MISSOURI DEPARTMENT OF NATURAL RESOURCES
MISSOURI AIR CONSERVATION COMMISSION

PERMIT TO CONSTRUCT

Under the authority of RSMo 643 and the Federal Clean Air Act the applicant is authorized to construct the air contaminant source(s) described below, in accordance with the laws, rules and conditions as set forth herein.

Permit Number: 112017-003  Project Number: 2017-07-031
Installation Number: 165-0002

Parent Company: McCormick Distilling Co., Inc.
Parent Company Address: One McCormick Lane, Weston, MO 64098
Installation Name: McCormick Distilling Co.
Installation Address: One McCormick Lane, Weston, MO 64098
Location Information: Platte County, S18, T53N, R35W

Application for Authority to Construct was made for:
The expansion of distilling and barrel aging operations. This review was conducted in accordance with Section (6), Missouri State Rule 10 CSR 10-6.060, Construction Permits Required.

☐ Standard Conditions (on reverse) are applicable to this permit.
☐ Standard Conditions (on reverse) and Special Conditions are applicable to this permit.

Hans Robinson
New Source Review Unit

Prepared by
Hans Robinson
New Source Review Unit

Lyda L. Moore
Director or Designee
Department of Natural Resources

NOV 13 2017
Effective Date
STANDARD CONDITIONS:

Permission to construct may be revoked if you fail to begin construction or modification within two years from the effective date of this permit. Permittee should notify the Enforcement and Compliance Section of the Air Pollution Control Program if construction or modification is not started within two years after the effective date of this permit, or if construction or modification is suspended for one year or more.

You will be in violation of 10 CSR 10-6.060 if you fail to adhere to the specifications and conditions listed in your application, this permit and the project review. In the event that there is a discrepancy between the permit application and this permit, the conditions of this permit shall take precedence. Specifically, all air contaminant control devices shall be operated and maintained as specified in the application, associated plans and specifications.

You must notify the Enforcement and Compliance Section of the Department's Air Pollution Control Program of the anticipated date of start up of this (these) air contaminant source(s). The information must be made available within 30 days of actual startup. Also, you must notify the Department's regional office responsible for the area within which you are located within 15 days after the actual start up of this (these) air contaminant source(s).

A copy of the permit application and this permit and permit review shall be kept at the installation address and shall be made available to Department’s personnel upon request.

You may appeal this permit or any of the listed special conditions to the Administrative Hearing Commission (AHC), P.O. Box 1557, Jefferson City, MO 65102, as provided in RSMo 643.075.6 and 621.250.3. If you choose to appeal, you must file a petition with the AHC within 30 days after the date this decision was mailed or the date it was delivered, whichever date was earlier. If any such petition is sent by registered mail or certified mail, it will be deemed filed on the date it is mailed. If it is sent by any method other than registered mail or certified mail, it will be deemed filed on the date it is received by the AHC.

If you choose not to appeal, this certificate, the project review and your application and associated correspondence constitutes your permit to construct. The permit allows you to construct and operate your air contaminant source(s), but in no way relieves you of your obligation to comply with all applicable provisions of the Missouri Air Conservation Law, regulations of the Missouri Department of Natural Resources and other applicable federal, state and local laws and ordinances.

The Air Pollution Control Program invites your questions regarding this air pollution permit. Please contact the Construction Permit Unit using the contact information below.

Contact Information:
Missouri Department of Natural Resources
Air Pollution Control Program
P.O. Box 176
Jefferson City, MO 65102-0176
(573) 751-4817

The regional office information can be found at the following website:
http://dnr.mo.gov/regions/
REVIEW OF APPLICATION FOR AUTHORITY TO CONSTRUCT AND OPERATE
SECTION (6) REVIEW
Project Number: 2017-07-031
Installation ID Number: 165-0002
Permit Number: 112017-003

Installation Address: McCormick Distilling Co.
One McCormick Lane
Weston, MO 64098

Parent Company: McCormick Distilling Co., Inc.
One McCormick Lane
Weston, MO 64098

Platte County, S18, T53N, R35W

REVIEW SUMMARY

• McCormick Distilling Co. has applied for authority to construct for the expansion of distilling and barrel aging operations.

• The application was deemed complete on July 18, 2017.

• HAPs emitted from this process result from the combustion of natural gas, fermentation, and distillation.

• None of the New Source Performance Standards (NSPS) apply to the installation.

• NSPS Subpart Kb, Standards of Performance for Volatile Organic Liquid Storage Vessels, does not apply because vessels at this facility are used either to store beverage alcohol or have volume less than 75 cubic meters.

• NSPS Subpart Dc, Standards of Performance for Small Industrial-Commercial-Institution-Steam Generating Units does not apply to the natural gas boiler because it is rated at less than 10 MMBtu/hr.

• NSPS Subpart NNN, Standards of Performance for Volatile Organic Compound Emissions from SOCMI Distillation Operations does not apply since the facility produces beverage alcohols.

• NSPS Subpart VV, Standards of Performance for Equipment Leaks of VOC in the Synthetic Organic Chemicals Manufacturing Industry does not apply to the distillation process because only beverage alcohol is produced.

