San Joaquin Valley
AIR POLLUTION CONTROL DISTRICT

HEALTHY AIR LIVING™

October 15, 2026

Christine Campbell
G3 Enterprises - Winery Services
502 E Whitmore Ave
Modesto, CA 95358

RE: Notice of Final Action – Emission Reduction Credits
Facility Number: N-8684
Project Number: N-1240135

Dear Ms. Campbell:

The Air Pollution Control Officer has issued Emission Reduction Credits (ERCs) to G3 Enterprises - Winery Services for emission reductions generated by the shutdown of eight wine storage tanks (permit units N-8684-3, '-4, '-5, '-6, '-8, '-9, '-10, and '-11), at 502 E Whitmore Ave in Modesto, CA. The quantity of ERCs issued is 418 lb-VOC/yr.

Enclosed are the ERC Certificates and a copy of the notice of final action that has been posted on the District's website (https://valleyair.org/).

Notice of the District's preliminary decision to issue the ERC Certificates was posted on November 24, 2025. The District's analysis of the proposal was also sent to CARB and US EPA Region IX on November 24, 2025. No comments were received following the District's preliminary decision on this project. The District made a minor revision to the application review to enhance the discussion explaining how the emission reductions from this banking action are real. This revision did not affect the quantity of emission reduction credits issued with this banking action.

Also 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.

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

www.valleyair.org www.healthyairliving.com

Printed on recycled paper.

Thank you for your cooperation in this matter. If you have any questions, please contact Mr. Errol Villegas at (559) 230-6000.

Sincerely,

for Brian Clements
Director of Permit Services

BC:ba

Enclosures

cc: Courtney Graham, CARB (w/enclosure) via email
cc: EPA Region 9 Air Permitting Manager (w/enclosure) via EPS

San Joaquin Valley
AIR POLLUTION CONTROL DISTRICT

HEALTHY AIR LIVING™

Northern Regional Office • 4800 Enterprise Way • Modesto, CA 95356-8718

Emission Reduction Credit Certificate
N-1644-1

ISSUED TO: G3 ENTERPRISES - WINERY SERVICES

ISSUED DATE: January 15, 2026

LOCATION OF REDUCTION: 502 E WHITMORE AVE
MODESTO, CA 95358

For VOC Reductions In The Amount Of:

Quarter 1	Quarter 2	Quarter 3	Quarter 4
104 lbs	104 lbs	105 lbs	105 lbs

Method Of Reduction

[ ] Shutdown of Entire Stationary Source
[X] Shutdown of Emissions Units
[ ] Other

ERC Banking action for the shutdown of eight (8) Wine Storage Tanks (permit units N-8684-3, '-4, '-5, '-6, '-8, '-9, '-10, and '-11)

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.

San Joaquin Valley Unified Air Pollution Control District

Samir Sheikh, Executive Director / APCO

for _____
Brian Clements, Director of Permit Services

1/15/2026 8:10:31 AM -- ALLENB

San Joaquin Valley Air Pollution Control District

ERC Banking Application Review

Shutdown of Wine Storage Tanks

Facility Name:	G3 Enterprises – Winery Services	Date:	October 15, 2026
Mailing Address:	502 E Whitmore Ave Modesto, CA 95358	Engineer: Lead Engineer:	Bradley Allen Brian Clerico
Contact Person:	Christine Campbell		
Telephone:	(209) 341-6713		
E-Mail:	Christine.Campbell@G3Enterprises.com		
Application Received:	January 23, 2024		
Deemed Complete:	February 22, 2024		
Project Number:	N-1240135		
ERC Certificate Numbers:	N-1644-1		

I. Proposal

G3 Enterprises – Winery Services (G3) bottles wines for special events and occasions. G3 has submitted an Emission Reduction Credits (ERCs) banking application for the shutdown of eight wine storage tanks (permit units N-8684-3, '-4, '-5, '-6, '-8, '-9, '-10, and '-11). All permits were surrendered on January 4, 2024. Copies of the surrendered Permits to Operate (PTOs) are included in Appendix A.

The quantity of bankable emission reductions for the shutdown of permit units N-8684-3, '-4, '-5, '-6, '-8, '-9, '-10, and '-11 is summarized in the table below:

Bankable Emission Reduction Credits					
Pollutant	**1st Quarter (lb)**	**2nd Quarter (lb)**	**3rd Quarter (lb)**	**4th Quarter (lb)**	**Total (lb/yr)**
VOC	104	104	105	105	418

Refer to Appendix C for Draft ERC Certificate.

II. Applicable Rules

Rule 2201 New and Modified Stationary Source Review Rule (4/20/2023)
Rule 2301 Emission Reduction Credit Banking (4/20/2023)

III. Project Location

The emissions units were located at 502 E Whitmore Ave in Modesto, CA.

IV. Method of Generating Reductions

The actual emission reductions (AERs) are generated by shutting down eight wine storage tanks as authorized by PTOs N-8684-3, '-4, '-5, '-6, '-8, '-9, '-10, and '-11. The equipment description for each unit is as follows:

N-8684-3-2: 15,084 GALLON NOMINAL (15,255 GALLON GAUGE) STAINLESS STEEL WINE/DISTILLED SPIRITS STORAGE TANK #115 EQUIPPED WITH PRESSURE/VACUUM VALVE AND INSULATION, AND THREE 500 GALLON (EACH) ENCLOSED SURGE TANKS (S-1, S-2, & S-3) SERVING THE BOTTLING OPERATION. THE THREE 500 GALLON (EACH) ENCLOSED SURGE TANKS (S-1, S-2, & S-3) ARE SHARED BY PERMIT UNITS N-8684-3, N-8684-4, N-8684-5, N-8684-6, N-8684-8, AND N-8684-9

N-8684-4-2: 15,084 GALLON NOMINAL (15,255 GALLON GAUGE) STAINLESS STEEL WINE/DISTILLED SPIRITS STORAGE TANK #215 EQUIPPED WITH PRESSURE/VACUUM VALVE AND INSULATION, AND THREE 500 GALLON (EACH) ENCLOSED SURGE TANKS (S-1, S-2, & S-3) SERVING THE BOTTLING OPERATION. THE THREE 500 GALLON (EACH) ENCLOSED SURGE TANKS (S-1, S-2, & S-3) ARE SHARED BY PERMIT UNITS N-8684-3, N-8684-4, N-8684-5, N-8684-6, N-8684-8, AND N-8684-9

N-8684-5-2: 20,113 GALLON NOMINAL (20,271 GALLON GAUGE) STAINLESS STEEL WINE/DISTILLED SPIRITS STORAGE TANK #120 EQUIPPED WITH PRESSURE/VACUUM VALVE AND INSULATION, AND THREE 500 GALLON (EACH) ENCLOSED SURGE TANKS (S-1, S-2, & S-3) SERVING THE BOTTLING OPERATION. THE THREE 500 GALLON (EACH) ENCLOSED SURGE TANKS (S-1, S-2, & S-3) ARE SHARED BY PERMIT UNITS N-8684-3, N-8684-4, N-8684-5, N-8684-6, N-8684-8, AND N-8684-9

