



**STATE OF TENNESSEE
DEPARTMENT OF ENVIRONMENT AND CONSERVATION
DIVISION OF AIR POLLUTION CONTROL**

William R. Snodgrass Tennessee Tower, 15th Floor
312 Rosa L. Parks Avenue
Nashville, TN 37243
(615) 532-0554 Voice or (615) 532-0614 FAX

April 17, 2024

Ms. Allisa Henley, Master Distiller
Sazerac of Tennessee, LLC dba Sazerac of Tennessee Murfreesboro
4000 Centre Pointe Drive
LaVergne, TN 37086

Re: Insignificant Activity/Exemption Permit Application
Sazerac of Tennessee, LLC dba Sazerac of Tennessee Murfreesboro
5295 Asbury Road, Murfreesboro, TN 37129
Emission Source Reference Nos. 75-0912-03, 04, 05/Log No. 81999

Dear Ms. Henley:

The Division received your insignificant activity/exemption permit application dated November 6, 2023, for one diesel-fired emergency fire pump engine, four natural gas-fired water heaters, and one gasoline dispensing operation, on November 8, 2023. A revision to the gasoline dispensing operation's application form was received December 8, 2023. The information which you provided has undergone a preliminary review by the permit program.

It has been determined that the emergency fire pump engine, water heaters, and gasoline dispensing operation (listed below) described in your application would each constitute an *insignificant activity* or *insignificant emissions unit*, as defined in part 1200-03-09-.04(2)(a)3 of the Tennessee Air Pollution Control Regulations (TAPCR).

| Emission Source Reference No. | Process | Description of Insignificant Activities or Insignificant Emissions Units |
|-------------------------------|----------------------------|---|
| 75-0912-03 | Emergency Fire Pump System | <ul style="list-style-type: none">One diesel-fired emergency fire pump engine with a power rating of 315 brake horsepower. This unit is subject to all applicable requirements of 40 CFR 60, Subpart III.One 250 gallon diesel tank stores diesel fuel for the fire pump engine. |
| 75-0912-04 | Water Heating | Four natural gas-fired water heaters, each with a heat input capacity of 5.0 million British thermal units per hour. These water heaters will maintain a minimum temperature using radiant heat to prevent the fire protection pipes in the four whiskey maturation warehouses from freezing during cold weather. |
| 75-0912-05 | Gasoline Dispensing | One gasoline storage/dispensing tank, with a 500-gallon capacity, will be used to refuel facility vehicles and mobile equipment. |

Specifically, the operation of each process unit or activity would result in potential emissions of less than five tons per year of each air contaminant and each regulated air pollutant that is not a hazardous air pollutant, and less than 1,000 pounds per year of each hazardous air pollutant.

Subparagraph 1200-03-09-.04(4)(a) of TAPCR requires that the request for designation as an insignificant emission unit be made at least 30 days prior to the estimated starting date of construction. Your application is accepted as the required notification. All applicable air pollution regulations must still be met by your facility. For your convenience, please refer to the enclosed guidance sheet to help ensure continued compliance with the federal regulations applicable to your stationary emergency engine(s).

If you have any questions concerning this correspondence, please contact Mr. Joshua Rhoads at (615) 532-0547 or Joshua.Rhoads@tn.gov. Your Facility ID is **75-0912**, please reference this number in any further correspondence with the Division.

Sincerely,

A handwritten signature in blue ink, appearing to read "James P. Johnston".

James P. Johnston, P.E.
Deputy Director
Permitting & Regulatory Development

Enclosure

Compliance Guidance for Stationary Emergency Engines

This guidance has been developed to assist businesses that are utilizing the Permit-by-Rule option, or that have obtained an insignificant activity determination, as a means of maintaining their stationary emergency internal combustion engine(s) in compliance with the National Emission Standard for Hazardous Air Pollutants (NESHAP) for Reciprocating Internal Combustion Engines (RICE), and the Standards of Performance for New Stationary (NSPS) Spark Ignition (SI) and Compression Ignition (CI) Internal Combustion Engines.

The stationary emergency engines discussed in this guidance are operated to supply electrical power or mechanical work during emergency situations. They usually provide power to critical networks or equipment when power from a local utility or other normal source of power is interrupted, but may also be used for pumping water during a fire or flood. They may also be used in limited circumstances to supply power as part of a financial arrangement with another location if the local balancing authority or local transmission and distribution system operator calls on the emergency engine in order to prevent an interruption of power.