• None of the NESHAPs apply to this installation. None of the currently promulgated MACT regulations apply to the proposed equipment.
• No air pollution control equipment is being used in association with the new equipment.

• This review was conducted in accordance with Section (6) of Missouri State Rule 10 CSR 10-6.060, Construction Permits Required. Potential emissions of VOC are above de minimis levels.

• This installation is located in Platte County, an attainment area for all criteria pollutants.

• This installation is not on the List of Named Installations found in 10 CSR 10-6.020(3)(B), Table 2. The installation's major source level is 250 tons per year and fugitive emissions are not counted toward major source applicability.

• Ambient air quality modeling was not performed for this review. No model is currently available which can accurately predict ambient ozone concentrations caused by this installation's VOC emissions.

• Emissions testing is not required for the equipment as a part of this permit.

• A Basic Operating Permit application is required for this installation within 30 days of commencement of operations.

• Approval of this permit is recommended without special conditions.

INSTALLATION DESCRIPTION

McCormick Distilling Co., Inc. has owned and operated a spirits distillation, storage, and bottling facility in Weston, Missouri since 1993. Prior to 1993, the installation has existed and operated under several different ownerships since 1856. The facility currently operates a grain fermentation and distillation process in order to produce whiskey. McCormick Distilling Co. distills only whiskey on site, though many other distilled spirits are bottled at the facility. An assortment of distilled spirits are transported to the facility via tanker truck and loaded into bulk exterior storage tanks. These tanks are then emptied into bottling tanks for bottling. There are currently 49 bottling tanks, 31 storage tanks, and 2 regauge tanks at the facility, many of differing capacities and locations. Certain spirits are aged in barrels typically between two to ten years. McCormick Distilling Co. initially calculated existing facility potential emissions to be less than de minimis. With the addition of extra fermentation, distillation, and barrel capacity, emissions were reevaluated over 8760 hours and VOC emissions were found to be greater than 40 tpy.

No permits have been issued to McCormick Distilling Co. from the Air Pollution Control Program.
PROJECT DESCRIPTION

McCormick Distilling Co., Inc. has applied for authority to construct distilling and barrel aging expansions. Since this is the first permit the facility has received, all other existing emission points have been incorporated into this permit as existing emission sources for informational purposes. This permitting action covers only those sources denoted at "Modified" in Table 1 below. (Note: modified sources will contain existing and new emissions and emission sources).

Table 1: Emission Points

<table>
<thead>
<tr>
<th>Emission Point Number</th>
<th>Emission Point Description</th>
<th>Pollutants</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>EP-01</td>
<td>Grain Handling and Unloading</td>
<td>PM/PM\textsubscript{10}/PM\textsubscript{2.5}</td>
<td>Modified</td>
</tr>
<tr>
<td>EP-02</td>
<td>Grain Fermentation</td>
<td></td>
<td>Modified</td>
</tr>
<tr>
<td>EP-03</td>
<td>Distillation\textsuperscript{1}</td>
<td></td>
<td>Modified</td>
</tr>
<tr>
<td>EP-04</td>
<td>Natural Gas Boiler (5.02 MMBtu/hr)</td>
<td>PM/PM\textsubscript{10}/PM\textsubscript{2.5}, SO\textsubscript{2}, NO\textsubscript{x}, VOC, CO, HAPs</td>
<td>Existing</td>
</tr>
<tr>
<td>EP-05</td>
<td>Barrel Aging (Adding 12,700 barrels; will have 18,500 total)</td>
<td></td>
<td>Modified</td>
</tr>
<tr>
<td>EP-06</td>
<td>Bottling</td>
<td></td>
<td>Modified</td>
</tr>
<tr>
<td>EP-07</td>
<td>Spirits Storage Tanks (Storage, Bottling, Regauge)\textsuperscript{2}</td>
<td>VOC</td>
<td>Existing</td>
</tr>
<tr>
<td>EP-08</td>
<td>Haul Roads\textsuperscript{3}</td>
<td>PM/PM\textsubscript{10}/PM\textsubscript{2.5}</td>
<td>Modified</td>
</tr>
</tbody>
</table>

\textsuperscript{1}Includes beer well, main distillation column, pot still, pre-barreling holding tank emissions, spent grain and solids residual VOC emissions, and all associated fugitive VOC piping/seal leaks. VOC losses from distillation were calculated by mass balance over all of the aforementioned distillation equipment.

\textsuperscript{2}See Table 2 for a full list of spirit storage tanks.

\textsuperscript{3}See Table 3 for a full summary of haul roads. As a part of this permit project, some haul road emission increases were estimated to increase proportionally due to small hauling vehicles which move supersacs.

\textsuperscript{4}Modified emission points denote that emissions will increase. The emissions of this project constitute additional EP-01 supersac throughput; the addition of three new 500 gallon fermenters; additional distillation fugitive VOC emissions caused by the increased throughput from new fermenters; the addition of 12,700 new distilled spirit barrels for aging; the increased haul road emissions from additional supersac handling. Existing sources are not included in the project potential to emit. All new emissions associated with the modified sources were included in the project potential to emit.

