

**NEW SOURCE CONSTRUCTION PERMIT
and MINOR SOURCE OPERATING PERMIT
OFFICE OF AIR MANAGEMENT**

**Daubert VCI, Inc.
1805 West Pacific Avenue
Knox, Indiana 46534**

(herein known as the Permittee) is hereby authorized to construct and operate subject to the conditions contained herein, the emission units described in Section A (Source Summary) of this permit.

This permit is issued to the above mentioned company under the provisions of 326 IAC 2-1.1, 326 IAC 2-5.1, 326 IAC 2-6.1 and 40 CFR 52.780, with conditions listed on the attached pages.

Operation Permit No.: MSOP 149-10969-00021	
Issued by: Paul Dubenetzky, Branch Chief Office of Air Management	Issuance Date:

TABLE OF CONTENTS

A SOURCE SUMMARY

- A.1 General Information [326 IAC 2-5.1-3(c)] [326 IAC 2-6.1-4(a)]
- A.2 Emission Units and Pollution Control Equipment Summary
- A.3 Part 70 Permit Applicability [326 IAC 2-7-2]

B GENERAL CONSTRUCTION CONDITIONS

- B.1 Permit No Defense [IC 13]
- B.2 Definitions
- B.3 Effective Date of the Permit [IC 13-15-5-3]
- B.4 Revocation of Permits [326 IAC 2-1.1-9(5)]
- B.5 Modification to Permit [326 IAC 2]
- B.6 Minor Source Operating Permit [326 IAC 2-6.1]

C SOURCE OPERATION CONDITIONS

- C.1 PSD Minor Source Status [326 IAC 2-2]
- C.2 Preventive Maintenance Plan [326 IAC 1-6-3]
- C.3 Permit Revision [326 IAC 2-5.1-3(e)(3)] [326 IAC 2-6.1-6]
- C.4 Inspection and Entry [326 IAC 2-5.1-3(e)(4)(B)] [326 IAC 2-6.1-5(a)(4)]
- C.5 Transfer of Ownership or Operation [326 IAC 2-6.1-6(d)(3)]
- C.6 Permit Revocation [326 IAC 2-1-9]
- C.7 Opacity [326 IAC 5-1]
- C.8 Fugitive Dust Emissions [326 IAC 6-4]
- C.9 Performance Testing [326 IAC 3-6]
- C.10 Compliance Monitoring [326 IAC 2-1.1-11]
- C.11 Maintenance of Monitoring Equipment [IC 13-14-1-13]
- C.12 Monitoring Methods [326 IAC 3]
- C.13 Actions Related to Noncompliance Demonstrated by a Stack Test

Record Keeping and Reporting Requirements

- C.14 Monitoring Data Availability [326 IAC 2-6.1-2] [IC 13-14-1-3]
- C.15 General Record Keeping Requirements [326 IAC 2-6.1-2]
- C.16 General Reporting Requirements [326 IAC 2-1.1-11] [326 IAC 2-6.1-2] [IC 13-14-1-13]

D.1 Emissions unit OPERATION CONDITIONS - Paper Roll Coater

Emission Limitations and Standards

- D.1.1 Volatile Organic Compounds (VOC) [326 IAC 8-2-5]
- D.1.2 Volatile Organic Compounds (VOC)
- D.1.3 Preventive Maintenance Plan [326 IAC 1-6-3]

Compliance Determination Requirements

- D.1.4 Testing Requirements
- D.1.5 Volatile Organic Compounds (VOC)

Record Keeping and Reporting Requirements

D.1.6 Record Keeping Requirements

D.2 Emissions unit OPERATION CONDITIONS - Natural Gas-Fired Boiler, B-1

Emission Limitations and Standards

D.2.1 Particulate Matter (PM)

Compliance Determination Requirements

D.2.2 Testing Requirements

SECTION A SOURCE SUMMARY

This permit is based on information requested by the Indiana Department of Environmental Management (IDEM), Office of Air Management (OAM). The information describing the source contained in conditions A.1 through A.3 is descriptive information and does not constitute enforceable conditions. However, the Permittee should be aware that a physical change or a change in the method of operation that may render this descriptive information obsolete or inaccurate may trigger requirements for the Permittee to obtain additional permits or seek modification of this permit pursuant to 326 IAC 2, or change other applicable requirements presented in the permit application.

A.1 General Information [326 IAC 2-5.1-3(c)] [326 IAC 2-6.1-4(a)]

The Permittee will operate a stationary source, that manufactures coated paper used as a metal corrosion inhibitor.

Authorized Individual: Daubert VCI, Inc.
Source Address: 1805 West Pacific Avenue, Knox, Indiana 46534
Mailing Address: P. O. Box 479, Knox, Indiana 46534
Phone Number: (219) 772-9310
SIC Code: 2672
County Location: Starke
County Status: Attainment for all criteria pollutants
Source Status: Minor Source Operating Permit
Minor Source, under PSD Rules;

A.2 Emissions units and Pollution Control Equipment Summary

This stationary source is approved to construct and a coated paper production plant, which includes the following emissions units and pollution control devices:

- (a) One (1) paper roll coating operation C-7, which is capable of coating 3,500 pounds of paper per hour, equipped with a natural gas-fired heater, C-7, with a heat input capacity of 4.8 million British Thermal Units per hour (mmBtu/hr), which heats up the coatings prior to their application to the paper;
- (b) One (1) natural gas-fired boiler, B-1, which has a heat input capacity of 2.095 mmBtu/hr;
- (c) Four (4) natural gas-fired auxiliary heaters, identified as MUA-1 through MUA-4. MUA-1 has a heat input capacity of 1.43 mmBtu/hr; MUA-2 has a heat input capacity of 1.2 mmBtu/hr; MUA-3 and MUA-4 each has a heat input capacity of 3.5 mmBtu/hr;
- (d) Four (4) Heating Ventilation Air Conditioning System (HVAC) identified as RT-1, RT-2, RT-3 and RT-5, each has a heat input capacity of 0.115 mmBtu/hr
- (e) (1) HVAC system RT-4, which has a heat input capacity of 0.18 mmBtu/hr; and
- (f) (1) door heater, identified as UH-1, which has a heat input capacity of 0.15 mmBtu/hr.

