San Joaquin Valley
AIR POLLUTION CONTROL DISTRICT

HEALTHY AIR LIVING™

March 16, 2026

Garrett Howser
Howser Almond Shelling Inc.
5130 Shoemake Ave
Modesto, CA 95358

Re: Notice of Final Action – Emission Reduction Credits
Facility Number: N-1972
Project Number: N-1210213

Dear Mr. Howser:

The Air Pollution Control Officer has issued Emission Reduction Credits (ERCs) to Howser Almond Shelling Inc. for emission reduction generated by replacing two existing cyclones with baghouses for the existing almond hulling and shelling operation, at 5130 Shoemake Ave in Modesto. The quantity of ERCs issued is 612 lb-PM10/yr.

Enclosed are copies of the ERC Certificate 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 revised preliminary decision to issue the ERC Certificate was posted on January 7, 2026. The District's analysis of the proposal was also sent to CARB and US EPA Region IX on January 7, 2026. All comments received following the District's preliminary decision on this project were considered.

Comments received by the District during the public notice period were minor and did not affect the basis for issuance of the above referenced ERCs. The comments and District responses are included in Appendix VI of the attached revised ERC banking analysis.

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

Thank you for your cooperation in this matter. If you have any questions, please contact Mr. Nick Peirce at (209) 557-6400.

Sincerely,
Brian Clements

Director of Permit Services
BC:JK
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-1655-4

ISSUED TO: HOWSER ALMOND SHELLING INC

ISSUED DATE: March 16, 2026

LOCATION OF REDUCTION: 5130 SHOEMAKE AVE
MODESTO, CA 95358

For PM10 Reductions In The Amount Of:

Quarter 1	Quarter 2	Quarter 3	Quarter 4
None	None	491 lbs	121 lbs

Portion of above PM10 Reductions that is PM2.5:

Quarter 1	Quarter 2	Quarter 3	Quarter 4
0.0%	0.0%	65.9%	65.9%
None	None	324 lbs	80 lbs

Method Of Reduction

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

Modification to almond hulling/shelling operation to replace cyclones with two baghouses

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

Brian Clements, Director of Permit Services

San Joaquin Valley Unified Air Pollution Control District

3/16/2026 9:16:14 AM -- KAHLONJ

San Joaquin Valley Air Pollution Control District

ERC Banking Application Review
(Revised)

Facility Name:	Howser Almond Shelling Inc.	Revised Date:	March 13, 2025
Mailing Address:	5130 Shoemake Ave	Engineer:	Jagmeet Kahlon
	Modesto, CA 95358	Lead Engineer:	James Harader
Contact Person:	Garrett Howser		
Telephone:	(209) 988-1388		
Fax:	N/A		
Facility ID:	N-1972		
Project #:	N-1210213		
Deemed Complete:	February 13, 2023		

I. PROPOSAL

Howser Almond Shelling Inc. has proposed to bank Emission Reduction Credits (ERCs) from replacing two existing cyclones with two baghouses for their existing almond hulling and shelling operation. The following table provides the summary of revised bankable emission reductions on a quarterly basis.

Bankable Emission Reductions in lb/quarter				
Pollutant	**1st Quarter**	**2nd Quarter**	**3rd Quarter**	**4th Quarter**
PM_{10}	0	0	491	121
$PM_{2.5}$ in PM_{10}	0	0	324	80

Refer to **Appendix I** for draft ERC Certificates.

This evaluation has been revised since it was originally noticed. After posting the public notice on 12/22/25, the District discovered an error in the emission factor used in the ATC engineering evaluation that was referenced in the Districts ERC banking calculations. The ATC project in question used a post-project emission factor of 0.013 lb-PM10/field weight ton (FWT) of almonds hulled/shelled; however, that factor is the AP-42 generally accepted emission factor for an almond hulling operation served by a baghouse where the almonds are not shelled. The AP-42 emission for an almond hulling/shelling operation, such as this operation, served by a baghouse is in fact 0.065 lb-PM/FWT, and the District typically assumes all of that is PM10. Thus, permit N-1972-2-1 has been corrected to reference the appropriate emission factor for a hulling/shelling operation, and the ERC calculations have been corrected. Refer to section V.E of this document for revised detailed calculations.

II. APPLICABLE RULES

Rule 2201 New and Modified Stationary Source Review Rule (4/20/23)
Rule 2301 Emission Reduction Credit Banking (4/20/23)
Rule 4201 Particulate Matter Concentration (12/17/92)
Rule 4202 Particulate Matter – Emissions Rate (12/17/92)

III. LOCATION OF REDUCTIONS

The emission reduction occurred at 5130 Shoemake Ave, in Modesto, California.

IV. METHOD OF GENERATING REDUCTIONS

The facility generated emission reductions by modifying an existing almond hulling and shelling operation (N-1972-2-1) by replacing their existing cyclones with baghouses.

V. EMISSIONS CALCULATIONS

A. Assumptions

1. Particulate matter is the only pollutant emitted from hulling and shelling operation.
2. Other assumptions will be stated as they are made.

B. Emission Factors (EF)

A pre-modification emission factor is needed in order to determine the quantity of emission reductions that occurred. The emission reductions may then be determined by subtracting the post-project potential to emit for the almond hulling and shelling operation from the pre-modification baseline actual emissions. The following analysis compares potential pre-modification emission factors for the hulling and shelling operation when controlled by cyclones. The lowest emission factor will be conservatively chosen, as that will result in the lowest quantity of emission reductions that may be banked.

Pre-Modification Emission Factor based on Source Testing:
No source testing was conducted at this specific facility for almond hulling & shelling operation.

