



Mitchell E. Daniels, Jr.
Governor

Thomas W. Easterly
Commissioner

100 North Senate Avenue
Indianapolis, Indiana 46204
(317) 232-8603
(800) 451-6027
www.IN.gov/idem

TO: Interested Parties / Applicant
DATE: March 23, 2006
RE: Jeffboat, LLC / 019-18066-00006
FROM: Nisha Sizemore
Chief, Permits Branch
Office of Air Quality

Notice of Decision: Approval – Effective Immediately

Please be advised that on behalf of the Commissioner of the Department of Environmental Management, I have issued a decision regarding the enclosed matter. Pursuant to IC 13-15-5-3, this permit is effective immediately, unless a petition for stay of effectiveness is filed and granted, and may be revoked or modified in accordance with the provisions of IC 13-15-7-1.

If you wish to challenge this decision, IC 4-21.5-3-7 and IC 13-15-6-1(b) or IC 13-15-6-1(a) require that you file a petition for administrative review. This petition may include a request for stay of effectiveness and must be submitted to the Office of Environmental Adjudication, 100 North Senate Avenue, Government Center North, Room 1049, Indianapolis, IN 46204.

For an **initial Title V Operating Permit**, a petition for administrative review must be submitted to the Office of Environmental Adjudication within **thirty (30)** days from the receipt of this notice provided under IC 13-15-5-3, pursuant to IC 13-15-6-1(b).

For a **Title V Operating Permit renewal**, a petition for administrative review must be submitted to the Office of Environmental Adjudication within **fifteen (15)** days from the receipt of this notice provided under IC 13-15-5-3, pursuant to IC 13-15-6-1(a).

The filing of a petition for administrative review is complete on the earliest of the following dates that apply to the filing:

- (1) the date the document is delivered to the Office of Environmental Adjudication (OEA);
- (2) the date of the postmark on the envelope containing the document, if the document is mailed to OEA by U.S. mail; or
- (3) The date on which the document is deposited with a private carrier, as shown by receipt issued by the carrier, if the document is sent to the OEA by private carrier.

The petition must include facts demonstrating that you are either the applicant, a person aggrieved or adversely affected by the decision or otherwise entitled to review by law. Please identify the permit, decision, or other order for which you seek review by permit number, name of the applicant, location, date of this notice and all of the following:

- (1) the name and address of the person making the request;
- (2) the interest of the person making the request;
- (3) identification of any persons represented by the person making the request;
- (4) the reasons, with particularity, for the request;
- (5) the issues, with particularity, proposed for considerations at any hearing; and
- (6) identification of the terms and conditions which, in the judgment of the person making the request, would be appropriate in the case in question to satisfy the requirements of the law governing documents of the type issued by the Commissioner.

Pursuant to 326 IAC 2-7-18(d), any person may petition the U.S. EPA to object to the issuance of an initial Title V operating permit, permit renewal, or modification within sixty (60) days of the end of the forty-five (45) day EPA review period. Such an objection must be based only on issues that were raised with reasonable specificity during the public comment period, unless the petitioner demonstrates that it was impracticable to raise such issues, or if the grounds for such objection arose after the comment period.

To petition the U.S. EPA to object to the issuance of a Title V operating permit, contact:

U.S. Environmental Protection Agency
401 M Street
Washington, D.C. 20406

If you have technical questions regarding the enclosed documents, please contact the Office of Air Quality, Permits Branch at (317) 233-0178. Callers from within Indiana may call toll-free at 1-800-451-6027, ext. 3-0178.



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PART 70 OPERATING PERMIT RENEWAL OFFICE OF AIR QUALITY

**Jeffboat, LLC.
1030 East Market Street
Jeffersonville, Indiana 47130**

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

The Permittee must comply with all conditions of this permit. Noncompliance with any provisions of this permit is grounds for enforcement action; permit termination, revocation and reissuance, or modification; or denial of a permit renewal application. Noncompliance with any provision of this permit, except any provision specifically designated as not federally enforceable, constitutes a violation of the Clean Air Act. It shall not be a defense for the Permittee in an enforcement action that it would have been necessary to halt or reduce the permitted activity in order to maintain compliance with the conditions of this permit. An emergency does constitute an affirmative defense in an enforcement action provided the Permittee complies with the applicable requirements set forth in Section B, Emergency Provisions.

This permit is issued in accordance with 326 IAC 2 and 40 CFR Part 70 Appendix A and contains the conditions and provisions specified in 326 IAC 2-7 as required by 42 U.S.C. 7401, et. seq. (Clean Air Act as amended by the 1990 Clean Air Act Amendments), 40 CFR Part 70.6, IC 13-15 and IC 13-17.

Operation Permit No.: T019-18066-00006	
Issued by: Original signed by Paul Dubenetzky, Assistant Commissioner Office of Air Quality	Issuance Date: March 23, 2006 Expiration Date: March 23, 2011

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SECTION A SOURCE SUMMARY

This permit is based on information requested by the Indiana Department of Environmental Management (IDEM), Office of Air Quality (OAQ). 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 2-7-4(c)] [326 IAC 2-7-5(15)] [326 IAC 2-7-1(22)]

The Permittee owns and operates a stationary ship building and repair facility.

Responsible Official:	Vice President/General Manager
Source Address:	1030 East Market Street, Jeffersonville, Indiana 47130
Mailing Address:	1030 East Market Street, Jeffersonville, Indiana 47130
General Source Phone Number:	(812) 288-0384
SIC Code:	3731 for Operating Scenario No. 1; 3441 and 3449 for Alternative Operating Scenario No. 2
County Location:	Clark
Source Location Status:	Nonattainment for PM2.5 and 8-hour ozone standard; Attainment for all other criteria pollutants
Source Status:	Part 70 Permit Program Minor Source, under PSD, Emission Offset Rules and Nonattainment NSR; Major Source, Section 112 of the Clean Air Act Not in 1 of 28 Source Categories

A.2 Emission Units and Pollution Control Equipment Summary [326 IAC 2-7-4(c)(3)] [326 IAC 2-7-5(15)]

This stationary source consists of the following emission units and pollution control devices:

- (a) Two (2) shot blast units, identified as EU-01, also known as Pangborn (No. 1) and Wheelabrator (No. 2), with a maximum capacity of 600 marine vessels per year. Emissions are controlled by baghouse dust collectors identified as BH1 and BH2. Unit No. 1 was constructed in 1980. Unit No. 2 was constructed in 1970.
- (b) Surface coating operations consisting of the following:
 - (1) Two (2) spray booths, identified as EU-02, for the application of weld-through (shop) primer when performing shipbuilding, with a maximum capacity of 600 marine vessels per year. Emissions are controlled by paint arrestor pads identified as PA1 and PA2. Unit No. 1 was constructed in 1980. Unit No. 2 was constructed in 1970. Under NESHAP II, this is considered shipbuilding and repair.
 - (2) Outdoor spray operations, identified as EU-03, constructed in 1939, consisting of conventional, airless and electrostatic paint spray application methods, as well as brush and roller applications, with a maximum capacity of 600 marine vessels per year. Under NESHAP II, this is considered shipbuilding and repair.

