

March 13, 2018

Chairperson Francis P. Lagattuta, M.D., and  
Members of the Hearing Board  
Santa Barbara County Air Pollution Control District  
260 North San Antonio Rd, Suite A  
Santa Barbara, California 93110-1315

Re: H.B. Case No. 2017-21 AP and H.B. Case No. 2017-24 AP  
Appeal of "Achieved-in-Practice" Best Available Control Technology Determination  
for Wine Fermentation Tanks

Dear Chairperson Lagattuta and Members of the Hearing Board:

At the request of the Santa Barbara County Air Pollution Control District (District), the California Air Resources Board (CARB) staff evaluated the District's Best Available Control Technology (BACT) determination at issue in this case. After a careful review, CARB staff concluded that the determination is correct. CARB staff supports the District's efforts to strengthen public health protections and improve air quality by establishing stronger reactive organic compound (ROC) controls.

The determination was made in conjunction with the issuance of Authority to Construct (ATC) permits 15044 and 15044-1 to Central Coast Winery Services (CCWS) in Santa Maria for wine storage and fermentation tanks. The District's BACT determination requires the capture and control of the pollutant ethanol, a reactive organic compound. The District also requested CARB staff to evaluate the claims raised in the Petition for Review of ATC Issued to CCWS (Petition) filed by the Wine Institute with the Santa Barbara County Air Pollution Control District Hearing Board. In its Petition, the Wine Institute disputes the District's findings that the performance standard and control technology determined to be BACT for wine fermentation storage tanks are "achieved-in-practice." While the District, in its excellent and comprehensive brief, has responded to the claims raised in the Petition, at the District's request, CARB staff respectfully submits this letter and attachments for your consideration.

Most Californians live in areas not meeting state or national ambient air quality standards for ozone; more than half live in areas classified as extreme non-attainment for the National Ambient Air Quality Standard for ozone. Wineries can be a significant source of ethanol emissions during their fermentation season, and ROCs such as ethanol are precursors to ozone formation. Since wineries are largely uncontrolled sources and the fermentation season overlaps with peak ozone season, controlling ethanol emissions from wineries through the proper application of BACT is a critical step towards meeting national and State clean air standards for ozone.

Rigorous permitting practices for new, modified, and existing sources are fundamental to achieving State and federal air quality requirements to protect the public. The District's BACT determination was made as part of its New Source Review (NSR) program. NSR is an essential element to the District's strategy to achieve air pollution control goals. The District's NSR program ensures any new or modified source of air pollutants will be minimized and will comply with State and federal law. A key component of NSR is BACT. The development of BACT determinations are a critical responsibility of the local air permitting authority, subject to provisions of the federal Clean Air Act and Health and Safety Code section 40405, as well as United States Environmental Protection Agency (U.S. EPA) and CARB oversight.

CARB's oversight role helps to ensure that California's programs operate with rigor to ensure continued efforts to attain and maintain compliance with State and federal standards succeed. (See, e.g., Health and Safety Code sections 39600, 39602 (federal standards), 40924-40925 (state standards), 42360-42363 (variances and district permitting)). CARB has expertise in stationary source matters, and maintains a database of BACT determinations (including achieved-in-practice determinations).

In its Petition, the Wine Institute disputes the District's findings that the BACT performance standard and control technologies – at least 67 percent capture and control of ROC through the use of a water scrubber or glycol chiller-condenser – are achieved-in-practice for wine fermentation tanks. The significance of the District's achieved-in-practice BACT designation is statewide and potentially nationwide. Any performance standard designated as achieved-in-practice BACT becomes the minimum control standard for any subsequent project of the same class or category of source that triggers BACT.

In October 2017, the District provided copies of the administrative record on the permit decision and the Wine Institute's Petition to CARB. In January 2018, the District provided a copy of the Wine Institute's Opening Brief. CARB staff reviewed these documents, and, in summary, CARB staff agrees with the District's findings: the performance standard and the control technologies used to meet the performance standard are properly designated as achieved-in-practice BACT for control of ROC from wine fermentation tanks. The achieved-in-practice BACT determination is consistent with the relevant legal requirements, and the permit conditions have been carefully designed to ensure emissions limits are consistent with technology performance. The control technologies employed are common types of ROC controls, used successfully in a variety of different types of industries, including, for example, the Terravant Wine Company in Buellton, California, which has used a water scrubber to control ethanol

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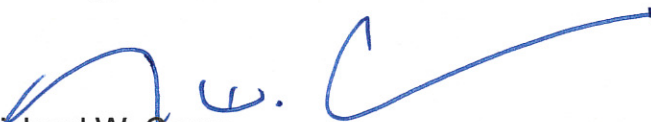
control technologies employed are common types of ROC controls, used successfully in a variety of different types of industries, including, for example, the Terravant Wine Company in Buellton, California, which has used a water scrubber to control ethanol emissions from fermentation since 2008 and at CCWS, which is continuing to successfully operate the required control technologies identified as achieved-in-practice BACT.

CARB staff notes that U.S. EPA's review of similar projects in the San Joaquin Valley Air Pollution Control District (SJVAPCD) has led them to the same conclusion. In numerous correspondence dating back to 2013 between U.S. EPA and SJVAPCD regarding the BACT status of add-on controls for wine fermentation, U.S. EPA has consistently maintained that add-on controls for control of ROC from wine fermentation, similar to the controls and performance standard evaluated by the District, should be considered achieved-in-practice. The District's achieved-in-practice BACT determination is consistent with U.S. EPA's longstanding and frequently expressed opinion of this matter.

Finally, CARB has added the District's achieved-in-practice determination to the Statewide BACT Clearinghouse database. Absent significant data that would change the outcome of our analysis, CARB will maintain that database entry based on our own expert judgment.

Enclosed with this letter is CARB's evaluation of the District's achieved-in-practice BACT determination and the Wine Institute's Petition. CARB staff is available to provide assistance to the District as needed. If you have any questions, please call me at (916) 322-7077 or have your staff contact Floyd Vergara, Chief, Industrial Strategies Division, at (916) 324-0356 or via email at [Floyd.Vergara@arb.ca.gov](mailto:Floyd.Vergara@arb.ca.gov).

Sincerely,



Richard W. Corey  
Executive Officer  
California Air Resources Board

Enclosure(s)