Stewart and Jasper (N-2199), operates a similar almond processing facility that includes an almond hulling and shelling operation under permit N-2199-7-2. That operation includes hulling cylinders, crackers, shear rolls, deck screens, gravity table and associated aspirating/conveying equipment all discharged through a baghouse. The baghouse exhaust was source tested on October 14, 1998. The

average total (filterable + condensable) particulate matter emissions were 0.246 pounds per meat weight tons (MWT). It is assumed that all particulate matter release from the baghouse is 10 microns or less in diameter (PM10).

The equipment at Stewart and Jasper performs a function similar to the equipment under permit N-1972-2-1 at Howser Almond Shelling. Therefore, this source test is used here to estimate actual emissions from the cyclones.

Note, Howser Almond Shelling Inc. keeps track of throughput for their huller/sheller in terms of field weight tons (FWT) rather than meat weight tons (MWT). The District typically assumes that 5 FWT will yield 1 MWT of almonds. Thus, this ratio will be used to convert the source tested emission factor into terms of FWT. Furthermore, the source testing at Stewart and Jasper was conducted on a hulling/shelling operation that is served by baghouses. The factor may be adjusted using the standard control efficiencies for a baghouse and 1D-3D cyclone, shown below.

EF (Source Test):	0.246 lb-PM10/MWT
Control Efficiency (Baghouse):	99% (typical for baghouses)
Control Efficiency (1D-3D cyclone):	80% (AP-42, appendix B-2)

The following calculation converts the source test results into FWT and adjusts the factor to be appropriate for a huller/sheller served by cyclones using the above standard control efficiencies.

(0.246 lb-PM_{10}/MWT) × (1 MWT/5 FWT) × [(1-0.80)/(1-0.99)]
= 0.984 lb-PM_{10}/FWT

Thus, a pre-modification emission factor of 0.984 lb-PM10/FWT is estimated using the source test data and standard District assumptions.

Pre-Modification Emission Factor based on EPA's AP-42

AP-42 Table 9.10.2.1-1 (1/95) lists an EF of 0.065 lb-PM/FWT (0.051 lb-PM/FWT filterable + 0.014 lb-PM/FWT condensable) for hulling/shelling operation served by a baghouse. It is assumed that all particulate matter release from the baghouse is 10 microns or less in diameter (PM10). Note, the above factor must be adjusted to be appropriate for a huller/sheller served by a cyclone. The standard control efficiencies, shown below, will be used to adjust the factor.

EF (AP-42):	0.065 lb-PM10/FWT
Control Efficiency (Baghouse):	99% (typical for baghouses)
Control Efficiency (1D-3D cyclone):	80% (AP-42, appendix B-2)

The following calculation adjusts the factor to be appropriate for a huller/sheller served by cyclones using the above standard control efficiencies.

= (0.065 lb-PM_{10}/FWT) × [(1-0.80)/(1-0.99)]
= 1.3 lb-PM_{10}/FWT

Comparison of Pre-Modification Emission Factors

Prior to the modification of the huller sheller permit, the permit only contained an emission limit of 0.1 gr/dscf, which is the Rule 4201 limit for the unit.

Operations	Permit Limit	Source Testing/ other sources	AP-42
Almond hulling/shelling operation	0.1 gr/dscf estimated to be equivalent to 1.029 lb-PM_{10}/FWT*	0.984 lb-PM_{10}/FWT	1.3 lb-PM_{10}/FWT

*0.1 gr-PM/dscf x 8,000 dscf/min x 60 min/hr x lb/7,000 gr x 0.9 lb-PM_{10}/lb-PM x hr/6 FWT = 1.029 lb-PM_{10}/FWT; exhaust flow rate (8,000 cfm) and process rate (6 FWT/hr) are taken from application review prepared under permit number 1-059-02 (July 7, 1992).

Note, the AP-42 emission factors for almond processes have an E rating, which means the data is not highly reliable. The source test results from a similar source is expected to be more accurate of actual emissions. Furthermore, use of the source test data from a similar operation provides the most conservative estimate of actual emissions since the EF from that source is the lowest of the potential factors that may be used to calculate HAE.

C. Baseline Period

Section 3.8 of District Rule 2201 defines the baseline period as a period of time equal to either the two consecutive years of operation immediately prior to the submission date of the complete application; or at least two consecutive years within the five years immediately prior to the submission of the complete application if it is more representative of normal source operations.

The baseline period is Q4, 2017 to Q3, 2019. Refer to **Appendix II** for more details on baseline period calculation.

D. Historical Actual Emissions

Historical Actual Emissions (HAEs) are emissions that actually occurred, and are calculated from actual production records and established emission factors per Rule 2201, Section 3.2.1.

The quarterly baseline production data in field weight tons (FWT) is given in the following table.

Quarterly FWT Data (FWT/qtr)				
Year	**Q1**	**Q2**	**Q3**	**Q4**
2017	N/A	N/A	N/A	2,172
2018	0	0	8,148	2,716
2019	0	0	7,581	N/A
Average	**0**	**0**	**7,865**	**2,444**

The HAEs will be calculated by multiplying the average quarterly throughput with the lowest emission factor noted in Section V.B of this evaluation.