A.3 Part 70 Permit Applicability [326 IAC 2-7-2]

This stationary source is not required to have a Part 70 permit by 326 IAC 2-7-2 (Applicability) because:

- (a) It is not a major source, as defined in 326 IAC 2-7-1(22);

SECTION B GENERAL CONSTRUCTION CONDITIONS

THIS SECTION OF THE PERMIT IS BEING ISSUED UNDER THE PROVISIONS OF 326 IAC 2-1.1 AND 40 CFR 52.780, WITH CONDITIONS LISTED BELOW.

B.1 Permit No Defense [IC 13]

This permit to construct does not relieve the Permittee of the responsibility to comply with the provisions of the Indiana Environmental Management Law (IC 13-11 through 13-20; 13-22 through 13-25; and 13-30), the Air Pollution Control Law (IC 13-17) and the rules promulgated thereunder, as well as other applicable local, state, and federal requirements.

B.2 Definitions

Terms in this permit shall have the definition assigned to such terms in the referenced regulation. In the absence of definitions in the referenced regulation, any applicable definitions found in IC 13-11, 326 IAC 1-2, and 326 IAC 2-1.1-1 shall prevail.

B.3 Effective Date of the Permit [IC13-15-5-3]

Pursuant to IC 13-15-5-3, this permit becomes effective upon its issuance.

B.4 Revocation of Permits [326 IAC 2-1.1-9(5)]

Pursuant to 326 IAC 2-1.1-9(5)(Revocation of Permits), the Commissioner may revoke this permit if construction is not commenced within eighteen (18) months after receipt of this approval or if construction is suspended for a continuous period of one (1) year or more.

B.5 Modification to Permit [326 IAC 2]

Notwithstanding Condition B.7, all requirements and conditions of this construction permit shall remain in effect unless modified in a manner consistent with procedures established for modifications of construction permits pursuant to 326 IAC 2 (Permit Review Rules).

B.6 Minor Source Operating Permit [326 IAC 2-6.1]

This document shall also become a minor source operating permit pursuant to 326 IAC 2-6.1 when, prior to start of operation, the following requirements are met:

- (a) The attached affidavit of construction shall be submitted to the Office of Air Management (OAM), Permit Administration & Development Section, verifying that the emissions units were constructed as proposed in the application. The emissions units covered in the New Source Construction Permit may begin operating on the date the affidavit of construction is postmarked or hand delivered to IDEM.
- (b) If construction is completed in phases; i.e., the entire construction is not done continuously, a separate affidavit must be submitted for each phase of construction. Any permit conditions associated with operation start up dates such as stack testing for New Source Performance Standards (NSPS) shall be applicable to each individual phase.
- (c) The Permittee shall receive an Operation Permit Validation Letter from the Chief of the Permit Administration & Development Section and attach it to this document.

- (d) The operation permit will be subject to annual operating permit fees pursuant to 326 IAC 2-1.1-7(Fees).

- (e) Pursuant to 326 IAC 2-6.1-7, the Permittee shall apply for an operation permit renewal at least ninety (90) days prior to the expiration date established in the validation letter. If IDEM, OAM, upon receiving a timely and complete permit application, fails to issue or deny the permit renewal prior to the expiration date of this permit, this existing permit shall not expire and all terms and conditions shall continue in effect until the renewal permit has been issued or denied. The operation permit issued shall contain as a minimum the conditions in Section C and Section D of this permit.

SECTION C SOURCE OPERATION CONDITIONS

Entire Source

C.1 PSD Minor Source Status [326 IAC 2-2] [40 CFR 52.21]

The total source potential to emit of volatile organic compounds (VOC) is less than 250 tons per year. Therefore the requirements of 326 IAC 2-2 (Prevention of Significant Deterioration) and 40 CFR 52.21 will not apply.

C.2 Preventive Maintenance Plan [326 IAC 1-6-3]

- (a) If required by specific condition(s) in Section D of this permit, the Permittee shall prepare and maintain Preventive Maintenance Plans (PMP) within ninety (90) days (this time frame is determined on a case by case basis but no more than ninety (90) days) after issuance of this permit, including the following information on each emissions unit:
- (1) Identification of the individual(s) responsible for inspecting, maintaining, and repairing emission control devices;
 - (2) A description of the items or conditions that will be inspected and the inspection schedule for said items or conditions;
 - (3) Identification and quantification of the replacement parts that will be maintained in inventory for quick replacement.

If due to circumstances beyond its control, the PMP cannot be prepared and maintained within the above time frame, the Permittee may extend the date an additional ninety (90) days provided the Permittee notifies:

Indiana Department of Environmental Management
Compliance Branch, Office of Air Management
100 North Senate Avenue, P. O. Box 6015
Indianapolis, Indiana 46206-6015

- (b) The Permittee shall implement the Preventive Maintenance Plans as necessary to ensure that lack of proper maintenance does not cause or contribute to a violation of any limitation on emissions or potential to emit.
- (c) PMP's shall be submitted to IDEM, OAM, upon request and shall be subject to review and approval by IDEM, OAM.

C.3 Permit Revision [326 IAC 2-5.1-3(e)(3)] [326 IAC 2-6.1-6]

- (a) The Permittee must comply with the requirements of [326 IAC 2-6.1-6] whenever the Permittee seeks to amend or modify this permit.
- (b) Any application requesting an amendment or modification of this permit shall be submitted to:

Indiana Department of Environmental Management
Permits Branch, Office of Air Management
100 North Senate Avenue, P.O. Box 6015
Indianapolis, Indiana 46206-6015

Any such application should be certified by the "authorized individual" as defined by 326 IAC 2-1.1-1.