These units have two different operating scenarios: Alternative Operating Scenario No. 1 consists of emission units EU-02 and EU-03 performing surface coating related to ship building and repair. Alternative Operating Scenario No. 2 consists of emission units EU-02 and EU-03 performing non-shipbuilding related metal coating.

- (c) Outdoor welding operations, identified as EU-04, for the construction of marine vessels from sheet steel, with a maximum capacity of 600 marine vessels per year and

constructed in 1939. Emissions are uncontrolled and exhausted to the atmosphere.

- (d) Outdoor flame cutting operations, identified as EU-05, for the construction of marine vessels from sheet steel, with a maximum capacity of 600 marine vessels per year and constructed in 1939. Emissions are uncontrolled and exhausted to the atmosphere.
- (e) Four (4) abrasive outdoor blasting units for the outdoor maintenance and construction of marine vessels, identified as EU-06, constructed in 2002, with a maximum capacity of 2.0 tons of blast media per hour. Emissions are controlled by a dust suppressant and exhausted to the atmosphere.

Note: Alternative Operating Scenario No. 2 would only be used when the shipbuilding business is slow. Alternative Operating Scenario No. 2 has never been used to date.

A.3 Specifically Regulated Insignificant Activities [326 IAC 2-7-1(21)] [326 IAC 2-7-4(c)]
[326 IAC 2-7-5(15)]

This stationary source also includes the following insignificant activities which are specifically regulated, as defined in 326 IAC 2-7-1(21):

Paved and unpaved roads and parking lots with public access. [326 IAC 6-4]

A.4 Part 70 Permit Applicability [326 IAC 2-7-2]

This stationary source is required to have a Part 70 permit by 326 IAC 2-7-2 (Applicability) because:

- (a) It is a major source, as defined in 326 IAC 2-7-1(22);
- (b) It is a source in a source category designated by the United States Environmental Protection Agency (U.S. EPA) under 40 CFR 70.3 (Part 70 - Applicability).

SECTION B GENERAL CONDITIONS

B.1 Definitions [326 IAC 2-7-1]

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, the applicable definitions found in the statutes or regulations (IC 13-11, 326 IAC 1-2 and 326 IAC 2-7) shall prevail.

B.2 Permit Term [326 IAC 2-7-5(2)] [326 IAC 2-1.1-9.5] [326 IAC 2-7-4(a)(1)(D)] [IC 13-15-3-6(a)]

- (a) This permit, T019-18066-00006, is issued for a fixed term of five (5) years from the issuance date of this permit, as determined in accordance with IC 4-21.5-3-5(f) and IC 13-15-5-3. Subsequent revisions, modifications, or amendments of this permit do not affect the expiration date of this permit.
- (b) If IDEM, OAQ, upon receiving a timely and complete renewal 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, including any permit shield provided in 326 IAC 2-7-15, until the renewal permit has been issued or denied.

B.3 Term of Conditions [326 IAC 2-1.1-9.5]

Notwithstanding the permit term of a permit to construct, a permit to operate, or a permit modification, any condition established in a permit issued pursuant to a permitting program approved in the state implementation plan shall remain in effect until:

- (a) the condition is modified in a subsequent permit action pursuant to Title I of the Clean Air Act; or
- (b) the emission unit to which the condition pertains permanently ceases operation.

B.4 Enforceability [326 IAC 2-7-7]

Unless otherwise stated, all terms and conditions in this permit, including any provisions designed to limit the source's potential to emit, are enforceable by IDEM, the United States Environmental Protection Agency (U.S. EPA) and by citizens in accordance with the Clean Air Act.

B.5 Severability [326 IAC 2-7-5(5)]

The provisions of this permit are severable; a determination that any portion of this permit is invalid shall not affect the validity of the remainder of the permit.

B.6 Property Rights or Exclusive Privilege [326 IAC 2-7-5(6)(D)]

This permit does not convey any property rights of any sort or any exclusive privilege.

B.7 Duty to Provide Information [326 IAC 2-7-5(6)(E)]

- (a) The Permittee shall furnish to IDEM, OAQ, within a reasonable time, any information that IDEM, OAQ, may request in writing to determine whether cause exists for modifying, revoking and reissuing, or terminating this permit, or to determine compliance with this permit. The submittal by the Permittee does require the certification by the "responsible official" as defined by 326 IAC 2-7-1(34). Upon request, the Permittee shall also furnish to IDEM, OAQ, copies of records required to be kept by this permit.
- (b) For information furnished by the Permittee to IDEM, OAQ, the Permittee may include a claim of confidentiality in accordance with 326 IAC 17.1. When furnishing copies of requested records directly to U. S. EPA, the Permittee may assert a claim of confidentiality in accordance with 40 CFR 2, Subpart B.

B.8 Certification [326 IAC 2-7-4(f)] [326 IAC 2-7-6(1)] [326 IAC 2-7-5(3)(C)]

- (a) Where specifically designated by this permit or required by an applicable requirement, any application form, report, or compliance certification submitted shall contain certification by a responsible official of truth, accuracy, and completeness. This certification shall state

that, based on information and belief formed after reasonable inquiry, the statements and information in the document are true, accurate, and complete.

- (b) One (1) certification shall be included, using the attached Certification Form, with each submittal requiring certification. One (1) certification may cover multiple forms in one (1) submittal.
- (c) A responsible official is defined at 326 IAC 2-7-1(34).

B.9 Annual Compliance Certification [326 IAC 2-7-6(5)]

- (a) The Permittee shall annually submit a compliance certification report which addresses the status of the source's compliance with the terms and conditions contained in this permit, including emission limitations, standards, or work practices. All certifications shall cover the time period from January 1 to December 31 of the previous year, and shall be submitted in letter form no later than July 1 of each year to:

Indiana Department of Environmental Management
Compliance Branch, Office of Air Quality
100 North Senate Avenue
Indianapolis, Indiana 46204-2251

and

United States Environmental Protection Agency, Region V
Air and Radiation Division, Air Enforcement Branch - Indiana (AE-17J)
77 West Jackson Boulevard
Chicago, Illinois 60604-3590

- (b) The annual compliance certification report 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, OAQ, on or before the date it is due.
- (c) The annual compliance certification report shall include the following:
 - (1) The appropriate identification of each term or condition of this permit that is the basis of the certification;
 - (2) The compliance status;
 - (3) Whether compliance was continuous or intermittent;
 - (4) The methods used for determining the compliance status of the source, currently and over the reporting period consistent with 326 IAC 2-7-5(3); and
 - (5) Such other facts, as specified in Sections D of this permit, as IDEM, OAQ, may require to determine the compliance status of the source.

The submittal by the Permittee does require the certification by the "responsible official" as defined by 326 IAC 2-7-1(34).

B.10 Preventive Maintenance Plan [326 IAC 2-7-5(1),(3) and (13)] [326 IAC 2-7-6(1) and (6)] [326 IAC 1-6-3]

- (a) If required by specific condition(s) in Section D of this permit, the Permittee shall maintain and implement Preventive Maintenance Plans (PMPs) including the following information on each facility:

- (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; and
 - (3) Identification and quantification of the replacement parts that will be maintained in inventory for quick replacement.
- (b) A copy of the PMPs shall be submitted to IDEM, OAQ, upon request and within a reasonable time, and shall be subject to review and approval by IDEM, OAQ. IDEM, OAQ, may require the Permittee to revise its PMPs whenever lack of proper maintenance causes or is the primary contributor to an exceedance of any limitation on emissions or potential to emit. The PMPs do not require the certification by the "responsible official" as defined by 326 IAC 2-7-1(34).
- (c) To the extent the Permittee is required by 40 CFR Part 60/63 to have an Operation Maintenance, and Monitoring (OMM) Plan for a unit, such Plan is deemed to satisfy the PMP requirements of 326 IAC 1-6-3 for that unit.