Grains commonly used for distilling at the facility are corn, wheat and rye though they are not limited on the types of grains they may use. Bags of grain delivered to the facility in supersacs are unloaded to three foot square hopper which feeds an enclosed conveyor. The conveyor then empties into an enclosed roof cooker filled with water. The cooker will operate several cycles, cooking the grains (grain mashing). The cooker remains enclosed throughout the cooking process. Yeast is added to the cooked liquid (otherwise known as mash) and later pumped to a fermenter. The facility will operate a total of six separate fermenters of different sizes.
The final fermented grain alcohol mixture, known as “beer”, is pumped to a beer well vessel for holding. The beer well slowly pumps the beer to the top of a distillation column at around 9.5 gallons/minute. Beer will flow down the top of the distillation column while steam from a natural gas boiler is injected from the bottom. Product alcohol and water will migrate through a condenser connected to the top of the column. Solids and excess water will migrate to the bottom of the column. The solids and excess water are pumped to a thick stillage tank with a cylindrical screen. The screen captures spent grains and other solids while the excess water falls through the cylindrical screen to the thin stillage tank. The excess water is pumped back to the cooker for the next batch while the screened solids are picked up by farmers as livestock feed.

Alcohol and water that condense from the top of the distillation column are fed to a small pot still. The small pot still distills the alcohol further; alcohol and water are further evaporated from the top of the still while excess water remains in the bottoms of the pot still. Some excess water is left in the pot still and some is recycled to the beer well. The alcohol and water that evaporates from the small pot still are condensed and piped to a holding tank where water may be added to the alcohol via reverse osmosis. This lowers the alcohol proof significantly. The alcohol within the holding tank is emptied into barrels with closed tops for storage anywhere from 2 years to 10 years. After sitting for extended periods of time, the barrels are emptied into bottling tanks directly before pouring the alcohol into bottles. A boiler is located at the facility which has a HHV of 5.02 MMBtu/hr of natural gas. The natural gas boiler will be used to provide steam and heat for the distillation process.

McCormick is preparing to produce spirits with longer aging times – some aged 10 years compared to the current aging of 2-3 years. McCormick’s current maximum amount stored in barrel aging is 5,800 barrels (EP-04). In order to accommodate longer aging times, barrel aging capacity will need to be expanded over an extended time period. With the additional 10-year aging process, McCormick has estimated that a total of 18,500 barrels aging in inventory will be needed by the year 2027, with significant increases in inventory starting in 2018. The aging of distilled spirits accounts for most of the VOC emissions at the facility.