HAE = EF_{PM10} (lb/FWT) × Average Process throughput (FWT/qtr)

Quarterly HAEs (lb)			
Quarter	**Average Process Throughput (FWT/qtr)**	**EF_{PM10} (lb/FWT)**	**HAEs (lb/qtr)**
1	0	0.984	0
2	0		0
3	7,865		7,739
4	2,444		2,405

E. Actual Emissions Reductions

Per Rule 2201, Section 4.13:

AERs = HAE – Post Project Potential to Emit (PE2)

Per project N-1204537, PE2 from the almond hulling and shelling operation is 1,893 lb-PM10/yr. These emissions were determined using EPA's AP-42 emission factor of 0.013 lb-PM10/FWT from Table 9.10.2.1-1 (1/95) for hulling operation served by a baghouse, and annual throughput of 145,600 FWT/yr.

The application filed under project N-1204537 indicates that the facility has both hulling and shelling operations. As such, an emission factor of hulling and shelling operation served by baghouse should be used in estimating the potential emissions.

Per EPA's AP-42 Table 9.10.2.1-1 (1/95), emission factor for hulling and shelling operation served by baghouse is 0.065 lb-PM/FWT (0.051 lb-PM/FWT filterable +

0.014 lb-PM/FWT condensable). It is assumed that all particulate matter release from the baghouse is PM10. The processing rate is limited to 145,600 FWT/yr. Thus,

PE2 = 0.065 lb-PM10/FWT x 145,600 FWT/yr
= 9,464 lb-PM10/yr

Emissions inventory records during the baseline (Q4, 2017-Q3, 2019) indicate that 76% of almonds were processed in the 3rd quarter and the remaining 24% are processed in the 4th quarter. These percentages are applied to distribute the annual potential emissions to the 3rd and 4th quarters.

Quarterly AERs (lb)			
Quarter	**HAEs (lb/qtr)**	**PE2 (lb/qtr)**	**AERs (lb/qtr)**
1	0	0	0
2	0	0	0
3	7,739	7,193*	546
4	2,405	2,271**	134

*0.76 x 9,464 = 7,193 lb-PM_{10}; **9,464 – 7,193 = 2,271 lb-PM_{10}

F. Air Quality Improvement Reduction

The air quality improvement deduction, per Rule 2201, Section 4.13.1, is 10% of the AERs.

Air Quality Improvement Deduction (lb)		
Quarter	**AERs (lb/qtr)**	**10% Deduction**
1	0	0
2	0	0
3	546	55
4	134	13

G. Increases in Permitted Emissions

There is no increase in permitted emissions due to this project.

H. Bankable Emission Reductions

The bankable ERCs presented below are determined by subtraction of the Air Quality Improvement Deductions from the AERs.

Bankable Emission Reductions (lb)	
Quarter	**PM_{10}**
1	0
2	0
3	491*
4	121**
Total	**612**

*546-55 =491 lb-PM10; **134-13 = 121 lb-PM10

VI. COMPLIANCE

To comply with the definition of Actual Emissions Reductions (Rule 2201, Section 3.2.1 and Rule 2301, Sections 3.8 and 4.2.1), the reductions must be:

A. Real

The emissions reductions are real since they were generated by replacing the cyclones with baghouses for almond hulling and shelling operation at the facility.

B. Enforceable

The reductions are enforceable since the cyclones are permanently replaced by the baghouses; any modification or changes to operation would require an Authority to Construct permit. The permit has been corrected to include the 0.065 lb/FWT limit.

The following condition will be added to the hulling/shelling permit as part of the ERC issuance:

- PM10 emissions shall not exceed any of the following limits: 1st quarter: 0 pounds, 2nd quarter: 0 pounds, 3rd quarter: 7,193 pounds and 4th quarter: 2,271 pounds. This condition enforces emission reduction credits banked under project N-1210213. [District Rules 2201 and 2301]

C. Quantifiable

The reductions are quantifiable since they were calculated from historic throughput data, and established EFs, and methods according to District Rule 2201.

D. Permanent

The reductions are permanent since the facility has permanently replaced the cyclones with baghouses to achieve the proposed emission rates. Therefore, the reductions are considered to be permanent.

E. Surplus

This section will contain an explanation of what actions were taken to ensure that all emission reductions were surplus of the existing and newly proposed rules and plans. The following rules and plans were analyzed:

District Rules

Rule 2201 New and Modified Stationary Source Review
This facility was in operation prior to the District unification in 1992.

Permit to Operate N-1972-2-0 that listed the cyclones only includes PM emission limit of 0.1 gr/dscf at the exhaust of each cyclone. The engineering evaluation for permit number 1-059-02 (July 1992) indicate each huller/sheller cyclone was rated at 8,000 scfm.

The following tables summarizes and compares Maximum allowed and HAE:

E_{Max} = 0.1 (gr-PM/dscf) x 8,000 ft^3/min x 60 min/hr x 24 hr/day x lb/7,000 gr x *Number of days in a quarter days/qtr
*Q1 = 90 days; Q2 = 91 days; Q3 = 92 days; and Q4 = 92 days

Permit Limit	E_{Max} (lb)				HAE (lb)			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
0.1 gr-PM/scf	14,811	14,976	15,141	15,141	0	0	7,739	2,405

A
As seen in the above table, HAE for each quarter is below the PE during that quarter. Therefore, no emission adjustment is needed, and reductions are surplus of the permitted limits.

Rule 4201 Particulate Matter Concentration
Section 3.0 prohibits discharge of dust, fumes, or total particulate matter into the atmosphere from any single source operation in excess of 0.1 grain per dry standard cubic foot.

As noted in the table above under Rule 2201, since the reductions are surplus of the quarterly emissions, they are presumed to be surplus of the maximum 0.1 gr/dscf limit in the rule.