N-8684-6-2: 20,113 GALLON NOMINAL (20,271 GALLON GAUGE) STAINLESS STEEL WINE/DISTILLED SPIRITS STORAGE TANK #220 EQUIPPED WITH PRESSURE/VACUUM VALVE AND INSULATION, AND THREE 500 GALLON (EACH) ENCLOSED SURGE TANKS (S-1, S-2, & S-3) SERVING THE BOTTLING OPERATION. THE THREE 500 GALLON (EACH) ENCLOSED SURGE TANKS (S-1, S-2, & S-3) ARE SHARED BY PERMIT UNITS N-8684-3, N-8684-4, N-8684-5, N-8684-6, N-8684-8, AND N-8684-9

N-8684-8-0: 20,113 GALLON NOMINAL (20,271 GALLON GAUGE) STAINLESS STEEL WINE/DISTILLED SPIRITS STORAGE TANK #320 EQUIPPED WITH PRESSURE/VACUUM VALVE AND INSULATION, AND THREE 500 GALLON (EACH) ENCLOSED SURGE TANKS (S-1, S-2, & S-3) SERVING THE BOTTLING OPERATION. THE THREE 500 GALLON (EACH) ENCLOSED SURGE TANKS (S-1, S-2, & S-3) ARE SHARED

BY PERMIT UNITS N-8684-3, N-8684-4, N-8684-5, N-8684-6, N-8684-8, AND N-8684-9

N-8684-9-0: 20,113 GALLON NOMINAL (20,271 GALLON GAUGE) STAINLESS STEEL WINE/DISTILLED SPIRITS STORAGE TANK #420 EQUIPPED WITH PRESSURE/VACUUM VALVE AND INSULATION, AND THREE 500 GALLON (EACH) ENCLOSED SURGE TANKS (S-1, S-2, & S-3) SERVING THE BOTTLING OPERATION. THE THREE 500 GALLON (EACH) ENCLOSED SURGE TANKS (S-1, S-2, & S-3) ARE SHARED BY PERMIT UNITS N-8684-3, N-8684-4, N-8684-5, N-8684-6, N-8684-8, AND N-8684-9

N-8684-10-0: 6,500 GALLON NOMINAL (6,500 GALLON GAUGE) STAINLESS STEEL ENCLOSED TOP WINE STORAGE TANK (TANK #165) WITH PRESSURE/VACUUM VALVE, JACKETED AND CONNECTED TO COOLING SYSTEM, AND LOCATED INDOOR

N-8684-11-0: 6,500 GALLON NOMINAL (6,500 GALLON GAUGE) STAINLESS STEEL ENCLOSED TOP WINE STORAGE TANK (TANK #265) WITH PRESSURE/VACUUM VALVE, JACKETED AND CONNECTED TO COOLING SYSTEM, AND LOCATED INDOOR

V. Calculations

A. Assumptions

- The results of all Historical Actual Emission (HAE) and Actual Emission Reduction (AER) calculations are rounded to the nearest whole number.
- Conversion: 1,000 kg = 1 metric ton

B. Emission Factors

The District has compiled VOC emission factors for wine storage that are a function of the percent ethanol and the region (for ambient temperature) using U.S. EPA Tanks 4.0 software. These emission factors are presented in Table 1 below and are generally used for calculating the permitted or *potential to emit* from wine storage tanks. For calculating the *actual VOC emissions* from wine storage tanks, the District or the permittee uses a regression equation based on the exact percent ethanol and three coefficients derived from a regression analysis of values in Table 1 to calculate an emission factor. This process is described in the following tables and paragraphs.

Table 1 presents VOC emission factors for wine and spirits storage in ambient temperature tanks (non-refrigerated), equipped with insulation and/or located in a climate-controlled building. The tabular values have been developed using the District's emissions modeling procedure for wine and spirits tanks. As shown, different emission factors are presented for tanks located in the three different regions of the District based the prevailing average ambient temperatures in each region. All

emission factors represent working losses only since breathing losses are considered negligible for tanks insulated from diurnal temperature changes.

Table 1: Emission Factors for Wine and Spirits Storage Tanks by Region in the San Joaquin Valley lb-VOC per 1,000 gallons of throughput						
Applicability:	1. Vertical Fixed-Roof tank, insulated or located in climate-controlled building 2. Ambient temperature storage					
	Southern Region		**Central Region**		**Northern Region**	
Vol %	**Annual**	**Daily**	**Annual**	**Daily**	**Annual**	**Daily**
2	0.016	0.029	0.015	0.027	0.014	0.024
4	0.033	0.062	0.032	0.057	0.030	0.051
6	0.052	0.099	0.050	0.092	0.047	0.081
8	0.074	0.141	0.071	0.130	0.067	0.116
10	0.098	0.187	0.094	0.173	0.088	0.154
12	0.125	0.239	0.120	0.221	0.112	0.196
14	0.143	0.273	0.137	0.252	0.128	0.223
16	0.159	0.302	0.153	0.280	0.143	0.248
18	0.176	0.334	0.169	0.310	0.159	0.275
20	0.195	0.368	0.187	0.341	0.175	0.303
22	0.215	0.404	0.207	0.375	0.194	0.333
24	0.237	0.443	0.227	0.412	0.213	0.366
26	0.251	0.470	0.242	0.436	0.227	0.388
28	0.264	0.494	0.254	0.458	0.238	0.408
30	0.278	0.518	0.267	0.481	0.251	0.428
32	0.293	0.544	0.281	0.506	0.264	0.450
34	0.308	0.572	0.296	0.531	0.278	0.473
36	0.324	0.600	0.312	0.559	0.293	0.498
38	0.335	0.620	0.323	0.577	0.303	0.514
40	0.347	0.640	0.334	0.595	0.313	0.530
42	0.358	0.660	0.345	0.614	0.324	0.546
44	0.371	0.681	0.357	0.634	0.335	0.565
46	0.384	0.703	0.370	0.655	0.348	0.584
48	0.396	0.724	0.381	0.674	0.359	0.602
50	0.405	0.738	0.390	0.688	0.367	0.615
52	0.415	0.754	0.400	0.703	0.376	0.628
54	0.425	0.770	0.410	0.718	0.386	0.642
56	0.436	0.788	0.420	0.734	0.396	0.657
58	0.447	0.805	0.431	0.751	0.406	0.673
60	0.455	0.818	0.438	0.764	0.413	0.684
62	0.462	0.832	0.446	0.777	0.420	0.695
64	0.471	0.847	0.454	0.790	0.427	0.708
66	0.479	0.863	0.462	0.805	0.435	0.721
68	0.489	0.879	0.471	0.820	0.443	0.735
70	0.497	0.896	0.479	0.836	0.451	0.748
72	0.507	0.914	0.488	0.853	0.460	0.763
74	0.517	0.933	0.498	0.871	0.468	0.779
76	0.527	0.954	0.508	0.890	0.478	0.796
78	0.539	0.976	0.519	0.910	0.489	0.814
80	0.552	1.000	0.531	0.932	0.500	0.833
82	0.566	1.025	0.545	0.955	0.513	0.855
84	0.581	1.052	0.559	0.981	0.526	0.877
86	0.598	1.083	0.576	1.010	0.542	0.903
88	0.617	1.120	0.595	1.044	0.559	0.934
90	0.639	1.161	0.616	1.082	0.579	0.967
92	0.663	1.206	0.639	1.124	0.601	1.004