The facility currently houses 49 Bottling Tanks, 31 Storage Tanks, and two (2) Regauge Tanks. Tank volume, shell height/length, diameter, and roof radius vary with among tanks (see Table 2 below for full list of bottling, storage, and regauge tanks). Bottling tanks and regauge tanks will be held indoors while storage tanks will be outside. Regauge tanks are used for either blending distilled spirits or holding the resulting blended spirits. Blended spirits can then be introduced to other product lines for flavoring. Storage tanks will feed bottling tanks and regauge tanks before bottling.
<table>
<thead>
<tr>
<th>Equipment ID</th>
<th>Tank Volume (gal)</th>
<th>Tank Height (ft)</th>
<th>Tank Diameter (ft)</th>
<th>Dome/Cone roof Radius (ft)</th>
<th>Description (total capacity)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1,2,3,4</td>
<td>1,616</td>
<td>11.40</td>
<td>5.0</td>
<td>5.0</td>
<td>Bottling tanks: 361,674 gallons</td>
</tr>
<tr>
<td>7</td>
<td>1,269</td>
<td>6.04</td>
<td>6.0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>13</td>
<td>4,957</td>
<td>15.08</td>
<td>7.5</td>
<td></td>
<td></td>
</tr>
<tr>
<td>15</td>
<td>3,008</td>
<td>8.04</td>
<td>8.0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>16</td>
<td>1,836</td>
<td>11.17</td>
<td>5.3</td>
<td></td>
<td></td>
</tr>
<tr>
<td>17</td>
<td>1,955</td>
<td>11.50</td>
<td>5.5</td>
<td></td>
<td></td>
</tr>
<tr>
<td>21,22,23</td>
<td>4,687</td>
<td>5.75</td>
<td>11.8</td>
<td></td>
<td></td>
</tr>
<tr>
<td>24,25,26,27</td>
<td>3,523</td>
<td>8.38</td>
<td>8.5</td>
<td>8.5</td>
<td></td>
</tr>
<tr>
<td>28,29</td>
<td>10,190</td>
<td>10.00</td>
<td>13.2</td>
<td></td>
<td></td>
</tr>
<tr>
<td>30,31,32,33,35,36</td>
<td>10,877</td>
<td>15.33</td>
<td>11.0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>34</td>
<td>11,509</td>
<td>15.73</td>
<td>11.2</td>
<td></td>
<td></td>
</tr>
<tr>
<td>37</td>
<td>5,039</td>
<td>11.16</td>
<td>8.8</td>
<td></td>
<td></td>
</tr>
<tr>
<td>38,39</td>
<td>2,825</td>
<td>12.00</td>
<td>6.3</td>
<td></td>
<td></td>
</tr>
<tr>
<td>40</td>
<td>2,933</td>
<td>7.83</td>
<td>8.0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>64,65</td>
<td>13,116</td>
<td>15.50</td>
<td>12.0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>66,67</td>
<td>18,096</td>
<td>16.91</td>
<td>13.5</td>
<td>13.5</td>
<td></td>
</tr>
<tr>
<td>79,80,81,82,83,84</td>
<td>6,226</td>
<td>12.04</td>
<td>9.0</td>
<td>9.0</td>
<td></td>
</tr>
<tr>
<td>85,86,87,88,89,90,91,92,93,94</td>
<td>10,348</td>
<td>11.96</td>
<td>11.5</td>
<td>11.5</td>
<td></td>
</tr>
<tr>
<td>107,108,109,110,111,113</td>
<td>6,032</td>
<td>12.08</td>
<td>9.3</td>
<td>9.25</td>
<td></td>
</tr>
<tr>
<td>112</td>
<td>6,032</td>
<td>12.1</td>
<td>9.3</td>
<td>9.25</td>
<td></td>
</tr>
<tr>
<td>114,115,116,117,118,119,120,122,123</td>
<td>10,664</td>
<td>15.35</td>
<td>11.0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>121</td>
<td>10,765</td>
<td>17.95</td>
<td>10.2</td>
<td></td>
<td></td>
</tr>
<tr>
<td>124,125</td>
<td>15,229</td>
<td>18.08</td>
<td>12.0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>126,127</td>
<td>20,305</td>
<td>24</td>
<td>12.0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>128,129</td>
<td>40,304</td>
<td>35.5</td>
<td>14.0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>130,131</td>
<td>40,304</td>
<td>35.63</td>
<td>14.0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>132,133</td>
<td>40,304</td>
<td>36</td>
<td>14.0</td>
<td>14</td>
<td></td>
</tr>
<tr>
<td>141</td>
<td>11,000</td>
<td>15.25</td>
<td>11.0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>142</td>
<td>7,000</td>
<td>12.08</td>
<td>10.3</td>
<td></td>
<td></td>
</tr>
<tr>
<td>143,144</td>
<td>17,062</td>
<td>24.42</td>
<td>11.0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>205,206</td>
<td>1,600</td>
<td>4.0</td>
<td>8.0</td>
<td>8.0</td>
<td>Regauge Tanks: 3,200 gallons</td>
</tr>
</tbody>
</table>
As summarized in Table 3 below, 88,340,566 gallons of distilled spirits could potentially be bottled each year. Because the storage tanks, bottling tanks, and regauge tanks at the facility directly feed the bottling process, the annual gallon throughput of each storage tank, bottling tank, and regauge tank is directly proportional to the annual bottling rate. Specifically, the total volume of all storage tanks at the facility sum to 513,976 gallons. To figure the average amount of liquid each tank will hold annually, take the tank volume as a percentage of 513,976 gallons and multiply that by the total facility bottling capacity of 88,340,566 gallons. So for tank No. 1 with a volume of 1,616.68 gallons, the potential annual throughput will be 277,869.83 gallons. This is of course an average rate and there may be some slight variances in VOC emissions among tanks. Since storage tanks feed bottling tanks, the process of dividing individual bottling tank capacity by total bottling tank capacity and multiplying by 88,340,566 gallons was repeated for bottling tanks. Regauge tanks are used primarily for blending spirits and will usually turn over no more than once per week (though calculations were performed with one turnover per day). Throughput of the regauge tanks are based upon total tank volume of the regauge tanks completely filling and emptying daily for 365 days per year. Table 3 below describes the facility's current maximum bottling rates.

Table 3: Bottling Rate and Storage Tank Throughputs

<table>
<thead>
<tr>
<th>Line</th>
<th>Bottles per minute</th>
<th>Bottle size (ml)</th>
<th>Total (L/hr)</th>
<th>Total (gal/hr)</th>
<th>Reduced Hours</th>
<th>Maximum Operation (hrs/year)</th>
<th>Annual Potential Throughput (gal/yr)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>230</td>
<td>750</td>
<td>10350</td>
<td>2,734.18</td>
<td>478</td>
<td>8,282</td>
<td>22,644,484</td>
</tr>
<tr>
<td>2</td>
<td>270</td>
<td>200</td>
<td>3240</td>
<td>855.92</td>
<td>316</td>
<td>8,444</td>
<td>7,227,367</td>
</tr>
<tr>
<td>3</td>
<td>155</td>
<td>1750</td>
<td>16275</td>
<td>4,299.40</td>
<td>476</td>
<td>8,284</td>
<td>35,616,229</td>
</tr>
<tr>
<td>4</td>
<td>225</td>
<td>750</td>
<td>10125</td>
<td>2,674.74</td>
<td>1,066</td>
<td>7,694</td>
<td>20,579,464</td>
</tr>
<tr>
<td>5</td>
<td>1.5</td>
<td>750</td>
<td>67.5</td>
<td>17.53</td>
<td>108</td>
<td>8,652</td>
<td>154,279</td>
</tr>
<tr>
<td>6</td>
<td>180</td>
<td>50</td>
<td>540</td>
<td>142.65</td>
<td>444</td>
<td>8,316</td>
<td>1,186,302</td>
</tr>
<tr>
<td>7</td>
<td>4</td>
<td>1750</td>
<td>420</td>
<td>110.95</td>
<td>356</td>
<td>8,404</td>
<td>932,443</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td>Total 88,340,566</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