Rule 4202 Particulate Matter – Emissions Rate

Section 4.0 of this rule, a person shall not discharge into the atmosphere PM emissions in excess of the maximum allowable limit (E_{Max}), in lb/hr, determined by the following specified in this Rule:

$E_{Max} = 3.59\ P^{0.62}$, Process weight (P) ≤ 30 tons/hr
$E_{Max} = 17.31\ P^{0.16}$, P > 30 tons/hr

The maximum emissions occur in the Q3 during which an average of 7,865 tons of material was processed during the baseline period. The average process rate is estimated to be 3.56 tons per hour[1].

$E_{Allowable}$ = (3.59)(3.56)$^{0.62}$(24 hr/day)(92 days/qtr)(0.9 lb-PM_{10}/lb-PM)
= 15,676 lb-PM_{10}/qtr

Since the HAE is less than the allowable emissions for each quarter, the reductions are surplus of District Rule 4202 requirements.

Air Quality Plans

Pursuant to Section 3.2.2 of Rule 2201, to be considered surplus, the actual emissions reductions shall be in excess of adopted air quality plan pursuant to the California Clean Air Act. The adopted air quality plans by the District are discussed as follows:

None of the District's Air Quality plans proposed a specific control measure to reduce particulate matter emissions from almond processing operations. Nor has any such proposal been workshopped by the District.

Rules and Regulations in State Implementation Plan

Pursuant to Section 3.2.1 of District Rule 2201, to be considered surplus, actual emission reductions shall be in excess of a control measure noticed for workshop, or proposed or contained in a State Implementation Plan (SIP).

The following SIP approved rules and regulations[2] in the other air Districts were reviewed to determine any requirements for almond hulling/shelling operations

[1]The process rate is calculated as follows: (7,865 tons in Q3) ÷ (24 hr/day x 92 days in Q3) = 3.56 tons/hr
[2]https://www.epa.gov/sips-ca

Sacramento Metropolitan Air District Regulations in the California SIP

Rule 404 – Particulate Matter (11/20/1984)[3]
This rule requires that a person shall not discharge into the atmosphere from any source of particulate matter in excess of 0.23 grams per dry standard cubic meter (0.1 grains per dry standard cubic foot).

The requirements of this rule are identical to SJVAPCD Rule 4201. Since the emission reductions are surplus of Rule 4201, they are considered to be surplus of this rule.

South Coast Air District Regulations in the California SIP[4]

Rule 404 – Particulate Matter - Concentration (2/7/1986)[5]
This rule requires that a person shall not discharge into the atmosphere from any source of particulate matter in excess of 0.23 grams per dry standard cubic meter (0.1 grains per dry standard cubic foot).

The requirements of this rule are identical to SJVAPCD Rule 4201. Since the emission reductions are surplus of Rule 4201, they are considered to be surplus of this rule.

Note that Regulation XI – Source Specific Standards does not contain any rule that is applicable to the almond hulling/shelling operations.

BAAQMD Air District Regulations in the California SIP[6]

BAAQMD rules[7] does not contain any rule that is applicable to the almond hulling/shelling operations. As such, the HAEs calculated above does not need to be discounted and all bankable emission reductions are considered surplus at this time.

Conclusion:

The emission reductions are surplus.

[3] https://www.airquality.org/ProgramCoordination/Documents/rule404.pdf
[4] https://www.epa.gov/sips-ca/epa-approved-south-coast-air-district-regulations-california-sip#xi
[5] http://www.aqmd.gov/docs/default-source/rule-book/rule-iv/rule-404.pdf?sfvrsn=4
[6] https://www.epa.gov/sips-ca/epa-approved-bay-area-air-quality-management-district-baaqmd-regulations-california-sip
[7] https://www.baaqmd.gov/rules-and-compliance/current-rules

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

The ERCs generated were not used for the approval of any Authority to Construct or as offsets.

G. Timely Submittal

Section 5.5 of Rule 2301 states that ERC certificate applications for reductions shall be submitted within 180 days after shutdown (date of permanent cession of emissions). The ERC application was submitted prior to the replacement of the cyclones with the baghouse; therefore, the ERC application meets the timeliness requirement of District Rule 2301.

VII. RECOMMENDATION

The District recommends that ERC Certificate be issued to Howser Almond Shelling Inc. for the amount indicated in the following table. Also, the applicant should be required to revise an emission factor to 0.065 lb-PM10/FWT and establish quarterly PM10 limits of Q1: 0 lb, Q2: 0 lb, Q3: 7,193 lb, and Q4: 2,271 lb in permit N-1972-2 to enforce the actual emission reductions, noted in section V.E above. PM2.5 in PM10 calculations are in Appendix III of this document.

Bankable Emission Reductions in lb/quarter				
Pollutant	**1st Quarter**	**2nd Quarter**	**3rd Quarter**	**4th Quarter**
PM_{10}	0	0	491	121
$PM_{2.5}$ in PM_{10}	0	0	324	80

APPENDICES

Appendix I: Draft ERC Certificate
Appendix II: Baseline Period Calculations
Appendix III: $PM_{2.5}/PM_{10}$ Calculations
Appendix IV: Source Test Summary
Appendix V: Permit to Operate N-1972-2-1
Appendix VI: Public Comments and District Response

Appendix I

Draft ERC Certificate

San Joaquin Valley
Air Pollution Control District

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

Emission Reduction Credit Certificate

N-1655-4

ISSUED TO: HOWSER ALMOND SHELLING INC

ISSUED DATE: <DRAFT>

LOCATION OF REDUCTION: 5130 SHOEMAKE AVE
MODESTO, CA 95358

For PM10 Reductions In The Amount Of:

Quarter 1	Quarter 2	Quarter 3	Quarter 4
None	None	491 lbs	121 lbs

Portion of above PM10 Reductions that is PM2.5:

Quarter 1	Quarter 2	Quarter 3	Quarter 4
0.0%	0.0%	65.9%	65.9%
None	None	324 lbs	80 lbs

Method Of Reduction

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

Modification to almond hulling/shelling operation to replace cyclones with two baghouses

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

_____
Brian Clements, Director of Permit Services

Appendix II
Baseline Period Calculation

Baseline Period Determination

Howser Almond Shelling has provided operational data and processing rate in Emissions Inventory statements from 2016 through 2020. This data is used to estimate the monthly processing rates, which are then used estimate the quarterly production data. The following table summarizes annual process rate, operating data and estimated monthly process rates.