B.11 Emergency Provisions [326 IAC 2-7-16]

- (a) An emergency, as defined in 326 IAC 2-7-1(12), is not an affirmative defense for an action brought for noncompliance with a federal or state health-based emission limitation.
- (b) An emergency, as defined in 326 IAC 2-7-1(12), constitutes an affirmative defense to an action brought for noncompliance with a technology-based emission limitation if the affirmative defense of an emergency is demonstrated through properly signed, contemporaneous operating logs or other relevant evidence that describe the following:
- (1) An emergency occurred and the Permittee can, to the extent possible, identify the causes of the emergency;
 - (2) The permitted facility was at the time being properly operated;
 - (3) During the period of an emergency, the Permittee took all reasonable steps to minimize levels of emissions that exceeded the emission standards or other requirements in this permit;
 - (4) For each emergency lasting one (1) hour or more, the Permittee notified IDEM, OAQ within four (4) daytime business hours after the beginning of the emergency, or after the emergency was discovered or reasonably should have been discovered;

IDEM Main Office

Telephone Number: 1-800-451-6027 (ask for Office of Air Quality, Compliance Section), or

Telephone Number: 317-233-5674 (ask for Compliance Section)

Facsimile Number: 317-233-5967

- (5) For each emergency lasting one (1) hour or more, the Permittee submitted the attached Emergency Occurrence Report Form or its equivalent, either by mail or facsimile to:

Indiana Department of Environmental Management

Compliance Branch, Office of Air Quality

100 North Senate Avenue

Indianapolis, Indiana 46204-2251

within two (2) working days of the time when emission limitations were exceeded due to the emergency.

The notice fulfills the requirement of 326 IAC 2-7-5(3)(C)(ii) and must contain the following:

- (A) A description of the emergency;
- (B) Any steps taken to mitigate the emissions; and
- (C) Corrective actions taken.

The notification which shall be submitted by the Permittee does not require the certification by the "responsible official" as defined by 326 IAC 2-7-1(34).

- (6) The Permittee immediately took all reasonable steps to correct the emergency.
- (c) In any enforcement proceeding, the Permittee seeking to establish the occurrence of an emergency has the burden of proof.
- (d) This emergency provision supersedes 326 IAC 1-6 (Malfunctions). This permit condition is in addition to any emergency or upset provision contained in any applicable requirement.
- (e) The Permittee seeking to establish the occurrence of an emergency shall make records available upon request to ensure that failure to implement a PMP did not cause or contribute to an exceedance of any limitations on emissions. However, IDEM, OAQ, may require that the Preventive Maintenance Plans required under 326 IAC 2-7-4(c)(9) be revised in response to an emergency.
- (f) Failure to notify IDEM, OAQ, by telephone or facsimile of an emergency lasting more than one (1) hour in accordance with (b)(4) and (5) of this condition shall constitute a violation of 326 IAC 2-7 and any other applicable rules.
- (g) If the emergency situation causes a deviation from a technology-based limit, the Permittee may continue to operate the affected emitting facilities during the emergency provided the Permittee immediately takes all reasonable steps to correct the emergency and minimize emissions.
- (h) The Permittee shall include all emergencies in the Quarterly Deviation and Compliance Monitoring Report.

B.12 Permit Shield [326 IAC 2-7-15] [326 IAC 2-7-20] [326 IAC 2-7-12]

- (a) Pursuant to 326 IAC 2-7-15, the Permittee has been granted a permit shield. The permit shield provides that compliance with the conditions of this permit shall be deemed in compliance with any applicable requirements as of the date of permit issuance, provided that either the applicable requirements are included and specifically identified in this permit or the permit contains an explicit determination or concise summary of a determination that other specifically identified requirements are not applicable. The Indiana statutes from IC 13 and rules from 326 IAC, referenced in conditions in this permit, are those applicable at the time the permit was issued. The issuance or possession of this permit shall not alone constitute a defense against an alleged violation of any law, regulation or standard, except for the requirement to obtain a Part 70 permit under 326 IAC 2-7 or for applicable requirements for which a permit shield has been granted.

This permit shield does not extend to applicable requirements which are promulgated after the date of issuance of this permit unless this permit has been modified to reflect such new requirements.

- (b) If, after issuance of this permit, it is determined that the permit is in nonconformance with an applicable requirement that applied to the source on the date of permit issuance, IDEM, OAQ, shall immediately take steps to reopen and revise this permit and issue a compliance order to the Permittee to ensure expeditious compliance with the applicable requirement until the permit is reissued. The permit shield shall continue in effect so long as the Permittee is in compliance with the compliance order.
- (c) No permit shield shall apply to any permit term or condition that is determined after issuance of this permit to have been based on erroneous information supplied in the permit application. Erroneous information means information that the Permittee knew to be false, or in the exercise of reasonable care should have been known to be false, at the time the information was submitted.
- (d) Nothing in 326 IAC 2-7-15 or in this permit shall alter or affect the following:
 - (1) The provisions of Section 303 of the Clean Air Act (emergency orders), including the authority of the U.S. EPA under Section 303 of the Clean Air Act;
 - (2) The liability of the Permittee for any violation of applicable requirements prior to or at the time of this permit's issuance;
 - (3) The applicable requirements of the acid rain program, consistent with Section 408(a) of the Clean Air Act; and
 - (4) The ability of U.S. EPA to obtain information from the Permittee under Section 114 of the Clean Air Act.
- (e) This permit shield is not applicable to any change made under 326 IAC 2-7-20(b)(2) (Sections 502(b)(10) of the Clean Air Act changes) and 326 IAC 2-7-20(c)(2) (trading based on State Implementation Plan (SIP) provisions).
- (f) This permit shield is not applicable to modifications eligible for group processing until after IDEM, OAQ, has issued the modifications. [326 IAC 2-7-12(c)(7)]
- (g) This permit shield is not applicable to minor Part 70 permit modifications until after IDEM, OAQ, has issued the modification. [326 IAC 2-7-12(b)(8)]

B.13 Prior Permits Superseded [326 IAC 2-1.1-9.5][326 IAC 2-7-10.5]

- (a) All terms and conditions of permits established prior to T019-18066-00006 and issued pursuant to permitting programs approved into the state implementation plan have been either:
 - (1) incorporated as originally stated,
 - (2) revised under 326 IAC 2-7-10.5, or
 - (3) deleted under 326 IAC 2-7-10.5.
- (b) Provided that all terms and conditions are accurately reflected in this permit, all previous registrations and permits are superseded by this Part 70 operating permit.

B.14 Termination of Right to Operate [326 IAC 2-7-10] [326 IAC 2-7-4(a)]

The Permittee's right to operate this source terminates with the expiration of this permit unless a timely and complete renewal application is submitted at least nine (9) months prior to the date of expiration of the source's existing permit, consistent with 326 IAC 2-7-3 and 326 IAC 2-7-4(a).