†Annual maximum hours of operation reduced due to operational constraints. These constraints include bottle changeovers per year, label and item changes, PM (monthly preventative maintenance) hours, and washout (washing equipment between product changes) hours. Reduced hours are different for each line since each line will generally bottle different products.

EMISSIONS/CONTROLS EVALUATION

The emission factors used in this analysis were obtained from the EPA document AP-42, *Compilation of Air Pollutant Emission Factors*, Fifth Edition:

- Section 1.4-2 (July, 1998) "Natural Gas Combustion" (used to calculate natural gas combustion emissions for the 5.02 MMBtu boiler);
- Section 7.1-3 (November 2006) "Organic Liquid Storage Tanks" (calculations
performed using TANKS 4.09d for VOC – ethanol – emissions from storage tanks, bottling tanks, and regauge tanks);

- Section 9.9.1-1 (May, 2003) "Grain Elevators & Processes";
- Section 9.12.1-2 (October 1996) "Malt Beverages";
- Section 9.12.3-1 (April 1997) "Distilled Spirits";
- Section 13.2.1-3 "Paved Roads".

Pre-ground grain is delivered to the facility in 2,000 lb supersacs and 50 lb bags. When grain is needed, the supersac is lifted over a 3' square covered hopper, which has an opening sized to accept the sac's "outlet sock" and the "outlet sock" will be opened, releasing the ground grain into an enclosed auger, conveying it to the enclosed cooker. Emissions primarily will result from the 3' square hopper loading. Therefore emissions for EP-01 Grain Handling and Loading were calculated using WebFIRE sec 30200530 for grain handling. Since the conveyor and the cooker are enclosed, particulate emissions from conveying and dropping grain into the cooker were not calculated (the cooker will be mostly filled with liquid before grain is added, therefore there is some inherent capture from the solid-liquid mixing and grain drop distance will be small).

After cooking the grain-liquid mixture, the mixture from the cooker is moved to fermenter vats. The mixture will sit in the fermenters for a few days converting grain sugars to ethanol and carbon dioxide using yeast. VOC emissions from the fermenters were calculated using AP-42 Section 9.12.3-1 (Fermentation Vats). AP-42 lists emission factors for Ethanol, Ethyl Acetate, Isomyl Alcohol, and Isobutyl Alcohol. Fermented grains will contain all of these compounds and therefore their emission factors were added together (though Ethanol typically constitutes greater than 99.0% of VOC). Therefore the combined emission factor used for this evaluation was 14.263 lb VOC/1,000 bushels where a bushel weighs 60 lbs for wheat (and many other common grains). The facility currently operates three open top 3500 gallon fermenters and three closed top 500 gallon fermenters.

The fermented liquid is then transported to the Still House and held within a beer well tank for distillation. The fermented liquid is distilled to remove water content and therefore increase ethanol content. However, some ethanol will evaporate and escape the distillation process. Excess water and solids from the column are filtered through a thin stillage tank where water and solids are separated by a filter. The solids are removed and sold to farmers as feed. The solids are not being dried so they will naturally have a high moisture content (i.e. no associated particulate emissions). Excess water is recycled to the cooker for additional fermentation. Alcohol product that exits the top of the distillation column is reboiled through a smaller pot still and then temporarily stored within a holding tank before barrel storage.

A mass balance was performed on the distillation process in order to determine how much ethanol evaporates by measuring the alcohol content (via specific gravity) and gallon throughput of a full batch of alcohol. The proof gallons from the large and small fermenters were measured to be 673.7 gallons whereas the final product exiting the distillation process was 671.7 proof gallons. (Note: A proof gallon is defined as one
liquid gallon of spirits that is 50% alcohol at 60 oF – a spirit rated at 125 proof would be equivalent to 1.25 proof gallons.) Therefore the ethanol lost during distillation was 2.0 proof gallons (1.46 gallons). Using the density of ethanol defined in AP-42, Table 7.1-3 to be 6.610 lb/gallon, loss per batch was calculated to be 9.5 gallons of ethanol. Without additional fermenters, the facility is limited to producing 343 batches per year since fermenting takes more than a day. However, conservatively assuming a batch per day could be produced (365 batches), and multiplying by safety factor of 1.2 (20% above the ethanol losses measured), estimated annual VOC losses for ethanol were calculated to be 2.1 tons per year. Since the final proof gallons after distillation was measured from a barrel (a barrel for which will head to barrel storage), the distillation holding tank emissions are included in the measured distillation losses (i.e. holding tank losses were not evaluated with Tanks; distillation loss emissions that were measured account for all emissions from the beer well, distillation processes, holding tank, and screened solids residual VOC/HAPs). VOC emissions from barrel aging were calculated using an emission factor of 6.9 lb/bbl(barrels)/yr found in AP-42, Section 9.12.3-1 "Distilled Spirits" (April 1997).