Year	Actual Process rate FWT/yr	Operating Data					Estimated Monthly Process Rate (FWT)				
		Aug	Sep	Oct	Nov	Dec	Aug	Sep	Oct	Nov	Dec
2020	19,468	20%	25%	25%	25%	5%	3,894	4,867	4,867	4,867	973
2019	10,108	25%	50%	25%	ND	ND	2,527	5,054	2,527	0	0
2018	10,864	25%	50%	25%	ND	ND	2,716	5,432	2,716	0	0
2017	8,686	25%	50%	25%	ND	ND	2,172	4,343	2,172	0	0
2016	6,915	25%	50%	25%	ND	ND	1,729	3,458	1,729	0	0

*ND = No data

The following table summarizes the quarterly production data using monthly production records in the above table:

Calendar Quarter	Processing Rate (FWT)	8 Quarter Difference
Q3 2016	5,186	
Q4 2016	1,729	
Q1 2017	0	
Q2 2017	0	
Q3 2017	6,515	
Q4 2017	2,172	
Q1 2018	0	
Q2 2018	0	577
Q3 2018	8,148	207
Q4 2018	2,716	83
Q1 2019	0	83
Q2 2019	0	83
Q3 2019	7,581	50
Q4 2019	2,527	95
Q1 2020	0	95
Q2 2020	0	95
Q3 2020	8,761	171
Q4 2020	10,707	1,170
Q1 2021	0	1,170
Q2 2021	0	1,170
Average:	2,802	

The values in this column represent the absolute value of the difference between the facility's quarterly processing rate averaged over the last 5 years since the date the application was complete (2,802 tons - considered to be "normal" source operation) and the quarterly processing rate averaged over the previous 8 consecutive calendar quarters starting with Q3 2016. The smallest "difference" is assumed to be the 8 consecutive calendar quarter period whose averaged processing rate most closely represents "normal" source operation. For example:

50 = ABS(2,802 - (SUM(Q4 2017 through

Since this value is the smallest "difference", the 8 consecutive calendar quarter period associated with it (Q4 2017 - Q4 2019) is assumed to most closely represent "normal" source operation. Therefore, the baseline period is from **Q4 2017 - Q3 2019.**

Appendix III

$PM_{2.5}/PM_{10}$ Calculations

PM2.5/PM10 Calculations

- Assumptions
    - The back-half of the particulate matter sampling train is assumed to capture condensable particulate matter of 2.5 microns or lesser in size.
    - All emissions at the baghouse exit are assumed to be 10 microns or less.

- $PM_{2.5}/PM_{10}$ Fraction

  Source testing conducted at Stewart and Jasper on 10/14/98 indicates a total average of 0.388 lb/hr (0.102 + 0.286) of back-half organic and inorganic particulate matter captured in a total particulate matter emissions of 0.589 lb/hr. Thus, PM2.5/PM10 fraction would be 65.9% (0.388/0.589).

- $PM_{2.5}$ Emissions

  Q1: 0 lb
  Q2: 0 lb
  Q3: 491 lb-PM10 x 0.659 lb-PM2.5/lb-PM10 = 324 lb-PM2.5
  Q4: 121 lb-PM10 x 0.659 lb-PM2.5/lb-PM10 = 80 lb-PM2.5

Appendix IV
Source Test Summary

STEWART & JASPER

Newman, CA

Source Test Report

Particulate Compliance Emissions Tests

Hulling & Shelling Stack

Test Date: October 14, 1998

TABLE #1
Stewart & Jasper
Baghouse Outlet
PARTICULATE EMISSIONS TEST RESULTS

RUN #	1	2	3	AVERAGE
TEST DATE	10/14/98	10/14/98	10/14/98	
TEST TIME	1038-1149	1302-1412	1437-1617	
SAMPLE VOLUME (DSCF)	48.246	48.436	47.817	
ISOKINETIC (%)	208.4	100.6	101.1	
DUCT TEMP., (°F)	77.4	80.9	81.4	79.9
VELOCITY (ft/sec)	68.00	68.96	67.49	68.15
FLOW RATE (ACFM)	80,113	81,247	79,512	80,290
FLOW RATE (DSCFM)	74,728	75,013	73,686	74,476
H_2O (volume %)	0.76	1.14	0.67	0.86
Production Rate, TPH	2.96	2.96	1.98	
F.H. Particulate Conc. (gr/DSCF)	0.0003	0.0002	0.0004	0.0003
F.H. Particulate Emissions (Lbs/hr)	0.18	0.13	0.27	0.20
Organic Particulate Conc. (gr/DSCF)	<0.0002	<0.0002	<0.0002	<0.0002
Organic Particulate Emissions (Lbs/hr)	<0.102	<0.102	<0.102	<0.102
Inorganic Particulate Conc. (gr/DSCF)	0.0006	0.0006	0.0003	0.0004
Inorganic Particulate Emissions (Lbs/hr)	0.389	0.389	0.183	0.286
Tot. Particulate Conc. (gr/DSCF)	**0.0011**	**0.0010**	**0.0009**	**0.0009**
Tot. Particulate Emissions (lbs/hr)	**0.674**	**0.621**	**0.558**	**0.589**
Particulate Emission Factor (lbs/ton)	**0.228**	**0.210**	**0.282**	**0.246**

Note: Run 1 test results not used in average.