B.15 Deviations from Permit Requirements and Conditions [326 IAC 2-7-5(3)(C)(ii)]

- (a) Deviations from any permit requirements (for emergencies see Section B - Emergency Provisions), the probable cause of such deviations, and any response steps or preventive measures taken shall be reported to:

Indiana Department of Environmental Management
Compliance Data Section, Office of Air Quality
100 North Senate Avenue
Indianapolis, Indiana 46204-2251

using the attached Quarterly Deviation and Compliance Monitoring Report, or its equivalent. A deviation required to be reported pursuant to an applicable requirement that exists independent of this permit, shall be reported according to the schedule stated in the applicable requirement and does not need to be included in this report.

The Quarterly Deviation and Compliance Monitoring Report does require the certification by the "responsible official" as defined by 326 IAC 2-7-1(34).

- (b) A deviation is an exceedance of a permit limitation or a failure to comply with a requirement of the permit.

B.16 Permit Modification, Reopening, Revocation and Reissuance, or Termination
[326 IAC 2-7-5(6)(C)] [326 IAC 2-7-8(a)] [326 IAC 2-7-9]

- (a) This permit may be modified, reopened, revoked and reissued, or terminated for cause. The filing of a request by the Permittee for a Part 70 permit modification, revocation and reissuance, or termination, or of a notification of planned changes or anticipated noncompliance does not stay any condition of this permit. [326 IAC 2-7-5(6)(C)] The notification by the Permittee does require the certification by the "responsible official" as defined by 326 IAC 2-7-1(34).
- (b) This permit shall be reopened and revised under any of the circumstances listed in IC 13-15-7-2 or if IDEM, OAQ, determines any of the following:
- (1) That this permit contains a material mistake.
 - (2) That inaccurate statements were made in establishing the emissions standards or other terms or conditions.
 - (3) That this permit must be revised or revoked to assure compliance with an applicable requirement. [326 IAC 2-7-9(a)(3)]
- (c) Proceedings by IDEM, OAQ, to reopen and revise this permit shall follow the same procedures as apply to initial permit issuance and shall affect only those parts of this permit for which cause to reopen exists. Such reopening and revision shall be made as expeditiously as practicable. [326 IAC 2-7-9(b)]
- (d) The reopening and revision of this permit, under 326 IAC 2-7-9(a), shall not be initiated before notice of such intent is provided to the Permittee by IDEM, OAQ, at least thirty (30) days in advance of the date this permit is to be reopened, except that IDEM, OAQ, may provide a shorter time period in the case of an emergency. [326 IAC 2-7-9(c)]

B.17 Permit Renewal [326 IAC 2-7-3] [326 IAC 2-7-4] [326 IAC 2-7-8(e)]

- (a) The application for renewal shall be submitted using the application form or forms prescribed by IDEM, OAQ, and shall include the information specified in 326 IAC 2-7-4. Such information shall be included in the application for each emission unit at this source, except those emission units included on the trivial or insignificant activities list contained in 326 IAC 2-7-1(21) and 326 IAC 2-7-1(40). The renewal application does require the certification by the "responsible official" as defined by 326 IAC 2-7-1(34).

Request for renewal shall be submitted to:

Indiana Department of Environmental Management
Permits Branch, Office of Air Quality
100 North Senate Avenue
Indianapolis, Indiana 46204-2251

- (b) A timely renewal application is one that is:
- (1) Submitted at least nine (9) months prior to the date of the expiration of this permit; and
 - (2) 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, OAQ, on or before the date it is due.
- (c) If the Permittee submits a timely and complete application for renewal of this permit, the source's failure to have a permit is not a violation of 326 IAC 2-7 until IDEM, OAQ, takes final action on the renewal application, except that this protection shall cease to apply if, subsequent to the completeness determination, the Permittee fails to submit by the deadline specified in writing by IDEM, OAQ, any additional information identified as being needed to process the application.

B.18 Permit Amendment or Modification [326 IAC 2-7-11] [326 IAC 2-7-12]

- (a) Permit amendments and modifications are governed by the requirements of 326 IAC 2-7-11 or 326 IAC 2-7-12 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 Quality
100 North Senate Avenue
Indianapolis, Indiana 46204-2251
- Any such application shall be certified by the "responsible official" as defined by 326 IAC 2-7-1(34).
- (c) The Permittee may implement administrative amendment changes addressed in the request for an administrative amendment immediately upon submittal of the request. [326 IAC 2-7-11(c)(3)]
- (d) No permit amendment or modification is required for the addition, operation or removal of a nonroad engine, as defined in 40 CFR 89.2.

B.19 Permit Revision Under Economic Incentives and Other Programs [326 IAC 2-7-5(8)] [326 IAC 2-7-12 (b)(2)]

- (a) No Part 70 permit revision shall be required under any approved economic incentives, marketable Part 70 permits, emissions trading, and other similar programs or processes for changes that are provided for in a Part 70 permit.
- (b) Notwithstanding 326 IAC 2-7-12(b)(1) and 326 IAC 2-7-12(c)(1), minor Part 70 permit modification procedures may be used for Part 70 modifications involving the use of economic incentives, marketable Part 70 permits, emissions trading, and other similar approaches to the extent that such minor Part 70 permit modification procedures are explicitly provided for in the applicable State Implementation Plan (SIP) or in applicable requirements promulgated or approved by the U.S. EPA.

B.20 Operational Flexibility [326 IAC 2-7-20] [326 IAC 2-7-10.5]

- (a) The Permittee may make any change or changes at the source that are described in 326 IAC 2-7-20(b), (c), or (e), without a prior permit revision, if each of the following conditions is met:
- (1) The changes are not modifications under any provision of Title I of the Clean Air Act;
 - (2) Any preconstruction approval required by 326 IAC 2-7-10.5 has been obtained;
 - (3) The changes do not result in emissions which exceed the limitations provided in this permit (whether expressed herein as a rate of emissions or in terms of total emissions);
 - (4) The Permittee notifies the:

Indiana Department of Environmental Management
Permits Branch, Office of Air Quality
100 North Senate Avenue
Indianapolis, Indiana 46204-2251

and

United States Environmental Protection Agency, Region V
Air and Radiation Division, Regulation Development Branch - Indiana (AR-18J)
77 West Jackson Boulevard
Chicago, Illinois 60604-3590

in advance of the change by written notification at least ten (10) days in advance of the proposed change. The Permittee shall attach every such notice to the Permittee's copy of this permit; and
 - (5) The Permittee maintains records on-site on a rolling five (5) year basis, which document all such changes and emissions trades that are subject to 326 IAC 2-7-20(b), (c), or (e). The Permittee shall make such records available, upon reasonable request, for public review.

Such records shall consist of all information required to be submitted to IDEM, OAQ, in the notices specified in 326 IAC 2-7-20(b)(1), (c)(1), and (e)(2).
- (b) The Permittee may make Section 502(b)(10) of the Clean Air Act changes (this term is defined at 326 IAC 2-7-1(36)) without a permit revision, subject to the constraint of 326 IAC 2-7-20(a). For each such Section 502(b)(10) of the Clean Air Act change, the required written notification shall include the following:
- (1) A brief description of the change within the source;
 - (2) The date on which the change will occur;
 - (3) Any change in emissions; and
 - (4) Any permit term or condition that is no longer applicable as a result of the change.