- (c) The Permittee shall notify the OAM within thirty (30) calendar days of implementing a notice-only change. [326 IAC 2-6.1-6(d)]

C.4 Inspection and Entry [326 IAC 2-5.1-3(e)(4)(B)] [326 IAC 2-6.1-5(a)(4)]

Upon presentation of proper identification cards, credentials, and other documents as may be required by law, the Permittee shall allow IDEM, OAM, and U.S. EPA, or an authorized representative to perform the following:

- (a) Enter upon the Permittee's premises where a permitted source is located, or emissions related activity is conducted, or where records must be kept under the conditions of this permit;
- (b) Have access to and copy, at reasonable times, any records that must be kept under this title or the conditions of this permit or any operating permit revisions;
- (c) Inspect, at reasonable times, any processes, emissions units (including monitoring and air pollution control equipment), practices, or operations regulated or required under this permit or any operating permit revisions;
- (d) Sample or monitor, at reasonable times, substances or parameters for the purpose of assuring compliance with this permit or applicable requirements; and
- (e) Utilize any photographic, recording, testing, monitoring, or other equipment for the purpose of assuring compliance with this permit or applicable requirements.
 - (1) The Permittee may assert a claim that, in the opinion of the Permittee, information removed or about to be removed from the source by IDEM, OAM, or an authorized representative, contains information that is confidential under IC 5-14-3-4(a). The claim shall be made in writing before or at the time the information is removed from the source. In the event that a claim of confidentiality is so asserted, neither IDEM, OAM, nor an authorized representative, may disclose the information unless and until IDEM, OAM, makes a determination under 326 IAC 17-1-7 through 326 IAC 17-1-9 that the information is not entitled to confidential treatment and that determination becomes final. [IC 5-14-3-4; IC 13-14-11-3; 326 IAC 17-1-7 through 326 IAC 17-1-9]
 - (2) The Permittee, and IDEM, OAM, acknowledge that the federal law applies to claims of confidentiality made by the Permittee with regard to information removed or about to be removed from the source by U.S. EPA. [40 CFR Part 2, Subpart B]

C.5 Transfer of Ownership or Operation [326 IAC 2-6.1-6(d)(3)]

Pursuant to [326 IAC 2-6.1-6(d)(3)] :

- (a) In the event that ownership of this source is changed, the Permittee shall notify IDEM, OAM, Permits Branch, within thirty (30) days of the change.
- (b) The written notification shall be sufficient to transfer the permit to the new owner by an notice-only change pursuant to 326 IAC 2-6.1-6(d)(3).
- (c) IDEM, OAM, shall issue a revised permit.

The notification which shall be submitted by the Permittee does require the certification by the "authorized individual" as defined by 326 IAC 2-1.1-1.

C.6 Permit Revocation [326 IAC 2-1-9]

Pursuant to 326 IAC 2-1-9(a)(Revocation of Permits), this permit to construct and operate may be revoked for any of the following causes:

- (a) Violation of any conditions of this permit.
- (b) Failure to disclose all the relevant facts, or misrepresentation in obtaining this permit.
- (c) Changes in regulatory requirements that mandate either a temporary or permanent reduction of discharge of contaminants. However, the amendment of appropriate sections of this permit shall not require revocation of this permit.
- (d) Noncompliance with orders issued pursuant to 326 IAC 1-5 (Episode Alert Levels) to reduce emissions during an air pollution episode.
- (e) For any cause which establishes in the judgment of IDEM the fact that continuance of this permit is not consistent with purposes of this article.

C.7 Opacity [326 IAC 5-1]

Pursuant to 326 IAC 5-1-2 (Opacity Limitations), except as provided in 326 IAC 5-1-3 (Temporary Exemptions), opacity shall meet the following, unless otherwise stated in this permit:

- (a) Opacity shall not exceed an average of forty percent (40%) in any one (1) six (6) minute averaging period as determined in 326 IAC 5-1-4.
- (b) Opacity shall not exceed sixty percent (60%) for more than a cumulative total of fifteen (15) minutes (sixty (60) readings) as measured according to 40 CFR 60, Appendix A, Method 9 or fifteen (15) one (1) minute nonoverlapping integrated averages for a continuous opacity monitor in a six (6) hour period.

C.8 Fugitive Dust Emissions [326 IAC 6-4]

The Permittee shall not allow fugitive dust to escape beyond the property line or boundaries of the property, right-of-way, or easement on which the source is located, in a manner that would violate 326 IAC 6-4 (Fugitive Dust Emissions). 326 IAC 6-4-2(4) is not federally enforceable.

Testing Requirements

C.9 Performance Testing [326 IAC 3-6]

- (a) All testing shall be performed according to the provisions of 326 IAC 3-6 (Source Sampling Procedures), except as provided elsewhere in this permit, utilizing methods approved by IDEM, OAM.

A test protocol, except as provided elsewhere in this permit, shall be submitted to:

Indiana Department of Environmental Management
Compliance Data Section, Office of Air Management
100 North Senate Avenue, P. O. Box 6015
Indianapolis, Indiana 46206-6015

no later than thirty-five (35) days prior to the intended test date. The Permittee shall submit a notice of the actual test date to the above address so that it is received at least two weeks prior to the test date.

- (b) All test reports must be received by IDEM, OAM within forty-five (45) days after the completion of the testing. An extension may be granted by the Commissioner, if the source submits to IDEM, OAM, a reasonable written explanation within five (5) days prior to the end of the initial forty-five (45) day period.

The documentation submitted by the Permittee does not require certification by the "authorized individual" as defined by 326 IAC 2-1.1-1.