Fermentation and distillation will produce VOC and HAPs. The primary HAPs of concern are Acetaldehyde (CAS 75-07-0), Formaldehyde (CAS 50-00-0), Methanol (CAS 67-56-1), and Acrolein (CAS 107-02-8). Stack test data provided to the Department of Natural Resources for an unrelated ethanol distillation facility were used to develop ratios of HAPs to VOC emissions. Since for McCormick was able to calculate VOC emissions from distillation via mass balance and VOC emissions from fermentation via AP-42, the stack test developed HAP ratios were then multiplied by VOC emissions to calculate distillation and fermentation HAP emissions.

Emissions from intermediate storage tanks, bottling tanks, and regauge tanks are based upon maximum hourly throughputs of distilled spirits described in the project description section. Tanks 4.09d were used to calculate tank emission losses for all tanks at the facility. While almost all distilled spirits arrive at the facility at 96% ethanol, most spirits are watered down to around 50% for bottling. For conservative emissions calculations, the storage tanks, bottling tanks, and regauge tanks were assumed to contain 100% ethanol. Bottling emissions were based upon the 17 lb/1000 bbl emission factor found in AP-42 Section 9.12-2. With a barrel containing 31 gallons, a final emission factor of 0.548 lb/Mgal was developed. However, this bottling emission factor is based upon emission rates from bottling beer. Assuming beer on average is approximately 5.0% ethanol, and considering McCormick typically bottles spirits at 50.0% ethanol, emissions were scaled by a factor of ten (i.e. 5.48 lb/Mgal).

A variety of trucks are used to deliver, ship, and move distilled spirits and accompanying materials including semi-trucks, tanker trucks, and forklifts. A silt loading factor of 1.1 g/m² for corn wet mills, found in AP-42 table 13.2.1-3, was used since some milled corn is delivered to the facility and since all haul roads are paved. In 2016 McCormick bottled a wide variety of distilled spirits totaling 7,750,786.3 gallons. Rates for tanker trucks and semi-trucks arriving and leaving the facility each week were observed and recorded during a specific operating period in 2016. For that same period, gallons of distilled...
spirits produced at the facility were recorded. Since the facility's bottling capacity is 88,340,566 gallons/year, trucks per year totals were scaled by a corresponding factor of 11.4 (i.e. 88,340,566 gallons divided by 7,750,786.3 gallons). Average loaded and unloaded truck weights observed at the facility, travel distances, and trucks per year haul rates are summarized in table 3 below.

Table 4: Haul Road Summary

<table>
<thead>
<tr>
<th>Hauling Description (EP-07)</th>
<th>Average Load Weight (tons)</th>
<th>Unloaded Truck Weight (tons)</th>
<th>Trucks per Year</th>
<th>One Way Travel Distance (miles)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Receiving Goods/Raw Materials at Warehouse &quot;I&quot;</td>
<td>17.24</td>
<td>13</td>
<td>26,670.45</td>
<td>0.6</td>
</tr>
<tr>
<td>Receiving Tankers at Warehouse &quot;E&quot;</td>
<td>24.00</td>
<td>13</td>
<td>5,926.77</td>
<td>0.5</td>
</tr>
<tr>
<td>Raw Materials from Warehouse &quot;I&quot; to Warehouse &quot;E&quot;</td>
<td>17.24</td>
<td>13</td>
<td>26,670.45</td>
<td>0.2</td>
</tr>
<tr>
<td>Finished Goods from Warehouse &quot;E&quot; to Warehouse &quot;K&quot;</td>
<td>17.24</td>
<td>13</td>
<td>92,336.90</td>
<td>0.3</td>
</tr>
<tr>
<td>Finished Goods from Warehouse &quot;K&quot;</td>
<td>22.39</td>
<td>13</td>
<td>71,121.19</td>
<td>0.3</td>
</tr>
<tr>
<td>Receiving Grain at Warehouse &quot;I&quot;</td>
<td>21.50</td>
<td>13</td>
<td>72.00</td>
<td>0.6</td>
</tr>
<tr>
<td>Supersacs from Warehouse &quot;I&quot; to Still House</td>
<td>1.07</td>
<td>5.4</td>
<td>1,095.00</td>
<td>0.1</td>
</tr>
<tr>
<td>Pallets from Warehouse &quot;I&quot; to Still House</td>
<td>1.00</td>
<td>5.4</td>
<td>365.00</td>
<td>0.1</td>
</tr>
</tbody>
</table>

*Based on average truck weight for a tractor trailer (26,000 lbs) – See Other Relied Upon Documents references for details.