Table 1: Emission Factors for Wine and Spirits Storage Tanks by Region in the San Joaquin Valley lb-VOC per 1,000 gallons of throughput						
Applicability:	1. Vertical Fixed-Roof tank, insulated or located in climate-controlled building 2. Ambient temperature storage					
	Southern Region		**Central Region**		**Northern Region**	
Vol %	**Annual**	**Daily**	**Annual**	**Daily**	**Annual**	**Daily**
94	0.694	1.261	0.669	1.175	0.629	1.050
96	0.742	1.339	0.715	1.249	0.673	1.118
98	0.786	1.409	0.757	1.315	0.714	1.179
100	0.838	1.534	0.807	1.437	0.762	1.278

For purposes of calculating actual annual emissions, the annual data in Table 1 have been curve-fitted based on an equation of the form Ef = ap2 + bp + c, where p = vol% ethanol (e.g., 20% = 0.20). The constants for the equation are as follows:

Constants for Emission Factor Correlation $E_f = \mathbf{a}p^2 + \mathbf{b}p + \mathbf{c}$ p = volume percentage ethanol			
Southern Region			
Concentration Range	**a**	**b**	**c**
0 to 24%	-0.45139	1.0958	0
>24 to 66%	-0.47357	1.0088	0.019486
>66% to 92%	1.5279	-1.7467	0.97149
>92% to 100%	6.7857	-10.819	4.8713
Central Region			
Concentration Range	**a**	**b**	**c**
0 to 24%	-0.45139	1.0542	0
>24 to 66%	-0.45117	0.96968	0.018554
>66% to 92%	1.5254	-1.7662	0.96812
>92% to 100%	6.4286	-10.223	4.6016
Northern Region			
Concentration Range	**a**	**b**	**c**
0 to 24%	-0.38194	0.97917	0
>24 to 66%	-0.42159	0.91316	0.016237
>66% to 92%	1.3799	-1.5774	0.87906
>92% to 100%	6.6071	-10.651	4.8061

Average Ethanol Content (%) (per Applicant)
2019 = 11.54%
2020 = 12.05%
2021 = 13.35%
2022 = 10.09%
2023 = 10.92%

The emission reductions being evaluated in this project are based on tanks in the District's Northern Region storing wine with less than 24% ethanol. Therefore, the following coefficients apply:

$E_f = ap^2 + bp + c$, where p = vol% ethanol

a = -0.38194
b = 0.97917
c = 0

The VOC emission factors calculated by year are:

2019 E_f = $(-0.38194) * (0.1154)^2 + (0.97917) * (0.1154) + (0)$
= 0.108 lb-VOC/1,000 gal
2020 E_f = $(-0.38194) * (0.1205)^2 + (0.97917) * (0.1205) + (0)$
= 0.112 lb-VOC/1,000 gal
2021 E_f = $(-0.38194) * (0.1335)^2 + (0.97917) * (0.1335) + (0)$
= 0.124 lb-VOC/1,000 gal
2022 E_f = $(-0.38194) * (0.1009)^2 + (0.97917) * (0.1009) + (0)$
= 0.095 lb-VOC/1,000 gal
2023 E_f = $(-0.38194) * (0.1092)^2 + (0.97917) * (0.1092) + (0)$
= 0.102 lb-VOC/1,000 gal

C. Baseline Period Determination and Data

In accordance with District Rule 2201, Section 3.9, the baseline period is a period of time equal to the following:

- The 24 consecutive months of operation immediately prior to the submission date of the Complete Application; or
- At least 24 consecutive months 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
- Except for federal emission offset requirements pursuant to Section 4.8, a shorter period of at least 12 months if the emissions unit has not been in operation for 24 months and this represents the full operational history of the emissions unit, including any replacement units; or
- Zero years if an emissions unit has been in operation for less than one year (only for use when calculating AER).

Baseline Period Determination

The facility has provided their total wine throughputs and average ethanol contents of stored wine annually from 2019 through 2023. The annual tank throughput records are based on a calendar year. Based on the facility's assertion and consistent with their emission inventory reports of uniform operation throughput the year, the throughput data will be evenly distributed for each quarter in the respective year. The facility has proposed to use 2020-2021 as the baseline period.

Nonetheless, in order to select the appropriate baseline period according to section 3.9 of Rule 2201, each consecutive 24-month period has been compared with the average throughput from the entire period (i.e. normal source operation (NSO)), and the 24-month period that is closest to the NSO average has been determined to be the baseline period as seen below (see Appendix D).

Baseline Period Data

Wine Throughput

Quarter	Throughput (Gal/qtr)	Avg Ethanol Content (%)
Q1-2019	648,755	11.54
Q2-2019	648,755	11.54
Q3-2019	648,755	11.54
Q4-2019	648,755	11.54
Q1-2020	1,454,968	12.05
Q2-2020	1,454,968	12.05
Q3-2020	1,454,968	12.05
Q4-2020	1,454,968	12.05
Q1-2021	1,771,909	13.35
Q2-2021	1,771,909	13.35
Q3-2021	1,771,909	13.35
Q4-2021	1,771,909	13.35
Q1-2022	849,635	10.09
Q2-2022	849,635	10.09
Q3-2022	849,635	10.09
Q4-2022	849,635	10.09
Q1-2023	459,085	10.92
Q2-2023	459,085	10.92
Q3-2023	459,085	10.92
Q4-2023	459,085	10.92
Average	1,036,870	11.59

D. Historical Actual Emissions (HAE)

Pursuant to section 3.26 in District Rule 2201, Historical Actual Emission (HAEs) are emissions that actually occurred during the baseline period, after discounting for:

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

1. Applicable District Rules

The HAE must be discounted for any emissions reductions required or encumbered by any laws, rules, regulations, agreements, orders, or permits.

Rule 4694 Wine Fermentation and Storage Tanks (5/19/05)

The wine storage tanks are exempt from District Rule 4694 per section 4.1 as the Baseline Fermentation Emissions (BFE) for the winery were less than 10 tons per year. However, the winery is subject to the recordkeeping requirements of District Rule 4694. Therefore, no discounting of the HAE is required by this rule.