Compliance Monitoring Requirements

C.10 Compliance Monitoring [326 IAC 2-1.1-11]

Compliance with applicable requirements shall be documented as required by this permit. The Permittee shall be responsible for installing any necessary equipment and initiating any required monitoring related to that equipment, no more than ninety (90) days (this time frame is determined on a case by case basis but no more than ninety (90) days) after receipt of this permit. If due to circumstances beyond its control, this schedule cannot be met, the Permittee may extend the compliance schedule an additional ninety (90) days provided the Permittee notifies:

Indiana Department of Environmental Management
Compliance Branch, Office of Air Management
100 North Senate Avenue, P. O. Box 6015
Indianapolis, Indiana 46206-6015

in writing, prior to the end of the initial ninety (90) day compliance schedule, with full justification of the reasons for the inability to meet this date. The notification which shall be submitted by the Permittee does require the certification by the "authorized individual" as defined by 326 IAC 2-1.1-1.

C.11 Maintenance of Monitoring Equipment [IC 13-14-1-13]

- (a) In the event that a breakdown of the monitoring equipment occurs, a record shall be made of the times and reasons of the breakdown and efforts made to correct the problem. To the extent practicable, supplemental or intermittent monitoring of the parameter should be implemented at intervals no less frequent than required in Section D of this permit until such time as the monitoring equipment is back in operation. In the case of continuous monitoring, supplemental or intermittent monitoring of the parameter should be implemented at intervals no less than one (1) hour (this time frame is determined on a case by case basis) until such time as the continuous monitor is back in operation.
- (b) The Permittee shall install, calibrate, quality assure, maintain, and operate all necessary monitors and related equipment. In addition, prompt corrective action shall be initiated whenever indicated.

C.12 Monitoring Methods [326 IAC 3]

Any monitoring or testing performed to meet the applicable requirements of this permit shall be performed according to the provisions of 326 IAC 3, 40 CFR 60, Appendix A, or other approved methods as specified in this permit.

C.13 Actions Related to Noncompliance Demonstrated by a Stack Test

- (a) When the results of a stack test performed in conformance with Section C - Performance Testing, of this permit exceed the level specified in any condition of this permit, the Permittee shall take appropriate corrective actions. The Permittee shall submit a description of these corrective actions to IDEM, OAM, within thirty (30) days of receipt of the test results. The Permittee shall take appropriate action to minimize emissions from the affected emissions unit while the corrective actions are being implemented. IDEM, OAM shall notify the Permittee within thirty (30) days, if the corrective actions taken are deficient. The Permittee shall submit a description of additional corrective actions taken to IDEM, OAM within thirty (30) days of receipt of the notice of deficiency. IDEM, OAM reserves the authority to use enforcement activities to resolve noncompliant stack tests.
- (b) A retest to demonstrate compliance shall be performed within one hundred twenty (120) days of receipt of the original test results. Should the Permittee demonstrate to IDEM, OAM that retesting in one-hundred and twenty (120) days is not practicable, IDEM, OAM may extend the retesting deadline. Failure of the second test to demonstrate compliance with the appropriate permit conditions may be grounds for immediate revocation of the permit to operate the affected emissions unit.

The documents submitted pursuant to this condition do not require the certification by the "authorized individual" as defined by 326 IAC 2-1.1-1.

Record Keeping and Reporting Requirements

C.14 Monitoring Data Availability [326 IAC 2-6.1-2] [IC 13-14-1-13]

- (a) With the exception of performance tests conducted in accordance with Section C- Performance Testing, all observations, sampling, maintenance procedures, and record keeping, required as a condition of this permit shall be performed at all times the equipment is operating at normal representative conditions.

- (b) As an alternative to the observations, sampling, maintenance procedures, and record keeping of subsection (a) above, when the equipment listed in Section D of this permit is not operating, the Permittee shall either record the fact that the equipment is shut down or perform the observations, sampling, maintenance procedures, and record keeping that would otherwise be required by this permit.
- (c) If the equipment is operating but abnormal conditions prevail, additional observations and sampling should be taken with a record made of the nature of the abnormality.
- (d) If for reasons beyond its control, the operator fails to make required observations, sampling, maintenance procedures, or record keeping, reasons for this must be recorded.
- (e) At its discretion, IDEM may excuse such failure providing adequate justification is documented and such failures do not exceed five percent (5%) of the operating time in any quarter.
- (f) Temporary, unscheduled unavailability of staff qualified to perform the required observations, sampling, maintenance procedures, or record keeping shall be considered a valid reason for failure to perform the requirements stated in (a) above.

C.15 General Record Keeping Requirements [326 IAC 2-6.1-2]

- (a) Records of all required monitoring data and support information shall be retained for a period of at least five (5) years from the date of monitoring sample, measurement, report, or application. These records shall be kept at the source location for a minimum of three (3) years and available upon the request of an IDEM, OAM, representative. The records may be stored elsewhere for the remaining two (2) years as long as they are available upon request. If the Commissioner makes a written request for records to the Permittee, the Permittee shall furnish the records to the Commissioner within a reasonable time.
- (b) Records of required monitoring information shall include, where applicable:
 - (1) The date, place, and time of sampling or measurements;
 - (2) The dates analyses were performed;
 - (3) The company or entity performing the analyses;
 - (4) The analytic techniques or methods used;
 - (5) The results of such analyses; and
 - (6) The operating conditions existing at the time of sampling or measurement.
- (c) Support information shall include, where applicable:

- (1) Copies of all reports required by this permit;
 - (2) All original strip chart recordings for continuous monitoring instrumentation;
 - (3) All calibration and maintenance records;
 - (4) Records of preventive maintenance shall be sufficient to demonstrate that improper maintenance did not cause or contribute to a violation of any limitation on emissions or potential to emit. To be relied upon subsequent to any such violation, these records may include, but are not limited to: work orders, parts inventories, and operator's standard operating procedures. Records of response steps taken shall indicate whether the response steps were performed in accordance with the Compliance Response Plan required by Section C - Compliance Monitoring Plan - Failure to take Response Steps, of this permit, and whether a deviation from a permit condition was reported. All records shall briefly describe what maintenance and response steps were taken and indicate who performed the tasks.
- (d) All record keeping requirements not already legally required shall be implemented within ninety (90) days of permit issuance.