WHERE

DSCF = Sample Volume in Dry Standard Cubic Feet
ACFM = Actual Cubic Feet per Minute
DSCFM = Dry Standard Cubic Feet per Minute
H_2O, volume % = Stack gas percent water vapor
gr/DSCF = Particulate concentration in grains per DSCF
lbs/hr = Particulate emission rate
lbs/ton = Particulate emission factor

CALCULATIONS

gr/DSCF = 0.01543 * Sample Wt. / Sample Volume
lbs/hr Emission Rate = 0.00857 * gr/DSCF * DSCFM
lbs/ton Emission Factor = lbs/hr/tons per hour

Appendix V
Permit to Operate N-1972-2-1

San Joaquin Valley
Air Pollution Control District

PERMIT UNIT: N-1972-2-1 **EXPIRATION DATE:** 06/30/2026

EQUIPMENT DESCRIPTION:
ALMOND HULLING AND SHELLING OPERATION CONSISTING OF 11 STAGES OF SHEAR ROLLING AND HARDSHELL CRACKING EQUIPMENT INCLUDING 16 SHEAR ROLLS, 14 HARD ROLL CRACKERS, 2 BEATERS, 15 SHAKER DECKS, ASSOCIATED AUGERS, CONVEYORS, 3 GRAVITY SEPARATORS, AND 25 HULLING/SHELL ASPIRATORS SERVED BY TWO AB FAB, INC. MODEL ABR-210-12 BAGHOUSES

PERMIT UNIT REQUIREMENTS

1. No air contaminant shall be released into the atmosphere which causes a public nuisance. [District Rule 4102]
2. Particulate matter emissions shall not exceed 0.1 grains/dscf in concentration. [District Rule 4201]
3. 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]
4. All equipment shall be maintained in good operating condition and shall be operated in a manner to minimize emissions of air contaminants into the atmosphere. [District Rule 2201]
5. The drop from hull augers and dirt elevators shall be kept to a minimum to prevent excessive dust emissions. [District Rule 2201]
6. Visible emissions from each baghouse serving the almond hulling and shelling operations shall not equal or exceed 5% opacity for a period or periods aggregating more than three minutes in any one hour. [District Rule 4101]
7. The maximum throughput for the hulling and shelling operation shall not exceed either of the following limits: 800 tons of field weight almonds per day or 145,600 tons of field weight almonds per year. [District Rule 2201]
8. Emissions from each baghouse serving the hulling and shelling operation shall not exceed 0.065 lb-PM10 per ton of field weight almonds processed. [District Rule 2201]
9. Each baghouse shall be equipped with a pressure differential gauge to indicate the pressure drop across the bags. Each gauge shall be maintained in good working condition at all times and shall be located in an easily accessible location. [District Rule 2201]
10. Each baghouse shall be maintained and operated according to manufacturer's specifications. [District Rule 2201]
11. Replacement bags numbering at least 10% of the total number of bags in each baghouse shall be maintained on the premises. [District Rule 2201]
12. Each baghouse cleaning frequency and duration shall be adjusted to optimize the control efficiency. [District Rule 2201]
13. Material removed from each baghouse shall be disposed of in a manner preventing entrainment into the atmosphere. [District Rule 2201]
14. When in operation, the differential pressure of each baghouse shall not be less than 1.0 inches water column nor greater than 7.0 inches water column. [District Rule 2201]
15. Differential operating pressure shall be monitored and recorded on each day that each baghouse operates. [District Rule 2201]

PERMIT UNIT REQUIREMENTS CONTINUE ON NEXT PAGE

16. Records of all maintenance of each baghouse, including all change outs of filter media, shall be maintained. [District Rule 2201]
17. Daily and annual records of field weight almonds processed shall be maintained, 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 VI
Public Comments and District Response

Public Comments and District Response

Summary of Comment #1 from Central California Environmental Justice Network (CCEJN):

The ERC banking application submission was not timely. Section 4.2.3 of Rule 2301 states that *an application for ERC has been filed no later than 180 days after the emission reductions occurred*. The applicant filed the application before the emission reductions occurred. Per Rule 2301, upon receiving the ERC application request on February 3, 2021, the District should have informed the facility they could not submit an application until the proposed ATC modification was approved, implemented, and inspected. Since no ERC application exists that was submitted after emission reductions occurred per Rule 2301, it does not appear this ERC banking project complied with Rule 2301. If Rule 2301 requirements were not complied with, we do not believe the District should issue the ERCs.

District Response to Comment #1:

The commenter misinterprets the timely application submittal requirement of Rule 2301. Sections 4.2.3 and 5.5 of Rule 2301 each provide that an application for ERCs must be submitted no later than 180 days after the emission reductions occur. These provisions establish the latest allowable filing deadline following the occurrence of emission reductions.

Nothing in Rule 2301 requires that an ERC application be submitted only after the emission reductions occur, nor does the rule prohibit an applicant from submitting an application in advance of anticipated reductions. The rule specifies the deadline by which an application must be filed after reductions occur, but it does not establish an earliest permissible filing date.