2. State Implementation Plan (SIP)

Pursuant to District Rule 2201, Section 3.26, the HAE must be discounted for any emissions reductions attributed to a control measure noticed for workshop, or proposed or contained in a State Implementation Plan.

There are no control measures noticed for workshop, or proposed or contained in a State Implementation Plan applicable to the sources in this project. Therefore, no discounting of the HAE is required for any control measures contained in or proposed for the SIP.

3. District Air Quality Plan

Pursuant to District Rule 2201, Section 3.26, the HAE must be discounted for any emissions reductions proposed in the District air quality plan for attaining the annual reductions required by the California Clean Air Act.

Currently there are no emissions reductions proposed in any District air quality plans for attaining the annual reductions required by the California Clean Air Act that would require discounting of the HAE from this project.

4. Excess Emissions

Pursuant to District Rule 2201, Section 3.26, the HAE must be discounted for any Actual Emissions in excess of those required or encumbered by any laws, rules, regulations, orders, or permits.

There are no emissions in excess of those required or encumbered by any laws, rules, regulations, orders, or permits.

5. HAE Summary

The HAE is calculated in Appendix B and summarized in the following table:

Historical Actual Emissions				
Pollutant	**1st Quarter (lb)**	**2nd Quarter (lb)**	**3rd Quarter (lb)**	**4th Quarter (lb)**
VOC	116	116	117	117

E. Actual Emissions Reductions (AER)

Per District Rule 2201, section 4.13, Actual Emissions Reductions (AER) shall be calculated, on a pollutant-by-pollutant basis, as follows:

AER = HAE – PE2

Where:

HAE = Historic Actual Emissions
PE2 = Post Project Potential to Emit

Since the units have been shut down, PE2 is equal to zero. Therefore, AER is equal to HAE.

F. Air Quality Improvement Deduction

Per District Rule 2201, section 4.13.1, prior to banking, AER shall be discounted by 10% for an Air Quality Improvement Deduction (AQID). Therefore, the AQID from this banking action is summarized in the following table:

Air Quality Improvement Deduction				
Pollutant	**1st Quarter (lb)**	**2nd Quarter (lb)**	**3rd Quarter (lb)**	**4th Quarter (lb)**
VOC	12	12	12	12

The AQID requirement is part of Rule 2201; therefore, it only applies to criteria pollutants that are governed by Rule 2201.

G. Bankable Emissions Reductions

The bankable emissions reductions are determined by subtraction of the Air Quality Improvement Deduction from the Actual Emissions Reductions. The bankable ERCs from this banking action are summarized in the table below:

Bankable Emission Reduction Credits				
Pollutant	**1st Quarter (lb)**	**2nd Quarter (lb)**	**3rd Quarter (lb)**	**4th Quarter (lb)**
VOC	104	104	105	105

VI. Compliance

To comply with the definition of Actual Emissions Reductions (AER) (Rule 2201, Section 3.2), the emissions reduction must be:

A. Real

The emissions reductions were generated by the shutdown of eight wine storage tanks. The emissions were calculated from historic actual production data, average ethanol content of the wine stored as well as generally recognized emission factors. The associated equipment has been removed from service and the permits have been surrendered to the District.

As part of the District's assessment of whether the emission reductions from a banking action relying on a shutdown or curtailment qualify as *real*, the District also evaluates whether the business activity and the emissions associated with the activity have a reasonable probability of being shifted to another facility. The District does not expect source shifting to occur based on the following discussion.

Prevalence of Similar Businesses

G3 Enterprises is a diversified wine services company, including warehouse logistics, label printing, and cork and bottle sales, all of which will continue after this banking project. The business activity generating the emission reductions in this banking action involved storing wine purchased from nearby wineries that had "overflow capacity." In response to custom orders, G3 would package this wine into small bottles for special events and occasions rather than retail markets. Although G3 mainly provides services to wineries, with respect to the activity concerned in this banking action, they were a customer of local wineries.

Although G3 Enterprises is in the wine business, they are not a winery. They do not produce wine, and they do not bottle wine for retail markets. Thus, while the wineries may have the capacity to store the wine no longer being stored by G3, they are not in the same business as G3, which is evident from the fact the wineries would sell their overflow wine capacity to G3 rather than bottle it themselves. Moreover, the wineries are not likely to enter this niche market given the general declining demand for wine indicated in the Industry Data presented below. Staff also queried the permitting database and found no facility that appears to be engaged in the same business activity as G3, nor did staff find any permit applications for new or modified equipment related to such a business. The District found no obvious competitors likely to absorb the business activity being discontinued by G3 in this banking action.

Industry Data

Both the wine production and emission inventory data indicate a global and local decline in wine production, which suggests the business activity engaged in by G3 is part of a larger industry-wide decline. According to the baseline period data

provided with this application (p. 7), market demand for G3's small-volume, specialty-wine bottling operation dropped significantly over the past few years. The applicant has also provided data from The Wine Institute that show a steady annual decline in California and U.S. wine production since 2017.

California & U.S. Wine Production[1] (gallons)		
Year	**California***	**U.S.***
2024	508,246,015	647,701,604
2023	612,459,615	762,227,076
2022	605,500,158	763,444,733
2021	627,280,677	771,830,501
2020	635,993,915	769,469,978
2019	706,803,865	854,887,184
2018	720,849,884	872,172,608
2017	740,638,569	890,768,576

* Removals of still wine from fermenters. Excludes substandard wine produced as distilling material for the production of brandy. Also excludes increases after amelioration, sweetening, and addition of wine spirits.

The above trend was corroborated at a regional level by District Emission Inventory data consolidated from nine wineries that supplied G3 Enterprises with wine. The declining VOC emissions trend in the table below aligns with the decline in wine production from the previous table.

Consolidated VOC Emissions Inventory from Nine Northern Wineries	
Year	**VOC Emissions (ton/yr)**
2025	510
2024	477
2023	583
2022	530
2021	793
2020	739
2019	864
2018	854
2017	937
2016	1,028

In conclusion, the absence of competitors who are likely to absorb the discontinued business activity and the evidence of a durable decline in demand for the business activity suggest a low probability of the emissions being shifted to another source within the air basin.

Therefore, the emission reductions from this banking action are real.

[1] https://wineinstitute.org/our-industry/statistics/california-us-wine-production/

B. Enforceable

The reductions are enforceable since the wine storage tanks have been removed from service and the permits surrendered to the District. Operating the equipment without permits would result in enforcement action being taken.

C. Quantifiable

The reductions are quantifiable since the reductions were calculated utilizing District-approved emission factors, average ethanol content and the baseline period actual production.

D. Permanent

The wine storage tanks have been removed from service and the PTOs have been surrendered. Operation of the equipment without a valid PTO is subject to enforcement action. Construction of equipment that would replace the equipment removed at this facility, regardless if constructed at the same or different location, must be authorized by the District after evaluation under all applicable rules, including District Rule 2201 (New and Modified Stationary Source Review Rule), under which any increase in emissions over the applicable threshold(s) must be offset.