The notification which shall be submitted is not considered an application form, report or compliance certification. Therefore, the notification by the Permittee does not require the certification by the "responsible official" as defined by 326 IAC 2-7-1(34).

- (c) Emission Trades [326 IAC 2-7-20(c)]
The Permittee may trade emissions increases and decreases at the source, where the applicable SIP provides for such emission trades without requiring a permit revision, subject to the constraints of Section (a) of this condition and those in 326 IAC 2-7-20(c).
- (d) Alternative Operating Scenarios [326 IAC 2-7-20(d)]
The Permittee may make changes at the source within the range of alternative operating scenarios that are described in the terms and conditions of this permit in accordance with 326 IAC 2-7-5(9). No prior notification of IDEM, OAQ, or U.S. EPA is required.
- (e) Backup fuel switches specifically addressed in, and limited under, Section D of this permit shall not be considered alternative operating scenarios. Therefore, the notification requirements of part (a) of this condition do not apply.

B.21 Source Modification Requirement [326 IAC 2-7-10.5]

- (a) A modification, construction, or reconstruction is governed by the requirements of 326 IAC 2 and 326 IAC 2-7-10.5.
- (b) Any modification at an existing major source is governed by the requirements of 326 IAC 2-2-2 and 326 IAC 2-3-2.

B.22 Inspection and Entry [326 IAC 2-7-6] [IC 13-14-2-2] [IC 13-30-3-1] [IC 13-17-3-2]

Upon presentation of proper identification cards, credentials, and other documents as may be required by law, and subject to the Permittee's right under all applicable laws and regulations to assert that the information collected by the agency is confidential and entitled to be treated as such, the Permittee shall allow IDEM, OAQ, U.S. EPA, or an authorized representative to perform the following:

- (a) Enter upon the Permittee's premises where a Part 70 source is located, or emissions related activity is conducted, or where records must be kept under the conditions of this permit;
- (b) As authorized by the Clean Air Act, IC 13-14-2-2, IC 13-17-3-2, and IC 13-30-3-1, have access to and copy any records that must be kept under the conditions of this permit;
- (c) As authorized by the Clean Air Act, IC 13-14-2-2, IC 13-17-3-2, and IC 13-30-3-1, inspect any facilities, equipment (including monitoring and air pollution control equipment), practices, or operations regulated or required under this permit;
- (d) As authorized by the Clean Air Act, IC 13-14-2-2, IC 13-17-3-2, and IC 13-30-3-1, sample or monitor substances or parameters for the purpose of assuring compliance with this permit or applicable requirements; and
- (e) As authorized by the Clean Air Act, IC 13-14-2-2, IC 13-17-3-2, and IC 13-30-3-1, utilize any photographic, recording, testing, monitoring, or other equipment for the purpose of assuring compliance with this permit or applicable requirements.

B.23 Transfer of Ownership or Operational Control [326 IAC 2-7-11]

- (a) The Permittee must comply with the requirements of 326 IAC 2-7-11 whenever the Permittee seeks to change the ownership or operational control of the source and no other change in the permit is necessary.
- (b) Any application requesting a change in the ownership or operational control of the source shall contain a written agreement containing a specific date for transfer of permit responsibility, coverage and liability between the current and new Permittee. The application shall be submitted to:

Indiana Department of Environmental Management
Permits Branch, Office of Air Quality

100 North Senate Avenue
Indianapolis, Indiana 46204-2251

The application which shall be submitted by the Permittee does require the certification by the "responsible official" as defined by 326 IAC 2-7-1(34).

- (c) The Permittee may implement administrative amendment changes addressed in the request for an administrative amendment immediately upon submittal of the request. [326 IAC 2-7-11(c)(3)]

B.24 Annual Fee Payment [326 IAC 2-7-19] [326 IAC 2-7-5(7)][326 IAC 2-1.1-7]

- (a) The Permittee shall pay annual fees to IDEM, OAQ, within thirty (30) calendar days of receipt of a billing. Pursuant to 326 IAC 2-7-19(b), if the Permittee does not receive a bill from IDEM, OAQ, the applicable fee is due April 1 of each year.
- (b) Except as provided in 326 IAC 2-7-19(e), failure to pay may result in administrative enforcement action or revocation of this permit.
- (c) The Permittee may call the following telephone numbers: 1-800-451-6027 or 317-233-4230 (ask for OAQ, Billing, Licensing, and Training Section), to determine the appropriate permit fee.

B.25 Credible Evidence [326 IAC 2-7-5(3)][326 IAC 2-7-6][62 FR 8314][326 IAC 1-1-6]

For the purpose of submitting compliance certifications or establishing whether or not the Permittee has violated or is in violation of any condition of this permit, nothing in this permit shall preclude the use, including the exclusive use, of any credible evidence or information relevant to whether the Permittee would have been in compliance with the condition of this permit if the appropriate performance or compliance test or procedure had been performed.

SECTION C

SOURCE OPERATION CONDITIONS

Entire Source

Emission Limitations and Standards [326 IAC 2-7-5(1)]

C.1 Opacity [326 IAC 5-1]

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

- (a) Opacity shall not exceed an average of thirty percent (30%) 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.2 Open Burning [326 IAC 4-1] [IC 13-17-9]

The Permittee shall not open burn any material except as provided in 326 IAC 4-1-3, 326 IAC 4-1-4 or 326 IAC 4-1-6. The previous sentence notwithstanding, the Permittee may open burn in accordance with an open burning approval issued by the Commissioner under 326 IAC 4-1-4.1.

C.3 Incineration [326 IAC 4-2] [326 IAC 9-1-2]

The Permittee shall not operate an incinerator or incinerate any waste or refuse except as provided in 326 IAC 4-2 and 326 IAC 9-1-2.

C.4 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).

C.5 Fugitive Particulate Matter Emission Limitations [326 IAC 6-5]

Pursuant to 326 IAC 6-5 (Fugitive Particulate Matter Emission Limitations), fugitive particulate matter emissions shall be controlled according to the plan included as Attachment A.

C.6 Asbestos Abatement Projects [326 IAC 14-10] [326 IAC 18] [40 CFR 61, Subpart M]

- (a) Notification requirements apply to each owner or operator. If the combined amount of regulated asbestos containing material (RACM) to be stripped, removed or disturbed is at least 260 linear feet on pipes or 160 square feet on other facility components, or at least thirty-five (35) cubic feet on all facility components, then the notification requirements of 326 IAC 14-10-3 are mandatory. All demolition projects require notification whether or not asbestos is present.
- (b) The Permittee shall ensure that a written notification is sent on a form provided by the Commissioner at least ten (10) working days before asbestos stripping or removal work or before demolition begins, per 326 IAC 14-10-3, and shall update such notice as necessary, including, but not limited to the following:
 - (1) When the amount of affected asbestos containing material increases or decreases by at least twenty percent (20%); or
 - (2) If there is a change in the following:
 - (A) Asbestos removal or demolition start date;

- (B) Removal or demolition contractor; or
- (C) Waste disposal site.
- (c) The Permittee shall ensure that the notice is postmarked or delivered according to the guidelines set forth in 326 IAC 14-10-3(2).
- (d) The notice to be submitted shall include the information enumerated in 326 IAC 14-10-3(3).