In this case, the applicant submitted the ERC application in advance of the anticipated emission reductions associated with the permitted project. The emission reductions were subsequently implemented, verified by the District through inspection, and documented consistent with Rule 2301 requirements. Because the application remained active through the verification process and the reductions were ultimately confirmed, the time of the initial submittal does not conflict with the requirements of Rule 2301.

Accordingly, the ERC application satisfies the timely submittal requirements of Rule 2301.

Summary of Comment #2 from CCEJN:

The ERC project did not meet the timelines in Sections 8.2. The District deemed the project incomplete and Section 8.2 states that the applicant shall submit the requested information within 90 days. In rule language, it is common knowledge “shall” is a requirement that must be complied with. The applicant didn’t submit the information within 90 days; therefore, it does not appear that this ERC project is in compliance with Rule 2301 requirements. If Rule 2301 requirements were not complied with, we do not believe the District should issue the ERCs.

District Response to Comment #2:

Section 8.2 of Rule 2301 provides that an applicant shall submit requested information within 90 days. However, the same provision also states that if the requested information is not submitted within that timeframe, the APCO may cancel the ERC Banking Certificate application with written notice to the applicant. The rule therefore expressly provides the APCO discretion to determine whether cancellation of the application is appropriate when additional time is needed to provide the requested information.

Because cancellation under Section 8.2 is discretionary rather than mandatory, the rule does not require that an application automatically be rejected if the requested information is submitted after the 90-day period. In this case, the District exercised its discretion to continue working with the applicant and allowed the application to remain active while the additional information was provided.

Once the requested information was received, the District proceeded with the completeness determination and continued processing the application consistent with Rule 2301 procedures. The administrative timelines referenced in Section 8.2 govern application processing but do not invalidate an otherwise qualifying ERC application where the APCO has not exercised the discretionary authority to cancel the application.

Accordingly, the timing of the applicant's response to the information request does not preclude issuance of ERCs for this project.

Summary of Comment #3 from CCEJN:

The District exceeded the processing timeframes required by Section 8.4 of District Rule 2301. If Rule 2301 requirements were not complied with, we do not believe the District should issue the ERCs.

District Response to Comment #3:

The District disagrees with the assertion that exceeding the administrative processing timeframe in Section 8.4 of Rule 2301 precludes issuance of ERCs.

Section 8.4 establishes procedural timelines for conducting an initial assessment and providing public notice following acceptance of a complete application. This provision is administrative in nature and is intended to promote orderly and timely processing of ERC applications.

Nothing in Rule 2301 states that the administrative processing deadlines are jurisdictional, nor does the rule provide that failure to meet those timelines results in automatic denial, forfeiture, loss of eligibility, or divestiture of the APCO's authority to issue ERCs. The rule contains no language indicating that administrative delay invalidates otherwise qualifying

emission reductions. Administrative processing timelines in Rule 2301 do not alter the underlying eligibility of emission reductions that otherwise meet the rule's certification criteria.

Eligibility for ERC issuance is governed by Sections 4.0 through 6.0 of Rule 2301. To qualify for certification, emission reductions must be real, permanent, quantifiable, surplus, and enforceable, and the application must be filed in a timely manner pursuant to Sections 4.2.3 and 5.5. The project satisfies these substantive requirements.

While the District strives to adhere to internal processing timelines, those timelines function as administrative processing goals rather than mandatory conditions precedent to issuance. Because all substantive and procedural requirements of Rule 2301 have been satisfied, the timing of the District's review does not invalidate the application or prohibit issuance of ERCs.

Summary of Comment #4 from CCEJN

The emission reductions in this ERC banking project are not surplus of existing rules and regulations, specifically Rule 2201 and its BACT requirements. We would argue that BACT for this emissions source should be 99.9% emission control, and we believe the District must show in this ERC banking application review if this level of control is achieved in practice or is technologically feasible and cost effective. Without such an evaluation, we do not believe the District is showing these emission reductions are surplus of required rules and regulations. If these emission reductions are not surplus, we do not believe the emission reductions in this project can receive ERCs and remain in compliance with Rules 2201 and 2301.

District Response to Comment #4:

This interpretation is incorrect. BACT is a permitting standard that applies only when a new or modified source triggers New Source Review under 2201. Specifically, BACT requirements apply when a project results in an emissions increase that exceeds the thresholds that trigger NSR review. In this case, the permit modification associated with the ERC project resulted in a net decrease in emissions and therefore did not trigger BACT under Rule 2201.

For ERC purposes, surplus reductions are defined as reductions that are real, permanent, quantifiable, enforceable, and in excess of applicable regulatory requirements. When determining whether reductions are surplus, the relevant comparison is to regulatory requirements that actually apply to the source. Because the project did not trigger BACT under Rule 2201, BACT is not an applicable regulatory requirement for purposes of evaluating ERC surplus for this project.

The commenter's assertion that emission reductions must exceed BACT levels in order to be surplus conflates case-specific permitting requirements with the definition of surplus emission reductions under the ERC banking program. The fact that Rule 2201 is incorporated into the California State Implementation Plan (SIP) does not alter this

conclusion. SIP inclusion does not make BACT a universal operational requirement for all sources; rather, BACT applies only when the conditions that trigger NSR review are met.

Because the permit modification associated with this project did not trigger BACT and no other rule, permit condition, or regulatory requirement required the control level suggested by the commenter, the emission reductions are properly considered surplus under Rules 2201 and 2301.