Therefore, the emission reductions are permanent within the boundaries of the District.

E. Surplus

The shutdown of the eight wine storage tanks was not required by any law, rule, agreement, or regulation. As of the date this application was deemed complete, there are no known future rules or regulations that would have required any portion of these reductions. Therefore, the reductions are surplus.

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

The ERCs generated by permanent shutdown of the eight wine storage tanks were not used in the approval of an Authority to Construct or as offsets for any projects at the facility.

G. Timely Submittal

Pursuant to District Rule 2301, Section 4.2.3, in order to deem emissions reductions eligible for banking, an application for ERC must be filed no later than 180 days after the *AER* occurred. Rule 2301, Section 5.5 addresses when the start date of the 180 day clock begins. For *AER* resulting from the cessation of operation of an emissions unit with a Permit to Operate, the date of emission reduction is the date of *shutdown (Section 5.5)*. For permitted sources, the date of *shutdown* is (generally) the date of surrender of the Permit to Operate (Section 3.14.2).

G3 surrendered its Permits to Operate on January 4, 2024. Thus, January 4, 2024 is the shutdown date, and the date the AER occurred. The emissions reduction banking application was received on January 23, 2024. Thus the application was received within 180 days of the date the *AER* occurred. Therefore, the ERC application was filed in a timely manner.

VII. Recommendation

Pending a successful public noticing period, issue an Emission Reduction Credit Certificate for VOC in the following amounts:

Emission Reduction Credits					
Pollutant	**1st Quarter (lb)**	**2nd Quarter (lb)**	**3rd Quarter (lb)**	**4th Quarter (lb)**	**Total (lb/yr)**
VOC	104	104	105	105	418

Appendices

A: Surrendered PTOs
B: Historical Actual Emissions Calculations
C: Draft Emission Reduction Credit Certificate
D: Baseline Period Determination

APPENDIX A
Surrendered PTOs

San Joaquin Valley
Air Pollution Control District

PERMIT UNIT: N-8684-3-2 **EXPIRATION DATE:** 11/30/2025

EQUIPMENT DESCRIPTION:
15,084 GALLON NOMINAL (15,255 GALLON GAUGE) STAINLESS STEEL WINE/DISTILLED SPIRITS STORAGE TANK #115 EQUIPPED WITH PRESSURE/VACUUM VALVE AND INSULATION, AND THREE 500 GALLON (EACH) ENCLOSED SURGE TANKS (S-1, S-2, & S-3) SERVING THE BOTTLING OPERATION. THE THREE 500 GALLON (EACH) ENCLOSED SURGE TANKS (S-1, S-2, & S-3) ARE SHARED BY PERMIT UNITS N-8684-3, N-8684-4, N-8684-5, N-8684-6, N-8684-8, AND N-8684-9

PERMIT UNIT REQUIREMENTS

1. No air contaminant shall be discharged into the atmosphere for a period or periods aggregating more than three minutes in any one hour which is as dark as, or darker than, Ringelmann 1 or 20% opacity. [District Rule 4101]
2. No air contaminant shall be released into the atmosphere which causes a public nuisance. [District Rule 4102]
3. This tank shall be equipped with and operated with a pressure-vacuum relief valve, which shall operate within 10% of the maximum allowable working pressure of the tank, operate in accordance with the manufacturer's instructions, and be permanently labeled with the operating pressure settings. [District Rule 2201]
4. The pressure-vacuum relief valve and storage tank shall remain in a gas-tight condition, except when the operating pressure of the tank exceeds the valve set pressure. A gas-tight condition shall be determined by measuring the gas leak in accordance with the procedures in EPA Method 21. [District Rule 2201]
5. The temperature of the wine and distilled spirit stored in this tank shall be maintained at or below 75 degrees Fahrenheit. [District Rule 2201]
6. The ethanol content of wine and distilled spirit stored in this tank shall not exceed 50.0 percent by volume. [District Rule 2201]
7. The maximum wine and distilled spirit storage throughput in this tank shall not exceed 50,000 gallons per day. [District Rule 2201]
8. The maximum wine and distilled spirit storage throughput in this tank shall not exceed 1,500,000 gallons per year. [District Rule 2201]
9. Daily throughput records, including records of filling and emptying operations, the dates of such operations, a unique identifier for each batch, the volume percent ethanol in the batch, and the volume of wine and distilled spirit transferred, shall be maintained. [District Rule 2201]
10. The permittee shall record, on a daily basis, total gallons of wine and distilled spirit contained in the tank and temperature of the wine and distilled spirit stored. [District Rule 2201]
11. The permittee shall maintain records of annual throughput of wine and distilled spirit. [District Rule 2201]
12. All records shall be retained on-site for a period of at least five years and made available for District inspection upon request. [District Rules 1070 and 2201]

San Joaquin Valley
Air Pollution Control District

PERMIT UNIT: N-8684-4-2 **EXPIRATION DATE:** 11/30/2025

EQUIPMENT DESCRIPTION:
15,084 GALLON NOMINAL (15,255 GALLON GAUGE) STAINLESS STEEL WINE/DISTILLED SPIRITS STORAGE TANK #215 EQUIPPED WITH PRESSURE/VACUUM VALVE AND INSULATION, AND THREE 500 GALLON (EACH) ENCLOSED SURGE TANKS (S-1, S-2, & S-3) SERVING THE BOTTLING OPERATION. THE THREE 500 GALLON (EACH) ENCLOSED SURGE TANKS (S-1, S-2, & S-3) ARE SHARED BY PERMIT UNITS N-8684-3, N-8684-4, N-8684-5, N-8684-6, N-8684-8, AND N-8684-9

PERMIT UNIT REQUIREMENTS

1. No air contaminant shall be discharged into the atmosphere for a period or periods aggregating more than three minutes in any one hour which is as dark as, or darker than, Ringelmann 1 or 20% opacity. [District Rule 4101]
2. No air contaminant shall be released into the atmosphere which causes a public nuisance. [District Rule 4102]
3. This tank shall be equipped with and operated with a pressure-vacuum relief valve, which shall operate within 10% of the maximum allowable working pressure of the tank, operate in accordance with the manufacturer's instructions, and be permanently labeled with the operating pressure settings. [District Rule 2201]
4. The pressure-vacuum relief valve and storage tank shall remain in a gas-tight condition, except when the operating pressure of the tank exceeds the valve set pressure. A gas-tight condition shall be determined by measuring the gas leak in accordance with the procedures in EPA Method 21. [District Rule 2201]
5. The temperature of the wine and distilled spirit stored in this tank shall be maintained at or below 75 degrees Fahrenheit. [District Rule 2201]
6. The ethanol content of wine and distilled spirit stored in this tank shall not exceed 50.0 percent by volume. [District Rule 2201]
7. The maximum wine and distilled spirit storage throughput in this tank shall not exceed 50,000 gallons per day. [District Rule 2201]
8. The maximum wine and distilled spirit storage throughput in this tank shall not exceed 1,500,000 gallons per year. [District Rule 2201]
9. Daily throughput records, including records of filling and emptying operations, the dates of such operations, a unique identifier for each batch, the volume percent ethanol in the batch, and the volume of wine and distilled spirit transferred, shall be maintained. [District Rule 2201]
10. The permittee shall record, on a daily basis, total gallons of wine and distilled spirit contained in the tank and temperature of the wine and distilled spirit stored. [District Rule 2201]
11. The permittee shall maintain records of annual throughput of wine and distilled spirit. [District Rule 2201]
12. All records shall be retained on-site for a period of at least five years and made available for District inspection upon request. [District Rules 1070 and 2201]