C.16 General Reporting Requirements [326 IAC 2-1.1-11] [326 IAC 2-6.1-2] [IC 13-14-1-13]

- (a) To affirm that the source has met all the compliance monitoring requirements stated in this permit the source shall submit a Semi-annual Compliance Monitoring Report. Any deviation from the requirements and the date(s) of each deviation must be reported. The Compliance Monitoring Report shall include the certification by the "authorized individual" as defined by 326 IAC2-1.1-1(1).
- (b) The report required in (a) of this condition and reports required by conditions in Section D of this permit shall be submitted to:

Indiana Department of Environmental Management
Compliance Data Section, Office of Air Management
100 North Senate Avenue, P. O. Box 6015
Indianapolis, Indiana 46206-6015
- (c) Unless otherwise specified in this permit, any notice, report, or other submission required by this permit shall be considered timely if the date postmarked on the envelope or certified mail receipt, or affixed by the shipper on the private shipping receipt, is on or before the date it is due. If the document is submitted by any other means, it shall be considered timely if received by IDEM, OAM, on or before the date it is due.
- (d) Unless otherwise specified in this permit, any semi-annual report shall be submitted within thirty (30) days of the end of the reporting period. The report does not require the certification by the "authorized individual" as defined by 326 IAC 2-1.1-1(1).
- (e) All instances of deviations as described in Section B- Deviations from Permit Requirements Conditions must be clearly identified in such reports. The Emergency/Deviation Occurrence Report does not require the certification by the "authorized individual" as defined by 326 IAC 2-1.1-1(1).

- (f) Any corrective actions or response steps taken as a result of each deviation must be clearly identified in such reports.
- (g) The first report shall cover the period commencing on the date of issuance of this permit and ending on the last day of the reporting period.

SECTION D.1 EMISSIONS UNIT OPERATION CONDITIONS

- (a) One (1) paper roll coating operation C-7, which is capable of coating 3,500 pounds of paper per hour, equipped with a natural gas-fired heater, C-7, with a heat input capacity of 4.8 million British Thermal Units per hour (mmBtu/hr), which heats up the coatings prior to their application to the paper;

Emission Limitations and Standards

D.1.1 Volatile Organic Compounds (VOC) [326 IAC 8-2-5]

Pursuant to 326 IAC 8-2-5 (Paper Coating Operation), the volatile organic compounds (VOC) content of the coatings used from the paper roll coater, C-7 shall be limited to 2.9 pounds of VOC per gallon of coating less water delivered to the applicator.

D.1.2 Volatile Organic Compounds (VOC)

Pursuant to 326 IAC 2-5.1-3(e)(4)(A), records of surface coating quantities and organic solvent contents shall be maintained for a minimum period of 36 months and made available upon request of the Office of Air Management (OAM). Any change or modification which may increase the potential emissions to 100 tons of VOC per year from this paper coating operation shall obtain a Title V or FESOP, pursuant to 326 IAC 2-7 or 326 IAC 2-8, before such change may occur.

D.1.3 Preventive Maintenance Plan [326 IAC 1-6-3]

A Preventive Maintenance Plan, in accordance with Section B - Preventive Maintenance Plan, of this permit, is required for this emission unit.

Compliance Determination Requirements

D.1.4 Testing Requirements [326 IAC 2-1.1-11]

The Permittee is not required to test this emissions unit by this permit. However, IDEM may require compliance testing when necessary to determine if the emissions unit is in compliance. If testing is required by IDEM, compliance with the volatile organic compound limit specified in Condition D.1.1 shall be determined by a performance test conducted in accordance with Section C - Performance Testing.

D.1.5 Volatile Organic Compounds (VOC)

Compliance with the VOC content and usage limitations contained in Conditions D.1.1 shall be determined pursuant to 326 IAC 8-1-4(a)(3) and 326 IAC 8-1-2(a) using formulation data supplied by the coating manufacturer. IDEM, OAM, reserves the authority to determine compliance using Method 24 in conjunction with the analytical procedures specified in 326 IAC 8-1-4.

Record Keeping and Reporting Requirements [326 IAC 2-5.1-3(e)(2)] [326 IAC 2-6.1-5(a)(2)]

D.1.6 Record Keeping Requirements

- (a) To document compliance with Conditions D.1.1, the Permittee shall maintain records in accordance with (1) through (6) below. Records maintained for (1) through (5) shall be taken monthly and shall be complete and sufficient to establish compliance with the VOC usage limits and/or the VOC emission limits established in Condition D.1.1.
 - (1) The amount and VOC content of each coating material and solvent used. Records shall include purchase orders, invoices, and material safety data sheets (MSDS) necessary to verify the type and amount used. Solvent usage records shall differentiate between those added to coatings and those used as cleanup solvents;
 - (2) A log of the dates of use;
 - (3) The cleanup solvent usage for month;
 - (4) The total VOC usage for each month; and
 - (5) The weight of VOCs emitted for each compliance period.
- (b) All records shall be maintained in accordance with Section C - General Record Keeping Requirements, of this permit.

