ENG ID	Mfgr	Model	bhp	Tier	Family Name	S/N	FUEL USE (gal/yr)			3-Year Average	Remote
							2007	2008	2009		
67	Cummings	QS 5.9	205	2	4CEXL039ABE	46233198	11,360	13,827	11,151	12,113	Yes
133	Cummings	QSX 15	500	2	3CEXL015.AAA	14035517	35,436	49,200	43,020	42,552	Yes
208	Cummings	QSX 15	450	2	3CEXL015.AAA	14035505	25,124	38,148	37,510	33,594	Yes

- Diesel engine data from DOI 066 application (2/22/2010)
- Gal/yr fuel use data calculated from gal/hr baseline times baseline hours

Engine ID	APCD DevID	Use	Mfgr	bhp	Tier	Model	S/N	Fuel	Baseline gal/hr	Stest gal/hr	Lesser gal/hr
67	106709	Booster Pump	Cummings	205	2	QS 5.9	46233198	Diesel	3.22	4.5	3.22
133	106721	Deep Well	Cummings	500	2	QSX 15	14035517	Diesel	14.97	12.0	12.00
208	106715	Deep Well	Cummings	450	2	QSX 15	14035505	Diesel	11.07	11.0	11.00

- Gal/hr fuel use data from baseline fuel collection program or data from baseline source test, whichever is less.
- Baseline fuel collection obtained by engine metering per IC Engine Fuel Monitoring Plan dated 8/1/108
- Fuel from source tests obtained by fuel meter as documented in source test reports

Operator ID	Permit DevID	Baseline Hours		
		2007	2008	2009
67	106709	3528	4294	3463
133	106721	2953	4100	3585
208	106715	2284	3468	3410
				3054

- Hours data from hour meter logs included in DOI 066 application (2/22/2010)

Decision of Issuance No. 066
Attachment 1

DOI 066 Wm. Bolthouse Farms, Inc.
11-Apr-10
ERC Calculations - Emission Factors

ENG ID	Mfgr	Model	bhp	Tier	Family Name	S/N	lb/1000 gal			g/bhp-hr		
							NOx	ROC	CO	PM	PM10	
67	Cummings	QSB 5.9	205	2	4CEXL0359ABE	46233198	324.91	2.21	34.35	0.07	0.07	
133	Cummings	QSX 15	500	2	3CEXL015.AAA	14035517	154.32	1.00	8.35	0.01	0.01	
208	Cummings	QSX 15	450	2	3CEXL015.AAA	14035505	135.90	1.460	12.16	0.01	0.01	

Notes:

- All 3 engines remote per ATCM; PM data from ARB Executive Orders for each engine, if applicable. Actual tested certification values used.
- Source test data from Aeros Environmental reports identified in Table below.
- PM10 to PM ratio assumed to be 0.96:1.00

Aeros Environmental Test Reports

Engine ID #	Test Date	Report ID#
67	7/23/2008	228-5535D
133	8/25/2008	228-5535H
208	9/29/2008	228-5535L

Tier 4 Factors (assume 0.051 gal/bhp-hr efficiency)

	g/bhp-hr	lb/1000 gal
CO	2.6	112.292 engines >= 175HP
NOx	0.3	12.957 engines >= 75 HP
ROC	0.14	6.046 engines >= 75 HP
PM	0.01	0.0096 engines >= 75 HP
PM10	0.0096	(PM10 ratio = 0.96)

Decision of Issuance No. 066
Attachment 1

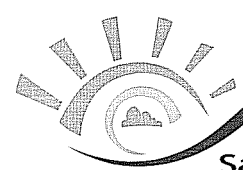
DOI 066 Wm. Bolthouse Farms, Inc.
11-Apr-10
ERC Calculations

ENG ID	Mfgr	Model	bhp	Tier	Family Name	S/N	ERCs - Tons/Year				
							NOx	ROC	CO	PM	PM10
67	Cummings	QS 5.9	205	2	4CEXL0359ABE	46233198	1.889	-0.023	-0.472	0.017	0.016
133	Cummings	QSX 15	500	2	3CEXL015.AAA	14035517	3.008	-0.107	-2.211	-0.004	-0.004
208	Cummings	QSX 15	450	2	3CEXL015.AAA	14035505	2.065	-0.077	-1.682	-0.003	-0.003
							6.962	0.000	0.000	0.009	0.009

ENG ID	Mfgr	Model	bhp	Tier	Family Name	S/N	ERCs - Tons/Quarter				
							NOx	ROC	CO	PM	PM10
67	Cummings	QS 5.9	205	2	4CEXL0359ABE	46233198	0.472	-0.006	-0.118	0.004	0.004
133	Cummings	QSX 15	500	2	3CEXL015.AAA	14035517	0.752	-0.027	-0.553	-0.001	-0.001
208	Cummings	QSX 15	450	2	3CEXL015.AAA	14035505	0.516	-0.019	-0.420	-0.001	-0.001
							1.741	0.000	0.000	0.002	0.002

Notes:

- Engines are all replaced by electric motors.
- PM/PM10 emissions based on assumed BSFC of 0.051 gal/bhp-hr and actual fuel use.
- ERCs adjusted to reflect Tier 4 level of control.
- Sum of Tier 4 adjusted ERCs only include positive values.



**Santa Barbara County
Air Pollution Control District**

APR 23 2010

*Via Certified Mail 7009 2250 0004 4642 4702
Return Receipt Requested*

Michael Kovacevich
Wm. Bolthouse Farms, Inc.
7200 E. Brundage Lane
Bakersfield, CA 93307-3016

FID: 10459
Permit: TBD
SSID: 10344

Re: Final Decision of Issuance 066

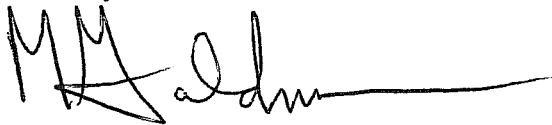
Dear Mr. Kovacevich:

Enclosed is the APCD's final Decision of Issuance (DOI) No. 066 for proposed Emission Reduction Credits due to electrification of water well pumps at Wm. Bolthouse properties located in New Cuyama. The DOI was processed consistent with APCD Rule 806.

The Emission Reduction Credit Certificate will be issued after Condition #5 (disposal of engines) of the DOI is satisfied, and after a permit application is submitted and a Permit to Operate issued per Condition 6 of the DOI.

If you have any questions, please contact Brian Shafritz at (805) 961-8823.

Sincerely,



Michael Goldman, Manager
Engineering & Compliance Division

Enc: Final DOI 066

CC: Marianne Strange (letter only)
Craig Strommen, N. County
ERC Project File (DOI 066)
ECD Chron File