San Joaquin Valley
Air Pollution Control District

PERMIT UNIT: N-8684-5-2 **EXPIRATION DATE:** 11/30/2025

EQUIPMENT DESCRIPTION:
20,113 GALLON NOMINAL (20,271 GALLON GAUGE) STAINLESS STEEL WINE/DISTILLED SPIRITS STORAGE TANK #120 EQUIPPED WITH PRESSURE/VACUUM VALVE AND INSULATION, AND THREE 500 GALLON (EACH) ENCLOSED SURGE TANKS (S-1, S-2, & S-3) SERVING THE BOTTLING OPERATION. THE THREE 500 GALLON (EACH) ENCLOSED SURGE TANKS (S-1, S-2, & S-3) ARE SHARED BY PERMIT UNITS N-8684-3, N-8684-4, N-8684-5, N-8684-6, N-8684-8, AND N-8684-9

PERMIT UNIT REQUIREMENTS

1. No air contaminant shall be discharged into the atmosphere for a period or periods aggregating more than three minutes in any one hour which is as dark as, or darker than, Ringelmann 1 or 20% opacity. [District Rule 4101]
2. No air contaminant shall be released into the atmosphere which causes a public nuisance. [District Rule 4102]
3. This tank shall be equipped with and operated with a pressure-vacuum relief valve, which shall operate within 10% of the maximum allowable working pressure of the tank, operate in accordance with the manufacturer's instructions, and be permanently labeled with the operating pressure settings. [District Rule 2201]
4. The pressure-vacuum relief valve and storage tank shall remain in a gas-tight condition, except when the operating pressure of the tank exceeds the valve set pressure. A gas-tight condition shall be determined by measuring the gas leak in accordance with the procedures in EPA Method 21. [District Rule 2201]
5. The temperature of the wine and distilled spirit stored in this tank shall be maintained at or below 75 degrees Fahrenheit. [District Rule 2201]
6. The ethanol content of wine and distilled spirit stored in this tank shall not exceed 50.0 percent by volume. [District Rule 2201]
7. The maximum wine and distilled spirit storage throughput in this tank shall not exceed 50,000 gallons per day. [District Rule 2201]
8. The maximum wine and distilled spirit storage throughput in this tank shall not exceed 1,500,000 gallons per year. [District Rule 2201]
9. Daily throughput records, including records of filling and emptying operations, the dates of such operations, a unique identifier for each batch, the volume percent ethanol in the batch, and the volume of wine and distilled spirit transferred, shall be maintained. [District Rule 2201]
10. The permittee shall record, on a daily basis, total gallons of wine and distilled spirit contained in the tank and temperature of the wine and distilled spirit stored. [District Rule 2201]
11. The permittee shall maintain records of annual throughput of wine and distilled spirit. [District Rule 2201]
12. All records shall be retained on-site for a period of at least five years and made available for District inspection upon request. [District Rules 1070 and 2201]

San Joaquin Valley
Air Pollution Control District

PERMIT UNIT: N-8684-6-2 **EXPIRATION DATE:** 11/30/2025

EQUIPMENT DESCRIPTION:
20,113 GALLON NOMINAL (20,271 GALLON GAUGE) STAINLESS STEEL WINE/DISTILLED SPIRITS STORAGE TANK #220 EQUIPPED WITH PRESSURE/VACUUM VALVE AND INSULATION, AND THREE 500 GALLON (EACH) ENCLOSED SURGE TANKS (S-1, S-2, & S-3) SERVING THE BOTTLING OPERATION. THE THREE 500 GALLON (EACH) ENCLOSED SURGE TANKS (S-1, S-2, & S-3) ARE SHARED BY PERMIT UNITS N-8684-3, N-8684-4, N-8684-5, N-8684-6, N-8684-8, AND N-8684-9

PERMIT UNIT REQUIREMENTS

1. No air contaminant shall be discharged into the atmosphere for a period or periods aggregating more than three minutes in any one hour which is as dark as, or darker than, Ringelmann 1 or 20% opacity. [District Rule 4101]
2. No air contaminant shall be released into the atmosphere which causes a public nuisance. [District Rule 4102]
3. This tank shall be equipped with and operated with a pressure-vacuum relief valve, which shall operate within 10% of the maximum allowable working pressure of the tank, operate in accordance with the manufacturer's instructions, and be permanently labeled with the operating pressure settings. [District Rule 2201]
4. The pressure-vacuum relief valve and storage tank shall remain in a gas-tight condition, except when the operating pressure of the tank exceeds the valve set pressure. A gas-tight condition shall be determined by measuring the gas leak in accordance with the procedures in EPA Method 21. [District Rule 2201]
5. The temperature of the wine and distilled spirit stored in this tank shall be maintained at or below 75 degrees Fahrenheit. [District Rule 2201]
6. The ethanol content of wine and distilled spirit stored in this tank shall not exceed 50.0 percent by volume. [District Rule 2201]
7. The maximum wine and distilled spirit storage throughput in this tank shall not exceed 50,000 gallons per day. [District Rule 2201]
8. The maximum wine and distilled spirit storage throughput in this tank shall not exceed 1,500,000 gallons per year. [District Rule 2201]
9. Daily throughput records, including records of filling and emptying operations, the dates of such operations, a unique identifier for each batch, the volume percent ethanol in the batch, and the volume of wine and distilled spirit transferred, shall be maintained. [District Rule 2201]
10. The permittee shall record, on a daily basis, total gallons of wine and distilled spirit contained in the tank and temperature of the wine and distilled spirit stored. [District Rule 2201]
11. The permittee shall maintain records of annual throughput of wine and distilled spirit. [District Rule 2201]
12. All records shall be retained on-site for a period of at least five years and made available for District inspection upon request. [District Rules 1070 and 2201]