Summary of Comment #5 from CCEJN

We believe from average online searching, the District will see numerous air permits in both California and the United States that have required a PM emission control of 99% or greater. A single example is a permit from the Montana Department of Environmental Quality. Permit 4847-02 issued to Molson Coors Beverage Company with two baghouses that control PM emissions to 99.9% for grain receiving, grain loadout, and grain cleaning operations. Since a SIP through its air permitting (NSR and BACT) has required a 99.9% PM emission control, no PM emissions controlled at 99.9% or less should be determined to be surplus. If these emission reductions are not surplus, we do not believe the emission reductions in this project can receive ERCs and remain in compliance with Rules 2201 and 2301.

District Response to Comment #5

The commenter's argument is not supported by the Clean Air Act, the SIP, or District Rules 2201 and 2301. Individual permits issued by other air agencies under different regulatory programs, permitting frameworks, and factual circumstances do not establish applicable regulatory requirements for sources within the jurisdiction of the District. Accordingly, such permits do not determine whether emission reductions are surplus for purposes of the District's ERC banking program.

Under Rule 2301, emission reductions qualify for certification as ERCs only if they are real, permanent, quantifiable, enforceable, and surplus of applicable regulatory requirements. Surplus determinations are made relative to regulatory obligations that actually apply to the source, such as District rules, SIP requirements, permit conditions, or other enforceable requirements. Requirements or control levels applied in permits issued by other jurisdictions do not constitute applicable regulatory requirements for this source.

The commenter also appears to conflate case-specific permitting outcomes with generally applicable requirements. BACT is a permitting standard applied during New Source Review when a project results in an emissions increase that exceeds the applicable thresholds under Rule 2201. BACT determinations are made on a case-by-case basis based on the specific project, source configuration, and economic and technological feasibility. In this case, the permit modification associated with the ERC project resulted in a net decrease in emissions and therefore did not trigger BACT under Rule 2201.

The commenter's assertion that particulate matter control levels of 99.9 percent represent a universally applicable requirement is therefore incorrect. The existence of permits in other

jurisdictions requiring a particular level of control does not establish that such control levels are required for this source or that they represent enforceable regulatory requirements applicable within the District.

In addition, BACT guideline documents and “achieved-in-practice” examples are informational tools used to assist in evaluating potential control technologies during permitting reviews. They do not themselves establish enforceable emission limits or regulatory requirements unless a BACT determination is made for a specific project that triggers NSR review.

Because no District rule, SIP requirement, permit condition, or applicable NSR determination required the control level suggested by the commenter, the emission reductions associated with this project are properly considered surplus under Rules 2201 and 2301.

Summary of Comment #6 from CCEJN:

The 2024 SIP submitted by the District for the 2012 Annual PM2.5 Standard has requested and is relying on a 5 year extension to be granted in order to be in compliance with the Clean Air Act. This 5 year extension of the attainment date for areas designated Serious Nonattainment for PM2.5 has the following requirement found in Clean Air Act, Part D, Section 188(e):

Upon application by any State, the Administrator may extend the attainment date for a Serious Area beyond the date specified under subsection (c) of this section, if attainment by the date established under subsection (c) of this section would be impracticable, the State has complied with all requirements and commitments pertaining to that area in the implementation plan, and the State demonstrates to the satisfaction of the Administrator that the plan for that area includes the most stringent measures that are included in the implementation plan of any State or are achieved in practice in any State, and can feasibly be implemented in the area.

Given multiple states have SIPs that require 99.9% PM emission control through an air permitting program and the District, through its own SIP, must require the most stringent measures, we believe the District is required to ensure PM control for this emission source type be at least 99.9% in order to comply with and remain eligible for the 5 year extension to their PM2.5 plan.

District Response to Comment #6

Rule 2201 establishes a time-specific and legally precise definition of “surplus”. Under Section 3.2.1, an actual emission reduction qualifies as surplus only if, at the time the ERC or Authority to Construct application is deemed complete, it is in excess of any reduction that is (1) required or encumbered by any law, rule, regulation, agreement, or order; (2) attributed to a control measure noticed for workshop, 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 Authority to Construct application authorizing the modification was deemed complete on December 29, 2020. At that time, there was no SIP provision, no SIP control measure, no workshop-noticed measure, and no adopted air quality plan requirement that imposed a 99.9% PM control standard on this source category. Surplus determinations must be evaluated based on the regulatory requirements in effect at the time the application is deemed complete.

The District's 2024 SIP submission requesting a Serious Area attainment date extension did not exist and was not in effect at the time the application was deemed complete. As a result, the 2024 SIP submission did not apply and cannot retroactively encumber emission reductions generated by a 2020 permit action.

Even if the 2024 SIP submission were considered, Section 188(e) still would not necessarily require a 99.9% PM control standard for this source category. The Most Stringent Measures (MSM) requirement in §188(e) is a planning-level obligation applicable to the SIP as a whole. It requires that the attainment plan include measures at least as stringent as those included in other SIPs or achieved in practice elsewhere, to the extent feasible for the area. It does not automatically impose the highest control efficiency ever used in any state on every source or source category, nor does it convert isolated permitting outcomes in other jurisdictions into universally applicable standards.

The commenter's assertion that "multiple states have SIPs that require 99.9% PM emission control through an air permitting program" improperly conflates case-specific permitting outcomes with SIP-adopted control measures. Individual permits are not "measures included in the SIP" within the meaning of §188(e) and do not establish binding regulatory requirements for other jurisdictions or source categories.

Because no law, regulation, SIP measure, or adopted plan provision in effect on December 29, 2020 required 99.9% PM control for this source, the emission reductions were not encumbered at the time the application was deemed complete. They satisfy the definition of "surplus" in Rule 2201 and are eligible for ERC issuance. The commenter's reliance on the 2024 SIP submission, §188(e), and out-of-state permitting examples provides no legal basis to deny ERCs under District rules or the Clean Air Act.