All required notifications shall be submitted to:

Indiana Department of Environmental Management
Asbestos Section, Office of Air Quality
100 North Senate Avenue
Indianapolis, Indiana 46204-2251

The notice shall include a signed certification from the owner or operator that the information provided in this notification is correct and that only Indiana licensed workers and project supervisors will be used to implement the asbestos removal project. The notifications do not require a certification by the "responsible official" as defined by 326 IAC 2-7-1(34).

- (e) **Procedures for Asbestos Emission Control**
The Permittee shall comply with the applicable emission control procedures in 326 IAC 14-10-4 and 40 CFR 61.145(c). Per 326 IAC 14-10-1, emission control requirements are applicable for any removal or disturbance of RACM greater than three (3) linear feet on pipes or three (3) square feet on any other facility components or a total of at least 0.75 cubic feet on all facility components.
- (f) **Demolition and renovation**
The Permittee shall thoroughly inspect the affected facility or part of the facility where the demolition or renovation will occur for the presence of asbestos pursuant to 40 CFR 61.145(a).
- (g) **Indiana Accredited Asbestos Inspector**
The Permittee shall comply with 326 IAC 14-10-1(a) that requires the owner or operator, prior to a renovation/demolition, to use an Indiana Accredited Asbestos Inspector to thoroughly inspect the affected portion of the facility for the presence of asbestos. The requirement to use an Indiana Accredited Asbestos inspector is not federally enforceable.

Testing Requirements [326 IAC 2-7-6(1)]

C.7 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 any applicable procedures and analysis methods specified in 40 CFR 51, 40 CFR 60, 40 CFR 61, 40 CFR 63, 40 CFR 75, or other procedures approved by IDEM, OAQ.

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 Quality
100 North Senate Avenue
Indianapolis, Indiana 46204-2251

no later than thirty-five (35) days prior to the intended test date. The protocol submitted by the Permittee does not require certification by the "responsible official" as defined by 326 IAC 2-7-1(34).

- (b) The Permittee shall notify IDEM, OAQ of the actual test date at least fourteen (14) days prior to the actual test date. The notification submitted by the Permittee does not require certification by the "responsible official" as defined by 326 IAC 2-7-1(34).
- (c) Pursuant to 326 IAC 3-6-4(b), all test reports must be received by IDEM, OAQ not later than forty-five (45) days after the completion of the testing. An extension may be granted by IDEM, OAQ, if the Permittee submits to IDEM, OAQ, a reasonable written explanation not later than five (5) days prior to the end of the initial forty-five (45) day period.

Compliance Requirements [326 IAC 2-1.1-11]

C.8 Compliance Requirements [326 IAC 2-1.1-11]

The commissioner may require stack testing, monitoring, or reporting at any time to assure compliance with all applicable requirements by issuing an order under 326 IAC 2-1.1-11. Any monitoring or testing shall be performed in accordance with 326 IAC 3 or other methods approved by the commissioner or the U. S. EPA.

Compliance Monitoring Requirements [326 IAC 2-7-5(1)] [326 IAC 2-7-6(1)]

C.9 Compliance Monitoring [326 IAC 2-7-5(3)] [326 IAC 2-7-6(1)]

Unless otherwise specified in this permit, all monitoring and record keeping requirements not already legally required shall be implemented within ninety (90) days of permit issuance. If required by Section D, the Permittee shall be responsible for installing any necessary equipment and initiating any required monitoring related to that equipment. If due to circumstances beyond its control, that equipment cannot be installed and operated within ninety (90) days, the Permittee may extend the compliance schedule related to the equipment for an additional ninety (90) days provided the Permittee notifies:

Indiana Department of Environmental Management
Compliance Branch, Office of Air Quality
100 North Senate Avenue
Indianapolis, Indiana 46204-2251

in writing, prior to the end of the initial sixty (60) 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 "responsible official" as defined by 326 IAC 2-7-1(34).

Unless otherwise specified in the approval for the new emission unit(s), compliance monitoring for new emission units or emission units added through a source modification shall be implemented when operation begins.

C.10 Monitoring Methods [326 IAC 3] [40 CFR 60] [40 CFR 63]

Any monitoring or testing required by Section D of this permit shall be performed according to the provisions of 326 IAC 3, 40 CFR 60, Appendix A, 40 CFR 60 Appendix B, 40 CFR 63, or other approved methods as specified in this permit.

Corrective Actions and Response Steps [326 IAC 2-7-5] [326 IAC 2-7-6]

C.11 Emergency Reduction Plans [326 IAC 1-5-2] [326 IAC 1-5-3]

Pursuant to 326 IAC 1-5-2 (Emergency Reduction Plans; Submission):

- (a) The Permittee prepared and submitted written emergency reduction plans (ERPs) consistent with safe operating procedures.

- (b) Upon direct notification by IDEM, OAQ, that a specific air pollution episode level is in effect, the Permittee shall immediately put into effect the actions stipulated in the approved ERP for the appropriate episode level.
[326 IAC 1-5-3]

C.12 Risk Management Plan [326 IAC 2-7-5(12)] [40 CFR 68]

If a regulated substance, as defined in 40 CFR 68, is present at a source in more than a threshold quantity, the Permittee must comply with the applicable requirements of 40 CFR 68.

C.13 Response to Excursions or Exceedances [326 IAC 2-7-5] [326 IAC 2-7-6]

- (a) Upon detecting an excursion or exceedance, the Permittee shall restore operation of the emissions unit(s) (including any control device and associated capture system) to its normal or usual manner of operation as expeditiously as practicable in accordance with good air pollution control practices for minimizing emissions.
- (b) The response shall include minimizing the period of any startup, shutdown or malfunction and taking any necessary corrective actions to restore normal operation and prevent the likely recurrence of the cause of an excursion or exceedance (other than those caused by excused startup or shutdown conditions). Corrective actions may include, but are not limited to, the following:
- (1) initial inspection and evaluation;
 - (2) recording that operations returned to normal without operator action (such as through response by a computerized distribution control system); or
 - (3) any necessary follow-up actions to return operation to within the indicator range, designated condition, or below the applicable emission limitation or standard, as applicable.
- (c) A determination of whether the Permittee has used acceptable procedures in response to an excursion or exceedance will be based on information available, which may include, but is not limited to, the following:
- (1) monitoring results;
 - (2) review of operation and maintenance procedures and records;
 - (3) inspection of the control device, associated capture system, and the process.
- (d) Failure to take reasonable response steps shall be considered a deviation from the permit.
- (e) The Permittee shall maintain the following records:
- (1) monitoring data;
 - (2) monitor performance data, if applicable; and
 - (3) corrective actions taken.

C.14 Actions Related to Noncompliance Demonstrated by a Stack Test [326 IAC 2-7-5][326 IAC 2-7-6]

- (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 response actions. The Permittee shall submit a description of these response actions to IDEM, OAQ, within thirty (30) days of receipt of the test results. The Permittee shall take appropriate action to minimize excess emissions from the affected facility while the response actions are being implemented.

