



Central Coast Wine Services

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September 13, 2017

Mr. Michael Goldman
Santa Barbara County
Air Pollution Control District
260 North San Antonio Road
Santa Barbara CA 93110

Subject: Central Coast Wine Services
Authority to Construct 15044

Dear Mr. Goldman:

As you and I discussed earlier today, Central Coast Wine Services (CCWS) needs to decide whether to file an appeal with regard to certain conditions contained in the Authority to Construct (ATC) 15044 issued by the District on September 18. In particular, and as we presented in our meeting with you and David Harris on 9/6/2017, CCWS is concerned about the permit's use of a 30-day rolling average control efficiency calculation to establish compliance with the BACT conditions within ATC 15044. I understand from our discussion that the District recognizes that the 30-day rolling average presents difficulties in reflecting actual emission control efficiencies and is willing to work with CCWS to address those concerns. CCWS would very much like to avoid filing an appeal on this issue, and believes that such an appeal will not be necessary so long as the District and CCWS can come to mutually agreeable understanding before CCWS needs to file its appeal.

The rolling average assessment of the efficiency is dependent upon a consistent rate of fruit deliveries, must inoculation and fermentation during the crush season. There are several factors that can influence the theoretical rolling-average efficiency calculation and potentially cause the calculation to present an efficiency value below the required efficiency as conditioned in ATC 15044.

During our meeting we discussed several scenarios where gaps in fruit deliveries to the winery can be experienced. For example, there is a high likelihood at the beginning and end of a crush season for fruit to arrive at the winery after an extended gap from any future or prior fruit arrival. This can be the result of different varieties of fruit ripening with significant separation in-between, or due to changes in the weather which could cause fruit to stop ripening and therefore cause a gap in the harvest. Changes in weather can also affect the harvest anytime during a crush season which can result in gaps in fruit deliveries. During the crush season there is also the potential for gaps in fruit deliveries to the winery as the harvest shifts from one variety of fruit to another. If the fruit that arrived at the winery before the gap is a variety that ferments early in its fermentation cycle, and the fruit which arrives after the gap is a variety that tends to do most of its fermentation later in its cycle, there can be 30-day periods where the theoretical potential to emit is much greater than the actual rate of emissions. Therefore, even if the real efficiency of the control devices are 100%, the rolling average calculation would indicate a low control efficiency and therefore a noncompliance condition. All of the scenarios discussed that could cause gaps in fruit deliveries to the

winery represent times when the theoretical rolling-average control efficiency calculation can result in very low 30-day average values.

Any adjustment to the rolling average calculation, such as varied averaging periods or varied compliance windows defined by the fruit delivery gaps, will be accompanied by their own calculation issues and administrative complexities. In our view, the only reasonable method of using the theoretical potential emissions measured against the volume of ethanol collected would be to base the efficiency across the entire fermentation season. A measured volume of ethanol captured during an entire fermentation season compared to the theoretical emissions from all fruit fermented during that same season provides a capture and control efficiency that removes all the variability of a start and stop harvest and the variability from the transitions between fruit color and variety. This is also the reasons that in CCWS's comments to the draft permit we request that the Source Demonstration Control period be the longer of 90 days or the entire fermentation season.

CCWS will continue to maintain the control devices per the manufacturers' requirements and will maintain the necessary logs to demonstrate that the maintenance has been completed.

For the reasons stated above, CCWS requests that the District agree with a BACT control efficiency that is based upon the entire season. The current BACT compliance methodology includes the potential risk for repeated non-compliance that is not tied to actual emissions or control efficiency. The District's proposed recourse of requesting a variance and the District's unwillingness to grant a stay in any enforcement action, except as noted in their P&P 3100 5.B. is not acceptable to CCWS. If the District cannot agree to a stay of enforcement that results from a theoretical non-compliance due to the District's required calculation methodology, CCWS must insist that the calculation methodology not include built-in noncompliance if it is to forego its right to appeal.

CCWS will look forward to meeting with the District tomorrow, September 13th to resolve this issue of the compliance calculation methodology. As I noted during our call today, CCWS believes it has no option other than to appeal this issue to the Hearing Board should we be unable to come to a mutually agreeable resolution during this meeting. However, I am hopeful that will not be necessary, and that the result of tomorrow's meeting will be a written agreement that is acceptable to both the District and CCWS.

Sincerely;

Marshall Miller
Vice President of Finance & Operations

C: Richard Mather, CCWS
Marianne Strange, MFSA