SECTION D.2 EMISSION UNIT OPERATION CONDITIONS

- (b) One (1) natural gas-fired boiler, B-1, which has a heat input capacity of 2.095 mmBtu/hr;
- (c) Four (4) natural gas-fired auxiliary heaters, identified as MUA-1 through MUA-4. MUA-1 has a heat input capacity of 1.43 mmBtu/hr; MUA-2 has a heat input capacity of 1.2 mmBtu/hr; MUA-3 and MUA-4 each has a heat input capacity of 3.5 mmBtu/hr;
- (d) Four (4) Heating Ventilation Air Conditioning System (HVAC) identified as RT-1, RT-2, RT-3 and RT-5, each has a heat input capacity of 0.115 mmBtu/hr
- (e) One (1) HVAC system RT-4, which has a heat input capacity of 0.18 mmBtu/hr; and
- (f) One (1) door heater, identified as UH-1, which has a heat input capacity of 0.15 mmBtu/hr

Emission Limitations and Standards

D.2.1 Particulate Matter Limitation (PM) [326 IAC 6-2-4]

Pursuant to 326 IAC 6-2-4, the particulate matter (PM) emissions from Boiler B-1, with a heat input capacity of 2.095 million British Thermal Units per hour (mmBtu/hr), shall be limited to 0.60 pound per mmBtu (lb/mmBtu).

Compliance Determination Requirement [326 IAC 2-5.1-3(e)(2)] [326 IAC 2-6.1-5(a)(2)]

D.2.2 Testing Requirements [326 IAC 2-1.1-11]

The Permittee is not required to test this emissions unit by this permit. However, IDEM may require compliance testing when necessary to determine if the emissions unit is in compliance. If testing is required by IDEM compliance with the PM limit specified in Condition D.1.1 shall be determined by a performance test conducted in accordance with Section C - Performance Testing.

Indiana Department of Environmental Management Office of Air Management

Technical Support Document (TSD) for a New Source Construction and Minor Source Operating Permit

Source Background and Description

Source Name: Daubert VCI, Inc.
 Source Location: 1805 West Pacific Ave., Knox, Indiana 46534
 County: Starke
 SIC Code: 2672
 Operation Permit No.: 149-10969
 Permit Reviewer: Aida De Guzman

The Office of Air Management (OAM) has reviewed an application from Daubert VCI, Inc. relating to the construction and operation of an entirely new coated paper production plant. The coated paper is used as a metal corrosion inhibitor. The plant consists of the following equipment:

- (a) One (1) paper roll coating operation C-7, which is capable of coating 3,500 pounds of paper per hour, equipped with a natural gas-fired heater, C-7, with a heat input capacity of 4.8 million British Thermal Units per hour (mmBtu/hr), which heats up the coatings prior to their application to the paper;
- (b) One (1) natural gas-fired boiler, B-1, which has a heat input capacity of 2.095 mmBtu/hr;
- (c) Four (4) natural gas-fired auxiliary heaters, identified as MUA-1 through MUA-4. MUA-1 has a heat input capacity of 1.43 mmBtu/hr; MUA-2 has a heat input capacity of 1.2 mmBtu/hr; MUA-3 and MUA-4 each has a heat input capacity of 3.5 mmBtu/hr;
- (d) Four (4) Heating Ventilation Air Conditioning System (HVAC) identified as RT-1, RT-2, RT-3 and RT-5, each has a heat input capacity of 0.115 mmBtu/hr
- (e) One (1) HVAC system RT-4, which has a heat input capacity of 0.18 mmBtu/hr; and
- (f) One (1) door heater, identified as UH-1, which has a heat input capacity of 0.15 mmBtu/hr.

Stack Summary

Stack ID	Operation	Height (feet)	Diameter (feet)	Flow Rate (acfm)	Temperature (°F)
B-1	boiler	30	0.83	40	100
C-7	Overly coater	40	1.1	4,500	240
RT-1, RT-2, RT-3 and RT-5	HVAC	30	0.5	25	300

UH-1	Overhead door heater	30	0.41	25	150
MUA-1 thru MUA-4	Auxiliary heaters	30	3	3,400	70

Recommendation

The staff recommends to the Commissioner that the construction and operation be approved. This recommendation is based on the following facts and conditions:

Unless otherwise stated, information used in this review was derived from the application and additional information submitted by the applicant.

A complete application for the purposes of this review was received on May 14, 1999.

Emission Calculations

- (1) Natural Gas Combustion Emissions: See Pages 1 and 2 TSD Appendix A.
- (2) Coating Emissions:

When metals are wrapped and packaged using this coated paper, the chemicals that are in this paper form as a protective molecular layer on the surface of the metal to inhibit corrosion.

Name of Coatings	Production (lb coating/hr)	Density (lb/gal)	Weight % VOC	Volume % Water	VOC Emissions (tons/yr)
H-39 Coating	1,080	9.15	2%	52.7	95
UWA Coating	1,080	8.92	2%	0	95
TOTAL Emissions					95

Methodology:
 Emissions = production, lb/hr * % VOC by wt. * 8760 hr/yr * ton/2000 lb

Potential To Emit

Pursuant to 326 IAC 2-1.1-1(16), Potential to Emit is defined as “the maximum capacity of a stationary source or emissions unit to emit any air pollutant under its physical and operational design. Any physical or operational limitation on the capacity of a source to emit an air pollutant, including air pollution control equipment and restrictions on hours of operation or type or amount of material combusted, stored, or processed shall be treated as part of its design if the limitation is enforceable by the U. S. EPA, the department, or the appropriate local air pollution control agency.”

Pollutant	Potential To Emit (tons/year)
PM	0.1
PM-10	0.6
SO ₂	0.0
VOC	95.5
CO	6.4
NO _x	7.6

Note: There are no HAPs emitted from the source.

- (a) The potential to emit (as defined in 326 IAC 2-7-1(29)) of volatile organic compounds (VOC) are less than 100 tons per year. Therefore, the source is not subject to the provisions of 326 IAC 2-7.

Limited Potential to Emit

The table below summarizes the total potential to emit, reflecting all limits, of the new paper coating plant.