This guidance applies only to:

1. Stationary Emergency IC Engines
 - a. Does not apply to mobile, Rankine cycle, or non-road engines.
 - b. Does not apply to engines manufactured prior to June 12, 2006, and are located at a commercial, institutional, or residential location that operate only for emergency situations or for recommended maintenance and readiness checks. See the NAICS list for further clarification based on business group.
 - i. Commercial emergency engines refer to those used at banks, hotels, offices, restaurants, sporting arenas, and telecommunications (cell towers) as examples.
 - ii. Institutional emergency engines refer to those used at churches, fire stations, hospitals, nursing homes, police stations, and schools as examples.
 - iii. Residential emergency engines refer to those used at apartment complexes or houses.

What limits are there on operating a stationary emergency engine?

Emergency engines are designed to be operated primarily in emergency situations. But, they can be operated for limited amounts of time outside of emergency situations. Here are the time limits on emergency engine operation:

1. No time limit during an emergency situation.
2. A maximum of 100 hours of non-emergency operation per calendar year as follows:
 - a. Recommended maintenance checks and readiness testing. If more than 100 hours are needed, a petition to the Technical Secretary of the TN Division of Air Pollution Control can be submitted requesting more time. This petition is not needed if records are kept that show more than 100 hours of maintenance or testing is recommended by standards for the

engine.

- b. *A maximum of 50 hours for nonemergency situations can be used to supply power as part of a financial arrangement with another entity if all of the following conditions are met:
 - A. The engine is dispatched by the local balancing authority or local transmission and distribution system operator.
 - B. The dispatch is intended to mitigate local transmission and/or distribution limitations so as to avert potential voltage collapse or line overloads that could lead to the interruption of power supply in a local area or region.
 - C. The dispatch follows reliability, emergency operation or similar protocols that follow specific NERC, regional, state, public utility commission or local standards or guidelines.
 - D. The power is provided only to the facility itself or to support the local transmission and distribution system.
 - E. The owner identifies and records the entity that dispatches the engine and the specific NERC, regional, state, public utility commission or local standards or guidelines that are being followed for dispatching the engine. The local balancing authority or local transmission and distribution system operator may keep these records on behalf of the engine owner or operator.
- c. The maximum 50 hours of nonemergency operation count as part of the 100 hours per calendar year allowed.
- d. The 50 hours of nonemergency operation cannot be used for peak shaving, nonemergency demand response, or generating income for the facility to an electric grid.

*If the engine is greater than 100 horsepower, and used in nonemergency situations to supply power as part of a financial arrangement with another entity, the owner must keep records of the date, start time, and end time of the engine operated for these purposes, and must submit an annual report using the Compliance and Emissions Data Reporting Interface (CEDRI) that is accessed through EPA's Central Data Exchange (CDX) (www.epa.gov/cdx).

Complying with the rules

All owners and operators of stationary emergency engines must determine the manufacture date of the engine.

For all engines that are manufactured prior to April 1, 2006, the engine owners/operators must:

1. Change the oil and filter every 500 hours of operation or annually, whichever comes first.
 - a. An oil analysis program can be used to show that changing the oil is not necessary. The analysis must be performed as frequently as oil changes are required and will analyze Total Base (for CI) or Acid (for SI) number, viscosity, and percent water content. These three parameters must meet certain criteria in order for the oil to continue being used.
2. Inspect the air cleaner for CI engines, and inspect the spark plug for SI engines every 1000 hours of operation or annually, whichever comes first. Replace as necessary.
3. Inspect all the hoses and belts every 500 hours of operation or annually, whichever comes first. Replace as necessary.
4. Install a non-resettable hour meter, if one is not already installed. Keep records of the operation of the engine in emergency and non-emergency service.
5. Operate and maintain the engine and associated after-treatment control devices (if any) according to the manufacturer's recommendations or,
6. Develop a maintenance plan to maintain and operate the engine in a manner consistent with good air pollution control practices for minimizing emissions.

For CI engines that are manufactured after April 1, 2006, SI engines greater than 25 horsepower and manufactured after January 1, 2009, and SI engines less than or equal to 25 horsepower and manufactured after July 1, 2008, the engine owners/operators must:

1. Use Ultra Low Sulfur Diesel, if a CI engine
2. Be certified by the manufacturer as meeting the standards for the same model year and maximum engine power. To maintain certification you must:
 - a) Install and configure the engine according to the manufacturer's emission-related specifications;
 - b) Operate and maintain the engine and control device (if present) according to the manufacturer's emission-related written instructions;
 - c) Change only those emission-related settings that are permitted by the manufacturer.
3. If the engine has a label that states that the engine is for **stationary emergency use only**, a non-resettable hour meter must be installed, and you must:
 - a) Keep records of the operation of the engine in emergency and non-emergency service that is recorded through the non-resettable hour meter.
 - b) Record the time of operation of the engine and the reason the engine was in operation during that time