

February 10, 2003

Christa O. Russell
Lone Star Industries, Inc.
P.O. Box 681250
Indianapolis, IN 46268-1250

Re: Review Request
039-14069-00541

Dear Ms. Russell:

On March 12, 2001, the Office of Air Quality (OAQ) received your review request for Lone Star Industries, Inc., located at 55284 Corwin Drive, Elkhart, Indiana 46514.

Lone Star Industries, Inc. was issued FESOP F 039-12300 on August 21, 2000, because the potential to emit PM₁₀ before controls exceeded one hundred (100) tons per year. The baghouse was not considered or claimed to be an integral part of the process. This review requested a determination of whether or not the control device should be considered an integral part of the Lone Star Industries' Portland cement distribution terminal operation. Our review is based on the following three (3) criteria for making a determination. Our review is as follows:

Criteria 1: The process cannot operate without the control equipment

Lone Star Industries claimed that the baghouse is integral to the process because the displaced silo air has to be vented while loading the silo.

There no need for a baghouse filter in order for the silo air to be vented. In addition, if the baghouse filter is torn, the silo air will still be vented.

Furthermore, Lone Star Industries admits that if only truck loading is occurring, it is feasible to operate the process without utilizing the control device.

Therefore, it is IDEM, OAQ's determination that the baghouse does not qualify as an integral part of the process since the process can operate without the control device or without the control device properly operating.

Criteria 2: The control equipment serves a primary purpose other than pollution control

Lone Star Industries claimed that the baghouse is integral to the process because the baghouse control device is required to separate the product from the air since during transfer, the product is entrained into the air.

If all of the Portland cement is entrained into the air, the baghouse filter should be overwhelmed and would become clogged. Since the transfer rate is 100 tons of cement per hour, the amount of Portland cement entrained into the air must be a relatively small percentage of the cement transferred by weight. According to the information forwarded to IDEM, OAQ, the cement entrained into the air is very small.

Therefore, it is IDEM, OAQ's determination that the baghouse does not qualify as an integ-

ral part of the process since the control device does not serve a primary purpose other than pollution control.

Criteria 3: The control equipment has an overwhelming positive net economic effect

Lone Star Industries claimed that the baghouse is integral to the process because the PM and PM₁₀ controlled is their product, cement, and therefore it is in the best interest of the company to capture these PM and PM₁₀ emissions.

The potential PM emissions as a function of the total product handled is very small. Based on the Integral Equipment Cost Benefit Analysis submitted on October 7, 2002 by Christa O. Russell to Nisha Sizemore of IDEM, OAQ, the total net annual benefit of operating the baghouse is only \$2,283 per year. Based on an annual cement throughput of 100,000 tons at a value of \$70 per ton equates to an annual savings of 0.033% of the value of the cement. Therefore, the economic savings of the product recovered is also relatively small compared to the cost of the control device. The captured material does not make up 85% or more of the product produced or raw material used in the process.

Therefore, it is IDEM, OAQ's determination that the baghouse does not qualify as an integral part of the process since the savings do not far exceed the cost of the control device.

Since none of the three (3) criteria has been met, IDEM, OAQ has determined that the baghouse is not considered integral to Lone Star Industries' cement transfer operations.

In addition, Lone Star Industries claims that the terminal is an exempt source pursuant to 326 IAC 2-7-2(b). 326 IAC 2-7-2(b)(7) states: A source that is not subject to this rule because it meets the requirements of 326 IAC 2-10 or 326 IAC 2-11. However, 326 IAC 2-10-3 states that the emissions must be less than twenty percent (20%) of any threshold and the source does not rely on any air pollution control equipment to comply with the twenty percent (20%) limit.

The terminal clearly uses a control device to be able to meet this twenty percent (20%) limit. Furthermore, 326 IAC 2-11 (permit by rule) is not applicable to this source type since it is not a gasoline dispensing operation, grain elevator or a grain processing or milling facility.

Therefore, Lone Star Industries, Inc. is not exempt as claimed pursuant to 326 IAC 2-7-2(b)(7).

If you have any questions, please contact Nisha Sizemore, Senior Engineer, Indiana Department of Environmental Management (IDEM), Office of Air Quality, Permits Section, 100 North Senate Avenue, P.O. Box 6015, Indianapolis, Indiana 46206-6015, or by telephone at 317-232-8356 or in Indiana at 1-800-451-6027, extension 2-8356.

Sincerely,
Original Signed by Paul Dubenetzky
Paul Dubenetzky, Chief
Permits Branch
Office of Air Quality

MLK:MES

cc: File - Elkhart County
Air Compliance - Greg Wingstrom