The following table provides an emissions summary for this project. Existing potential emissions were calculated as a part of this project. Existing actual emissions were not available since the facility has never had to submit an EIQ. Potential emissions of the application represent the potential of the new/modified equipment (see Table 1), assuming continuous operation (8760 hours per year).

Table 5: Emissions Summary (tpy)

<table>
<thead>
<tr>
<th>Pollutant</th>
<th>Regulatory De Minimis Levels</th>
<th>Existing Potential Emissions</th>
<th>Existing Actual Emissions</th>
<th>Potential Emissions of the Application</th>
<th>New Installation Potential</th>
</tr>
</thead>
<tbody>
<tr>
<td>PM</td>
<td>25.0</td>
<td>19.85</td>
<td>N/A</td>
<td>7.66E-03</td>
<td>19.86</td>
</tr>
<tr>
<td>PM_{10}</td>
<td>15.0</td>
<td>4.11</td>
<td>N/A</td>
<td>3.28E-03</td>
<td>4.12</td>
</tr>
<tr>
<td>PM_{2.5}</td>
<td>10.0</td>
<td>1.13</td>
<td>N/A</td>
<td>1.02E-03</td>
<td>1.13</td>
</tr>
<tr>
<td>SO_{2}</td>
<td>40.0</td>
<td>0.01</td>
<td>N/A</td>
<td>N/A</td>
<td>0.01</td>
</tr>
<tr>
<td>NO_{x}</td>
<td>40.0</td>
<td>2.16</td>
<td>N/A</td>
<td>N/A</td>
<td>2.16</td>
</tr>
<tr>
<td>VOC</td>
<td>40.0</td>
<td>41.07</td>
<td>N/A</td>
<td>44.03</td>
<td>85.10</td>
</tr>
<tr>
<td>CO</td>
<td>100.0</td>
<td>1.81</td>
<td>N/A</td>
<td>N/A</td>
<td>1.81</td>
</tr>
<tr>
<td>HAPs</td>
<td>10.0/25.0</td>
<td>0.07</td>
<td>N/A</td>
<td>2.49E-03</td>
<td>0.07</td>
</tr>
</tbody>
</table>

N/A = Not Applicable; N/D = Not Determined
Includes only emissions from new (additional) fermentation and distillation processes as well as barrel aging emissions from the additional 12,700 barrels being added to storage - the existing 5,800 barrels were included in existing potential emissions.

PERMIT RULE APPLICABILITY

This review was conducted in accordance with Section (6) of Missouri State Rule 10 CSR 10-6.060, Construction Permits Required. Potential emissions of VOC are above de minimis levels but below major source levels.

APPLICABLE REQUIREMENTS

McCormick Distilling Co. shall comply with the following applicable requirements. The Missouri Air Conservation Laws and Regulations should be consulted for specific record keeping, monitoring, and reporting requirements. Compliance with these emission standards, based on information submitted in the application, has been verified at the time this application was approved. For a complete list of applicable requirements for your installation, please consult your operating permit.

GENERAL REQUIREMENTS

- Operating Permits, 10 CSR 10-6.065
- Start-Up, Shutdown, and Malfunction Conditions, 10 CSR 10-6.050
- Submission of Emission Data, Emission Fees and Process Information, 10 CSR 10-6.110
  - Per 10 CSR 10-6.110(4)(B)2.B(II) and (4)(B)2.C(II) a full EIQ is required for the first full calendar year the equipment (or modifications) approved by this permit are in operation.
- Restriction of Particulate Matter to the Ambient Air Beyond the Premises of Origin, 10 CSR 10-6.170
- Restriction of Emission of Visible Air Contaminants, 10 CSR 10-6.220
- Restriction of Emission of Odors, 10 CSR 10-6.165
SPECIFIC REQUIREMENTS

- Restriction of Particulate Matter Emissions From Fuel Burning Equipment Used for Indirect Heating, 10 CSR 10-6.405

STAFF RECOMMENDATION

On the basis of this review conducted in accordance with Section (6), Missouri State Rule 10 CSR 10-6.060, Construction Permits Required, it is recommended that this permit be granted without special conditions.

PERMIT DOCUMENTS

The following documents are incorporated by reference into this permit:

- The Application for Authority to Construct form, dated July 7, 2017, received July 11, 2017, designating McCormick Distilling Co., Inc. as the owner and operator of the installation.

OTHER RELIED UPON DOCUMENTS

- E-mail Communications between McCormick Distilling Co. and the Missouri Air Pollution Control Program. This includes supplemental data submitted along with the e-mails.
- Vehicle (tractor trailer weight) provided by Energy.gov; https://energy.gov/eere/vehicles/fact-621-may-3-2010-gross-vehicle-weight-vs-empty-vehicle-weight
- Distillation and Fermentation HAPs to Ethanol ratios were obtained from uncontrolled distillation stack test data submitted to the Department of Natural Resources by Poet Biorefining (6/6/2014). Ratio of HAPs to VOC should be the same for fermentation and distillation.
APPENDIX A