San Joaquin Valley
Air Pollution Control District

PERMIT UNIT: N-8684-8-0 **EXPIRATION DATE:** 11/30/2025

EQUIPMENT DESCRIPTION:
20,113 GALLON NOMINAL (20,271 GALLON GAUGE) STAINLESS STEEL WINE/DISTILLED SPIRITS STORAGE TANK #320 EQUIPPED WITH PRESSURE/VACUUM VALVE AND INSULATION, AND THREE 500 GALLON (EACH) ENCLOSED SURGE TANKS (S-1, S-2, & S-3) SERVING THE BOTTLING OPERATION. THE THREE 500 GALLON (EACH) ENCLOSED SURGE TANKS (S-1, S-2, & S-3) ARE SHARED BY PERMIT UNITS N-8684-3, N-8684-4, N-8684-5, N-8684-6, N-8684-8, AND N-8684-9

PERMIT UNIT REQUIREMENTS

1. No air contaminant shall be discharged into the atmosphere for a period or periods aggregating more than three minutes in any one hour which is as dark as, or darker than, Ringelmann 1 or 20% opacity. [District Rule 4101]
2. No air contaminant shall be released into the atmosphere which causes a public nuisance. [District Rule 4102]
3. This tank shall be equipped with and operated with a pressure-vacuum relief valve, which shall operate within 10% of the maximum allowable working pressure of the tank, operate in accordance with the manufacturer's instructions, and be permanently labeled with the operating pressure settings. [District Rule 2201]
4. The pressure-vacuum relief valve and storage tank shall remain in a gas-tight condition, except when the operating pressure of the tank exceeds the valve set pressure. A gas-tight condition shall be determined by measuring the gas leak in accordance with the procedures in EPA Method 21. [District Rule 2201]
5. The temperature of the wine and distilled spirit stored in this tank shall be maintained at or below 75 degrees Fahrenheit. [District Rule 2201]
6. The ethanol content of wine and distilled spirit stored in this tank shall not exceed 50.0 percent by volume. [District Rule 2201]
7. The maximum wine and distilled spirit storage throughput in this tank shall not exceed 50,000 gallons per day. [District Rule 2201]
8. The maximum wine and distilled spirit storage throughput in this tank shall not exceed 1,500,000 gallons per year. [District Rule 2201]
9. Daily throughput records, including records of filling and emptying operations, the dates of such operations, a unique identifier for each batch, the volume percent ethanol in the batch, and the volume of wine and distilled spirit transferred, shall be maintained. [District Rule 2201]
10. The permittee shall record, on a daily basis, total gallons of wine and distilled spirit contained in the tank and temperature of the wine and distilled spirit stored. [District Rule 2201]
11. The permittee shall maintain records of annual throughput of wine and distilled spirit. [District Rule 2201]
12. All records shall be retained on-site for a period of at least five years and made available for District inspection upon request. [District Rules 1070 and 2201]

San Joaquin Valley
Air Pollution Control District

PERMIT UNIT: N-8684-9-0 **EXPIRATION DATE:** 11/30/2025

EQUIPMENT DESCRIPTION:
20,113 GALLON NOMINAL (20,271 GALLON GAUGE) STAINLESS STEEL WINE/DISTILLED SPIRITS STORAGE TANK #420 EQUIPPED WITH PRESSURE/VACUUM VALVE AND INSULATION, AND THREE 500 GALLON (EACH) ENCLOSED SURGE TANKS (S-1, S-2, & S-3) SERVING THE BOTTLING OPERATION. THE THREE 500 GALLON (EACH) ENCLOSED SURGE TANKS (S-1, S-2, & S-3) ARE SHARED BY PERMIT UNITS N-8684-3, N-8684-4, N-8684-5, N-8684-6, N-8684-8, AND N-8684-9

PERMIT UNIT REQUIREMENTS

1. No air contaminant shall be discharged into the atmosphere for a period or periods aggregating more than three minutes in any one hour which is as dark as, or darker than, Ringelmann 1 or 20% opacity. [District Rule 4101]
2. No air contaminant shall be released into the atmosphere which causes a public nuisance. [District Rule 4102]
3. This tank shall be equipped with and operated with a pressure-vacuum relief valve, which shall operate within 10% of the maximum allowable working pressure of the tank, operate in accordance with the manufacturer's instructions, and be permanently labeled with the operating pressure settings. [District Rule 2201]
4. The pressure-vacuum relief valve and storage tank shall remain in a gas-tight condition, except when the operating pressure of the tank exceeds the valve set pressure. A gas-tight condition shall be determined by measuring the gas leak in accordance with the procedures in EPA Method 21. [District Rule 2201]
5. The temperature of the wine and distilled spirit stored in this tank shall be maintained at or below 75 degrees Fahrenheit. [District Rule 2201]
6. The ethanol content of wine and distilled spirit stored in this tank shall not exceed 50.0 percent by volume. [District Rule 2201]
7. The maximum wine and distilled spirit storage throughput in this tank shall not exceed 50,000 gallons per day. [District Rule 2201]
8. The maximum wine and distilled spirit storage throughput in this tank shall not exceed 1,500,000 gallons per year. [District Rule 2201]
9. Daily throughput records, including records of filling and emptying operations, the dates of such operations, a unique identifier for each batch, the volume percent ethanol in the batch, and the volume of wine and distilled spirit transferred, shall be maintained. [District Rule 2201]
10. The permittee shall record, on a daily basis, total gallons of wine and distilled spirit contained in the tank and temperature of the wine and distilled spirit stored. [District Rule 2201]
11. The permittee shall maintain records of annual throughput of wine and distilled spirit. [District Rule 2201]
12. All records shall be retained on-site for a period of at least five years and made available for District inspection upon request. [District Rules 1070 and 2201]

San Joaquin Valley
Air Pollution Control District

PERMIT UNIT: N-8684-10-0 **EXPIRATION DATE:** 11/30/2025

EQUIPMENT DESCRIPTION:
6,500 GALLON NOMINAL (6,500 GALLON GAUGE) STAINLESS STEEL ENCLOSED TOP WINE STORAGE TANK (TANK #165) WITH PRESSURE/VACUUM VALVE, JACKETED AND CONNECTED TO COOLING SYSTEM, AND LOCATED INDOOR

PERMIT UNIT REQUIREMENTS

1. No air contaminant shall be discharged into the atmosphere for a period or periods aggregating more than three minutes in any one hour which is as dark as, or darker than, Ringelmann 1 or 20% opacity. [District Rule 4101]
2. No air contaminant shall be released into the atmosphere which causes a public nuisance. [District Rule 4102]
3. This tank shall be equipped with and operated with a pressure-vacuum relief valve, which shall operate within 10% of the maximum allowable working pressure of the tank, operate in accordance with the manufacturer's instructions, and be permanently labeled with the operating pressure settings. [District Rule 2201]
4. The pressure-vacuum relief valve and storage tank shall remain in a gas-tight condition, except when the operating pressure of the tank exceeds the valve set pressure. A gas-tight condition shall be determined by measuring the gas leak in accordance with the procedures in EPA Method 21. [District Rule 2201]
5. The temperature of the wine stored in this tank shall be maintained at or below 75 degrees Fahrenheit. [District Rule 2201]
6. The ethanol content of wine stored in this tank shall not exceed 20.0 percent by volume. [District Rule 2201]
7. The maximum wine storage throughput in this tank shall not exceed 50,000 gallons per day. [District Rule 2201]
8. The maximum wine storage throughput in this tank shall not exceed 1,500,000 gallons per year. [District Rule 2201]
9. Daily throughput records, including records of filling and emptying operations, the dates of such operations, a unique identifier for each batch, the volume percent ethanol in the batch, and the volume of wine transferred, shall be maintained. [District Rule 2201]
10. The permittee shall record, on a daily basis, total gallons of wine contained in the tank, and temperature of the wine stored. [District Rule 2201]
11. The permittee shall maintain records of annual throughput of wine. [District Rule 2201]
12. All records shall be retained on-site for a period of at least five years and made available for District inspection upon request. [District Rules 1070 and 2201]