- (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, OAQ that retesting in one-hundred and twenty (120) days is not practicable, IDEM, OAQ may extend the retesting deadline.
- (c) IDEM, OAQ reserves the authority to take any actions allowed under law in response to noncompliant stack tests.

The response action documents submitted pursuant to this condition do require the certification by the "responsible official" as defined by 326 IAC 2-7-1(34).

Record Keeping and Reporting Requirements [326 IAC 2-7-5(3)] [326 IAC 2-7-19]

C.15 Emission Statement [326 IAC 2-7-5(3)(C)(iii)][326 IAC 2-7-5(7)][326 IAC 2-7-19(c)][326 IAC 2-6]

- (a) Pursuant to 326 IAC 2-6-3(a)(1), the Permittee shall submit by July 1 of each year an emission statement covering the previous calendar year. The emission statement shall contain, at a minimum, the information specified in 326 IAC 2-6-4(c) and shall meet the following requirements:
 - (1) Indicate estimated actual emissions of all pollutants listed in 326 IAC 2-6-4(a);
 - (2) Indicate estimated actual emissions of regulated pollutants as defined by 326 IAC 2-7-1 (32) ("Regulated pollutant, which is used only for purposes of Section 19 of this rule") from the source, for purpose of fee assessment.

The statement must be submitted to:

Indiana Department of Environmental Management
Technical Support and Modeling Section, Office of Air Quality
100 North Senate Avenue
Indianapolis, Indiana 46204-2251

The emission statement does require the certification by the "responsible official" as defined by 326 IAC 2-7-1(34).

- (b) The emission statement 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, OAQ, on or before the date it is due.

C.16 General Record Keeping Requirements [326 IAC 2-7-5(3)] [326 IAC 2-7-6]

- (a) Records of all required monitoring data, reports and support information required by this permit 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 physically present or electronically accessible at the source location for a minimum of three (3) years. 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 request for records to the Permittee, the Permittee shall furnish the records to the Commissioner within a reasonable time.
- (b) Unless otherwise specified in this permit, all record keeping requirements not already legally required shall be implemented within ninety (90) days of permit issuance.

C.17 General Reporting Requirements [326 IAC 2-7-5(3)(C)] [326 IAC 2-1.1-11]

- (a) The Permittee shall submit the attached Quarterly Deviation and Compliance Monitoring Report or its equivalent. Any deviation from permit requirements, the date(s) of each deviation, the cause of the deviation, and the response steps taken must be reported.

This report shall be submitted within thirty (30) days of the end of the reporting period. The Quarterly Deviation and Compliance Monitoring Report shall include the certification by the "responsible official" as defined by 326 IAC 2-7-1(34).

- (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 Quality
100 North Senate Avenue
Indianapolis, Indiana 46204-2251

- (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, OAQ, on or before the date it is due.
- (d) Unless otherwise specified in this permit, all reports required in Section D of this permit shall be submitted within thirty (30) days of the end of the reporting period. All reports do require the certification by the "responsible official" as defined by 326 IAC 2-7-1(34).
- (e) Reporting periods are based on calendar years, unless otherwise specified in this permit. For the purpose of this permit "calendar year" means the twelve (12) month period from January 1 to December 31 inclusive.

Reports required in this part shall be submitted to:

Indiana Department of Environmental Management
Air Compliance Section, Office of Air Quality
100 North Senate Avenue
Indianapolis, Indiana 46204-2251

- (f) The Permittee shall make the information required to be documented and maintained in accordance with (c) in Section C- General Record Keeping Requirements available for review upon a request for inspection by IDEM, OAQ. The general public may request this information from the IDEM, OAQ under 326 IAC 17.1.

Stratospheric Ozone Protection

C.18 Compliance with 40 CFR 82 and 326 IAC 22-1

Pursuant to 40 CFR 82 (Protection of Stratospheric Ozone), Subpart F, except as provided for motor vehicle air conditioners in Subpart B, the Permittee shall comply with the standards for recycling and emissions reduction:

- (a) Persons opening appliances for maintenance, service, repair, or disposal must comply with the required practices pursuant to 40 CFR 82.156.
- (b) Equipment used during the maintenance, service, repair, or disposal of appliances must comply with the standards for recycling and recovery equipment pursuant to 40 CFR 82.158.
- (c) Persons performing maintenance, service, repair, or disposal of appliances must be certified by an approved technician certification program pursuant to 40 CFR 82.161.

SECTION D.1

FACILITY OPERATION CONDITIONS

Facility Description [326 IAC 2-7-5(15)]:

- (a) Two (2) shot blast units, identified as EU-01, also known as Pangborn (No. 1) and Wheelabrator (No. 2), with a maximum capacity of 600 marine vessels per year. Emissions are controlled by baghouse dust collectors identified as BH1 and BH2. Unit No. 1 was constructed in 1980. Unit No. 2 was constructed in 1970.

(The information describing the process contained in this facility description box is descriptive information and does not constitute enforceable conditions.)

Emission Limitations and Standards [326 IAC 2-7-5(1)]

D.1.1 Particulate Matter (PM) [326 IAC 6.5-1-2(a)]

Pursuant to 326 IAC 6.5-1-2(a), (formerly 326 IAC 6-1-2(a) (Nonattainment Area Particulate Limitations)) and T019-6874-00006, issued July 13, 1999, particulate matter (PM) emissions from the shot blast units, identified as EU-01, shall be limited to 0.03 grain per dry standard cubic foot of exhaust air.

Compliance Determination Requirements

D.1.2 Particulate Control

- (a) Pursuant to T019-6874-00006, issued July 13, 1999, and in order to comply with Condition D.1, the baghouse dust collectors identified as BH1 and BH2 shall be in operation and control emissions from the shot blast units at all times the shot blast units are in operation.
- (b) In the event that bag failure is observed in a multi-compartment baghouse, if operations will continue for ten (10) days or more after the failure is observed before the failed units will be repaired or replaced, the Permittee shall promptly notify the IDEM, OAQ of the expected date the failed units will be repaired or replaced. The notification shall also include the status of the applicable compliance monitoring parameters with respect to normal, and the results of any response actions taken up to the time of notification.

SECTION D.2

FACILITY OPERATION CONDITIONS

Facility Description [326 IAC 2-7-5(15)]:

(b) Surface coating operations consisting of the following:

- (1) Two (2) spray booths, identified as EU-02, for the application of weld-through (shop) primer when performing shipbuilding, with a maximum capacity of 600 marine vessels per year. Emissions are controlled by paint arrestor pads identified as PA1 and PA2. Unit No. 1 was constructed in 1980. Unit No. 2 was constructed in 1970. Under NESHAP II, this is considered shipbuilding and repair.
- (2) Outdoor spray operations, identified as EU-03, constructed in 1939, consisting of conventional, airless and electrostatic paint spray application methods, as well as brush and roller applications, with a maximum capacity of 600 marine vessels per year. Under NESHAP II, this is considered shipbuilding and repair.

These units have two different operating scenarios: Alternative Operating Scenario No. 1 consists of emission units EU-02 and EU-03 performing surface coating related to ship building and repair. Alternative Operating Scenario No. 2 consists of emission units EU-02 and EU-03 performing non-shipbuilding related metal coating.

(The information describing the process contained in this facility description box is descriptive information and does not constitute enforceable conditions.)