	Limited Potential to Emit (tons/year)						
Process/facility	PM	PM-10	SO ₂	VOC	CO	NO _x	HAPs
Paper coating	0.0	0.0	0.0	95	0.0	0.0	0.0
Natural gas combustion	0.1	0.6	0.0	0.5	6.4	7.6	0.0
Total Emissions	0.1	0.6	0.0	95.5	6.4	7.6	0.0

County Attainment Status

The source is located in Starke County.

Pollutant	Status (attainment, maintenance attainment, or unclassifiable; severe, moderate, or marginal nonattainment)
PM-10	attainment
SO ₂	attainment
NO ₂	attainment
Ozone	attainment
CO	attainment

- (a) Volatile organic compounds (VOC) and oxides of nitrogen (NOx) are precursors for the formation of ozone. Therefore, VOC emissions are considered when evaluating the rule applicability relating to the ozone standards. Starke County has been designated as attainment or unclassifiable for ozone. Therefore, VOC and NOx emissions were reviewed pursuant to the requirements for Prevention of Significant Deterioration (PSD), 326 IAC 2-2 and 40 CFR 52.21.
- (b) Starke County has been classified as attainment or unclassifiable for all the other criteria pollutant(s). Therefore, these emissions were reviewed pursuant to the requirements for Prevention of Significant Deterioration (PSD), 326 IAC 2-2 and 40 CFR 52.21.

Part 70 Permit Determination

326 IAC 2-7 (Part 70 Permit Program)

This new source is not subject to the Part 70 Permit requirements because the potential to emit (PTE) of:

- (a) each criteria pollutant is less than 100 tons per year,
- (b) no single hazardous air pollutant (HAP) is emitted, and
- (c) no any combination of HAPs is emitted.

This is the first air approval issued to this source.

Federal Rule Applicability

- (a) New Source Performance Standards (NSPS):
 There are no New Source Performance Standards (NSPS)(326 IAC 12 and 40 CFR Part 60) applicable to this paper coating plant.
- (b) National Emission Standards for Hazardous Air Pollutants (NESHAPs):
 There are no National Emission Standards for Hazardous Air Pollutants (NESHAPs)(326 IAC 14 and 40 CFR art 63) applicable to this paper coating plant.

State Rule Applicability - Entire Source

- (a) 326 IAC 2-6 (Emission Reporting)
 This source is not subject to 326 IAC 2-6 (Emission Reporting), because its potential to emit for any pollutant is less than one hundred (100) tons per year, and it is not one of the counties listed in the rule that emits 10 tons of per year of VOC or NOx.
- (b) 326 IAC 5-1 (Visible Emissions Limitations)
 Pursuant to 326 IAC 5-1-2 (Opacity Limitations), except as provided in 326 IAC 5-1-3 (Temporary Exemptions), opacity shall meet the following, unless otherwise stated in this permit:
 - (1) Opacity shall not exceed an average of forty percent (40%) any one (1) six (6) minute averaging period as determined in 326 IAC 5-1-4.
 - (2) Opacity shall not exceed sixty percent (60%) for more than a cumulative total of fifteen (15) minutes (sixty (60) readings) as measured according to 40 CFR 60, Appendix A, Method 9 or fifteen (15) one (1) minute nonoverlapping integrated averages for a continuous opacity monitor) in a six (6) hour period.

State Rule Applicability - Individual Facilities

- (a) 326 IAC 8-2-5 (Paper Coating Operation)
 This rule applies to web coating or saturation processes of paper, plastic metal foil, and pressure sensitive tapes and labels, which limits the volatile organic compound (VOC) content of coating used from each of these processes to 2.9 pounds per gallon excluding water.

The paper roll coating operation, C-7, which involves paper saturation process is subject to this rule, and the VOC content of the coating delivered to its coating applicator is limited to 2.9 pounds per gallon excluding water.

The source is in compliance with the rule because the coatings that will be utilized have a VOC content of less than 2.9 pounds per gallon less water. See below calculations:

Name of Coatings	Production (lb coating/hr)	Density (lb/gal)	Weight % VOC	Volume % Water	Pounds of VOC per Gallon of Coating Less Water
H-39 Coating	1,080	9.15	2%	52.7	0.39
UWA Coating	1,080	8.92	2%	0	0.18

Methodology:
 Pounds of VOC Per Gallon of Coating Less Water = (Density, lb/gal * % VOC by wt.) / (1 - Volume % Water)

- (b) 326 IAC 6-3-2 (Process Operations)
 This rule is not applicable to this source, because the process of paper saturation that the source has, does not emit particulate matter (PM).
- (c) 326 IAC 6-2 (PM Emission Limit for Indirect Heating Facilities)
 - (1) 326 IAC 6-2-4 applies to indirect heating facilities constructed after September 21, 1983. The proposed construction of Boiler, B-1, with heat input capacity of 2.095 mmBtu/hr is subject to this rule. This rule mandates a PM allowable emissions of 0.6 pounds per million Btu for this boiler, since its heat input capacity is less than 10 mmBtu/hr.

$$\begin{aligned}
 \text{Allowable PM emissions, Pt} &= (0.6 \text{ lb/MMBTU}) * (2.095 \text{ MMBTU/hr}) * (8760 \text{ hr/yr}) \\
 &\quad * (1 \text{ ton}/2000 \text{ lb}) \\
 &= 5.5 \text{ ton/yr, the boiler is in compliance with this}
 \end{aligned}$$

limit, because its emission is lower than the limit.

- (2) The four (4) natural gas-fired auxiliary heaters, identified as MUA-1 through MUA-4. MUA-1 has a heat input capacity of 1.43 mmBtu/hr; MUA-2 has a heat input capacity of 1.2 mmBtu/hr; MUA-3 and MUA-4 each has a heat input capacity of 3.5 mmBtu/hr; four (4) Heating Ventilation Air Conditioning System (HVAC) identified as RT-1, RT-2, RT-3 and RT-5, each has a heat input capacity of 0.115 mmBtu/hr; one (1) HVAC system RT-4, which has a heat input capacity of 0.18 mmBtu/hr; and one (1) door heater, identified as UH-1, which has a heat input capacity of 0.15 mmBtu/hr; are not subject to 326 IAC 6-2, because they are not sources of indirect heating.