Abbreviations and Acronyms

% ............ percent
°F ............ degrees Fahrenheit
acfm ........... actual cubic feet per minute
BACT ...... Best Available Control Technology
BMPs ........ Best Management Practices
Btu .......... British thermal unit
CAM .......... Compliance Assurance Monitoring
CAS .......... Chemical Abstracts Service
CEMS ...... Continuous Emission Monitor System
CFR ........ Code of Federal Regulations
CO .......... carbon monoxide
CO₂ .......... carbon dioxide
CO₂e .......... carbon dioxide equivalent
COMS ...... Continuous Opacity Monitoring System
CSR .......... Code of State Regulations
dscf .......... dry standard cubic feet
EIQ ....... Emission Inventory Questionnaire
EP .......... Emission Point
EPA .......... Environmental Protection Agency
EU .......... Emission Unit
fps .......... feet per second
ft .......... feet
GACT ...... Generally Available Control Technology
GHG ...... Greenhouse Gas
gpm .......... gallons per minute
gr .......... grains
GWP ...... Global Warming Potential
HAP ....... Hazardous Air Pollutant
hr .......... hour
hp .......... horsepower
lb .......... pound
lbs/hr .......... pounds per hour
MACT ...... Maximum Achievable Control Technology
µg/m³ .......... micrograms per cubic meter
m/s .......... meters per second
Mgal .......... 1,000 gallons
MW .......... megawatt
MHDR ...... maximum hourly design rate
MMBtu .... Million British thermal units
MMCF ..... million cubic feet
MSDS ...... Material Safety Data Sheet
NAAQS ...... National Ambient Air Quality Standards
NESHAPs National Emissions Standards for Hazardous Air Pollutants
NOₓ .......... nitrogen oxides
NSPS ...... New Source Performance Standards
NSR .......... New Source Review
PM .......... particulate matter
PM_{2.5} .......... particulate matter less than 2.5 microns in aerodynamic diameter
PM_{10} .......... particulate matter less than 10 microns in aerodynamic diameter
ppm .......... parts per million
PSD .......... Prevention of Significant Deterioration
PTE .......... potential to emit
RACT ...... Reasonable Available Control Technology
RAL .......... Risk Assessment Level
SCC ........ Source Classification Code
scfm .......... standard cubic feet per minute
SDS .......... Safety Data Sheet
SIC .......... Standard Industrial Classification
SIP .......... State Implementation Plan
SMAL ...... Screening Model Action Levels
SOₓ .......... sulfur oxides
SO₂ .......... sulfur dioxide
tph .......... tons per hour
tpy .......... tons per year
VMT ...... vehicle miles traveled
VOC .......... Volatile Organic Compound
NOV 13 2017

Ms. Peggy Grabau  
Innovation and Compliance Manager  
McCormick Distilling Co.  
One McCormick Lane  
Weston, MO 64098

RE: New Source Review Permit - Project Number: 2017-07-031

Dear Ms. Grabau:

Enclosed with this letter is your permit to construct. Please study it carefully and refer to Appendix A for a list of common abbreviations and acronyms used in the permit. Also, note the special conditions on the accompanying pages. The document entitled, "Review of Application for Authority to Construct," is part of the permit and should be kept with this permit in your files. Operation in accordance with these conditions, your new source review permit application and with your operating permit is necessary for continued compliance. The reverse side of your permit certificate has important information concerning standard permit conditions and your rights and obligations under the laws and regulations of the State of Missouri.

This permit may include requirements with which you may not be familiar. If you would like the department to meet with you to discuss how to understand and satisfy the requirements contained in this permit, an appointment referred to as a Compliance Assistance Visit (CAV) can be set up with you. To request a CAV, please contact your local regional office or fill out an online request. The regional office contact information can be found at the following website: http://dnr.mo.gov/regions/. The online CAV request can be found at http://dnr.mo.gov/cav/compliance.htm.

If you were adversely affected by this permit decision, you may be entitled to pursue an appeal before the administrative hearing commission pursuant to Sections 621.250 and 643.075.6 RSMo. To appeal, you must file a petition with the administrative hearing commission within thirty days after the date this decision was mailed or the date it was delivered, whichever date was earlier. If any such petition is sent by registered mail or certified mail, it will be deemed filed on the date it is mailed; if it is sent by any method other than registered mail or certified mail, it will be deemed filed on the date it is received by the administrative hearing commission, whose contact information is: Administrative Hearing Commission, United States Post Office Building, 131 West High Street, Third Floor, P.O. Box 1557, Jefferson City, Missouri 65102, phone: 573-751-2422, fax: 573-751-5018, website: www.oa.mo.gov/ahc.
If you have any questions regarding this permit, please do not hesitate to contact Hans Robinson at the Department of Natural Resources’ Air Pollution Control Program, P.O. Box 176, Jefferson City, MO 65102 or at (573) 751-4817. Thank you for your attention to this matter.

Sincerely,

AIR POLLUTION CONTROL PROGRAM

[Signature]
Susan Heckenkamp
New Source Review Unit Chief

SH:hrj

Enclosures

c: Kansas City Regional Office
   PAMS File: 2017-07-031

Permit Number: 112017-003