San Joaquin Valley
Air Pollution Control District

PERMIT UNIT: N-8684-11-0 **EXPIRATION DATE:** 11/30/2025

EQUIPMENT DESCRIPTION:
6,500 GALLON NOMINAL (6,500 GALLON GAUGE) STAINLESS STEEL ENCLOSED TOP WINE STORAGE TANK (TANK #265) WITH PRESSURE/VACUUM VALVE, JACKETED AND CONNECTED TO COOLING SYSTEM, AND LOCATED INDOOR

PERMIT UNIT REQUIREMENTS

1. No air contaminant shall be discharged into the atmosphere for a period or periods aggregating more than three minutes in any one hour which is as dark as, or darker than, Ringelmann 1 or 20% opacity. [District Rule 4101]
2. No air contaminant shall be released into the atmosphere which causes a public nuisance. [District Rule 4102]
3. This tank shall be equipped with and operated with a pressure-vacuum relief valve, which shall operate within 10% of the maximum allowable working pressure of the tank, operate in accordance with the manufacturer's instructions, and be permanently labeled with the operating pressure settings. [District Rule 2201]
4. The pressure-vacuum relief valve and storage tank shall remain in a gas-tight condition, except when the operating pressure of the tank exceeds the valve set pressure. A gas-tight condition shall be determined by measuring the gas leak in accordance with the procedures in EPA Method 21. [District Rule 2201]
5. The temperature of the wine stored in this tank shall be maintained at or below 75 degrees Fahrenheit. [District Rule 2201]
6. The ethanol content of wine stored in this tank shall not exceed 20.0 percent by volume. [District Rule 2201]
7. The maximum wine storage throughput in this tank shall not exceed 50,000 gallons per day. [District Rule 2201]
8. The maximum wine storage throughput in this tank shall not exceed 1,500,000 gallons per year. [District Rule 2201]
9. Daily throughput records, including records of filling and emptying operations, the dates of such operations, a unique identifier for each batch, the volume percent ethanol in the batch, and the volume of wine transferred, shall be maintained. [District Rule 2201]
10. The permittee shall record, on a daily basis, total gallons of wine contained in the tank, and temperature of the wine stored. [District Rule 2201]
11. The permittee shall maintain records of annual throughput of wine. [District Rule 2201]
12. All records shall be retained on-site for a period of at least five years and made available for District inspection upon request. [District Rules 1070 and 2201]

APPENDIX B
Historical Actual Emissions Calculations

Permit units N-8684-3, '-4, '-5, '-6, '-8, '-9, '-10, and '-11

HAE = E_f x throughput

Throughput
2019: 2,595,021 gal
2020: 5,819,870 gal

Average Ethanol Content
2019: 11.54%
2020: 12.05%

Per District Practice $E_f = \mathbf{a}p^2 + \mathbf{b}p + \mathbf{c}$
For Northern Region and ethanol concentration 0 to 24%:
a = -0.38194
b = 0.97917
c = 0
p = volume percentage ethanol

2019 $E_f = (-0.38194)(0.1154)^2 + (0.97917)(0.1154) + 0 = 0.108$ lb-VOC/1,000 gal throughput
2020 $E_f = (-0.38194)(0.1205)^2 + (0.97917)(0.1205) + 0 = 0.112$ lb-VOC/1,000 gal throughput

2019 HAE = (0.108 lb-VOC/1,000 gal) x 2,595,021 gal
= 280 lb-VOC/yr

2020 HAE = (0.112 lb-VOC/1,000 gal) x 5,819,870 gal
= 652 lb-VOC/yr

Average HAE = (280 + 652) / 2
= 466 lb-VOC/yr

Pollutant	1st Quarter (lb)	2nd Quarter (lb)	3rd Quarter (lb)	4th Quarter (lb)
VOC	116	116	117	117

APPENDIX C
Draft Emission Reduction Credit Certificate

San Joaquin Valley
Air Pollution Control District

Northern Regional Office • 4800 Enterprise Way • Modesto, CA 95356-8718

Emission Reduction Credit Certificate

N-1644-1

DRAFT

ISSUED TO: G3 ENTERPRISES - WINERY SERVICES

ISSUED DATE: <DRAFT>

LOCATION OF REDUCTION: 502 E WHITMORE AVE
MODESTO, CA 95358

For VOC Reductions In The Amount Of:

Quarter 1	Quarter 2	Quarter 3	Quarter 4
104 lbs	104 lbs	105 lbs	105 lbs

Method Of Reduction

[ ] Shutdown of Entire Stationary Source
[X] Shutdown of Emissions Units
[ ] Other

ERC Banking action for the shutdown of eight (8) Wine Storage Tanks (permit units N-8684-3, '-4, '-5, '-6, '-8, '-9, '-10, and '-11)

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

DRAFT

Brian Clements, Director of Permit Services

APPENDIX D
Baseline Period Determination

ERC Calculations Quarter	Throughput Gal/qtr	Average Ethanol %	24-month difference from NSO
Q1-2019	648,755	11.54%	
Q2-2019	648,755	11.54%	
Q3-2019	648,755	11.54%	
Q4-2019	648,755	11.54%	
Q1-2020	1,454,968	12.05%	
Q2-2020	1,454,968	12.05%	
Q3-2020	1,454,968	12.05%	
Q4-2020	1,454,968	12.05%	14,991
Q1-2021	1,771,909	13.35%	155,385
Q2-2021	1,771,909	13.35%	295,780
Q3-2021	1,771,909	13.35%	436,174
Q4-2021	1,771,909	13.35%	576,568
Q1-2022	849,635	10.09%	500,901
Q2-2022	849,635	10.09%	425,235
Q3-2022	849,635	10.09%	349,568
Q4-2022	849,635	10.09%	273,901
Q1-2023	459,085	10.92%	109,798
Q2-2023	459,085	10.92%	(54,305)
Q3-2023	459,085	10.92%	(218,407)
Q4-2023	459,085	10.92%	(382,510)
Normal Source Operation (NSO)	1,036,870		