Air Toxic Emissions

Indiana presently requests applicants to provide information on emissions of the 188 hazardous air pollutants (HAPs) set out in the Clean Air Act Amendments of 1990. These pollutants are either carcinogenic or otherwise considered toxic and are commonly used by industries. They are listed as air toxics on the Office of Air Management (OAM) Construction Permit Application Form Y.

None of the listed air toxics will be emitted from this source.

Conclusion

The construction and operation of this coated paper production plant shall be subject to the conditions of the attached proposed **New Source Construction and Minor Source Operating Permit 149-10969-00021**.

**Appendix A: Emissions Calculations
 Natural Gas Combustion Only
 MM BTU/HR <100
 Small Industrial Boiler**

Company Name: Daubert VCI, Inc.
Address City: 1805 West Pacific Ave., Knox, IN 46534

Boiler B-1

CP: 149-10969
Plt ID: 149-00021
Reviewer: Aida De Guzman
Date: June 8, 1999

Heat Input Capacity
 MMBtu/hr

Potential Throughput
 MMCF/yr

2.1

18.4

	Pollutant					
	PM*	PM10*	SO2	NOx	VOC	CO
Emission Factor in lb/MMCF	1.9	7.6	0.6	100.0 **see below	5.5	84.0
Potential Emission in tons/yr	0.0	0.1	0.0	0.9	0.1	0.8

*PM emission factor is filterable PM only. PM10 emission factor is filterable and condensable PM10 combined.

**Emission Factors for NOx: Uncontrolled = 100, Low NOx Burner = 50, Low NOx Burners/Flue gas recirculation = 32

Methodology

All emission factors are based on normal firing.

MMBtu = 1,000,000 Btu

MMCF = 1,000,000 Cubic Feet of Gas

Potential Throughput (MMCF) = Heat Input Capacity (MMBtu/hr) x 8,760 hrs/yr x 1 MMCF/1,000 MMBtu

Emission Factors are from AP 42, Chapter 1.4, Tables 1.4-1, 1.4-2, 1.4-3, SCC #1-02-006-02, 1-01-006-02, 1-03-006-02, and 1-03-006-03 (SUPPLEMENT D 3/98)

Emission (tons/yr) = Throughput (MMCF/yr) x Emission Factor (lb/MMCF)/2,000 lb/ton
 above
 emission

**Appendix A: Emissions Calculations
Natural Gas Combustion Only
MM BTU/HR <100
Small Industrial Boiler**

Coater C-7 @ 4.8 mmBtu/hr
 HVAC RT-1, 2, 3, & 5 @ 0.115 mmBtu/hr
 HVAC RT-4 @ 0.18 mmBtu/hr
 Door heater UH-1 @ 0.15 mmBtu/hr
 Auxilliary heaters: MUA-1 @ 1.43 mmBtu/hr
 MUA-2 @ 1.2 mmBtu/hr
 MUA- 3 & 4 @ 3.5 mmBtu/hr

Company Name: Daubert VCI, Inc.
Address City: 1805 West Pacific Ave., Knox, IN 46534
CP: 149-10969
Plt ID: 149-00021
Reviewer: Aida De Guzman
Date: June 8, 1999

Heat Input Capacity Potential Throughput
 MMBtu/hr MMCF/yr

15.2	133.3
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Emission Factor in lb/MMCF	Pollutant					
	PM*	PM10*	SO2	NOx	VOC	CO
	1.9	7.6	0.6	100.0 **see below	5.5	84.0
Potential Emission in tons/yr	0.1	0.5	0.0	6.7	0.4	5.6

*PM emission factor is filterable PM only. PM10 emission factor is filterable and condensable PM10 combined.
 **Emission Factors for NOx: Uncontrolled = 100, Low NOx Burner = 50, Low NOx Burners/Flue gas recirculation = 32

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 Emission (tons/yr) = Throughput (MMCF/yr) x Emission Factor (lb/MMCF)/2,000 lb/ton

above
emission

**Appendix A: Emissions Calculations
 Natural Gas Combustion Only
 MM BTU/HR <100
 Small Industrial Boiler**

Coater C-7 @ 4.8 mmBtu/hr
 HVAC RT-1, 2, 3, & 5 @ 0.115 mmBtu/hr
 HVAC RT-4 @ 0.18 mmBtu/hr
 Door heater UH-1 @ 0.15 mmBtu/hr
 Auxilliary heaters: MUA-1 @ 1.43 mmBtu/hr
 MUA-2 @ 1.2 mmBtu/hr
 MUA- 3 & 4 @ 3.5 mmBtu/hr

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Heat Input Capacity Potential Throughput
 MMBtu/hr MMCF/yr

15.2	133.3
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	Pollutant					
Emission Factor in lb/MMCF	PM*	PM10*	SO2	NOx	VOC	CO
	1.9	7.6	0.6	100.0 **see below	5.5	84.0
Potential Emission in tons/yr	0.1	0.5	0.0	6.7	0.4	5.6

*PM emission factor is filterable PM only. PM10 emission factor is filterable and condensable PM10 combined.
 **Emission Factors for NOx: Uncontrolled = 100, Low NOx Burner = 50, Low NOx Burners/Flue gas recirculation = 32

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 Emission Factors are from AP 42, Chapter 1.4, Tables 1.4-1, 1.4-2, 1.4-3, SCC #1-02-006-02, 1-01-006-02, 1-03-006-02, and 1-03-006-03 (SUPPLEMENT D 3/98)
 Emission (tons/yr) = Throughput (MMCF/yr) x Emission Factor (lb/MMCF)/2,000 lb/ton

above
emission