Emission Limitations and Standards [326 IAC 2-7-5(1)]

D.2.1 Volatile Organic Compounds (VOC) [326 IAC 8-12-4]

- (a) Pursuant to 326 IAC 8-12-4 (Shipbuilding or ship repair operations in Clark, Floyd, Lake, or Porter counties), VOC emissions from the outdoor surface coating operations (EU-02 and EU-03) under alternate operating scenario No. 1 shall be limited throughout the year as follows:
 - (1) Provisions applicable to specialty coatings are as follows:
 - (A) Special marking coatings shall not exceed a VOC content of four and eight-hundredths (4.08) pounds per gallon.
 - (B) Heat resistant and high-gloss coatings shall not exceed a VOC content of three and fifty-hundredths (3.50) pounds per gallon.
 - (C) High-temperature coatings shall not exceed a VOC content of four and seventeen-hundredths (4.17) pounds per gallon.
 - (D) Any other specialty coating shall not exceed a VOC content of two and eighty-three hundredths (2.83) pounds per gallon.
 - (2) During application of any general use coating, VOC emissions shall be limited as follows:
 - (A) The VOC content of any general use coating shall not exceed two and eighty-three hundredths (2.83) pounds per gallon, as applied.
 - (B) From May 1 through September 30, no thinner shall be added to any general use coating.
- (b) The Permittee shall comply with the following work practice standards:

- (1) Cleaning accessories, such as, but not limited to, paper, cloth, and rags that have been used for cleaning surfaces and equipment and that contain cleaning materials shall be stored in normally closed gasket sealed containers.
- (2) VOC-containing solvents and coatings shall be stored in normally closed sealed containers prior to use. Spent VOC-containing solvents and coatings shall be stored in normally closed gasket sealed containers.
- (3) Cleaning materials for cleaning spray equipment, including paint lines, shall not be used unless the equipment for collecting the cleaning materials and minimizing its evaporation to the atmosphere is used.
- (4) All handling and transfer of VOC-containing materials to and from containers, tanks, vats, drums, and piping systems shall be conducted in a manner that minimizes drips and spills, and any drips and spills shall be cleaned up promptly.
- (5) All containers, tanks, vats, drums, and piping systems shall be free of cracks, holes and other defects and must be closed unless materials are being added to or removed from them.

D.2.2 Volatile Organic Compounds (VOC) [326 IAC 8-12-4]

- (a) Pursuant to 326 IAC 8-12-4 (Shipbuilding or ship repair operations in Clark, Floyd, Lake, or Porter counties), VOC emissions from the surface coating operations (EU-02) and (EU-03) during application of any weld-through (shop) preconstruction primer under alternate operating scenario 1 shall be limited as follows:
 - (1) During application of any weld-through (shop) preconstruction primer, VOC emissions shall be limited throughout the year as follows:
 - (A) Waterbased weld-through (shop) preconstruction primer shall be used.
 - (B) The VOC content of weld-through (shop) preconstruction primer, as applied, shall not exceed zero (0).
 - (C) No VOC containing cleaning material shall be used in the primer application facility.
 - (D) No VOC containing thinner shall be added to the weld-through (shop) preconstruction primer.
 - (2) If the Permittee determines that a waterbased weld-through (shop) preconstruction primer can no longer be used due to an operational, performance, or availability constraint associated with the waterbased weld-through (shop) preconstruction primer, the source shall do the following:
 - (A) Notify the department within seven (7) days of discontinuing use of the waterbased weld-through (shop) preconstruction primer.
 - (B) Submit to the department for approval a plan for an alternative control within sixty (60) days of discontinuance. The alternative control shall consist of one (1) of the following:
 - (i) A waterbased weld-through (shop) preconstruction primer.
 - (ii) A control system with a minimum overall VOC emissions reduction efficiency of ninety-five percent (95%) that is subject to each of the following requirements:

- (AA) The operation, maintenance, and testing requirements of 326 IAC 8-7-9.
- (BB) The monitoring, record keeping, and reporting requirements of 326 IAC 8-7-10.
- (C) Install the alternative control within nine (9) months of approval by the department of the plan required in clause 326 IAC 8-12-4 (a)(2)(b).
- (3) During the time between the date when the Permittee discontinues the use of the water-based preconstruction primer and the date when the alternative control is installed, the weld-through (shop) preconstruction primer used by the Permittee shall not exceed a VOC content of five and sixty-five hundredths (5.65) pounds per gallon, the VOC content for weld-through (shop) preconstruction primer prescribed by the U.S. EPA in 40 CFR 63, Subpart II, National Emission Standard for Shipbuilding and Ship Repair (surface coating).

D.2.3 Training Requirements [326 IAC 8-12-4]

- (a) Pursuant to 326 IAC 8-12-4, spray booths EU-02 and the outdoor spray operation (EU-3) under alternate operating scenario 1 shall comply with the following training requirements:
 - (1) The training program may include training provided by the manufacturer or supplier of coatings, cleaning materials, or the application equipment thereof, and shall include written procedures, hands-on demonstration, as appropriate, and certification by the trainer of the trainee's ability to perform the task, on the following activities:
 - (A) Identification of appropriate coatings or cleaning materials.
 - (B) Preparation of coatings or cleaning materials according to coating or cleaning material manufacturer, distributor, or owner or operator's recommendations.
 - (C) Application of coatings or cleaning materials, or organic solvents using techniques that minimize their usage.
 - (D) Procedures to clean spray guns to minimize evaporation of organic solvents to the atmosphere.
 - (E) Work practice standards established in 326 IAC 8-12-4(5)(b)(3).
 - (2) The Permittee shall provide annual refresher training to any worker performing one (1) or more of the activities listed in 326 IAC 8-12-4(5)(b)(3). Such training shall be appropriate to the job responsibilities of the worker.
 - (3) Any worker may perform one (1) or more activities listed in 326 IAC 8-12-4(5)(b)(3) for not more than one hundred eighty (180) days, notwithstanding the requirement of 326 IAC 8-12-4(5)(b)(2), provided such untrained worker works under the supervision of a worker who meets the training requirements of 326 IAC 8-12-4(5)(b)(2)

D.2.4 Volatile Organic Compounds (VOC) Limitations [326 IAC 8-2-9]

- (a) Pursuant to 326 IAC 8-2-9 (Miscellaneous Metal Coating Operations) and when operating under alternative operating scenario No. 2, the Permittee shall not allow the discharge into the atmosphere of VOC in excess of the following limits from the surface coating operations:
 - (1) Four and three-tenths (4.3) pounds for clear coats;

- (2) Three and five-tenths (3.5) pounds for air dried or forced warm air dried coatings;
- (3) Three and five-tenths (3.5) pounds for extreme performance coatings; and
- (4) Three (3.0) pounds for all other coatings

per gallon of coating excluding water, as delivered to the applicator.

- (b) Pursuant to 326 IAC 8-2-9(f), solvent sprayed from application equipment during cleanup or color changes shall be directed into containers. Such containers shall be closed as soon as solvent spraying is complete, and the waste solvent shall be disposed of in a manner that minimizes evaporation.

D.2.5 Volatile Organic Compound (VOC) Limitations, Clean-up Requirements [326 IAC 8-2-9]

Pursuant to 326 IAC 8-2-9(f), all solvents sprayed from the application equipment of the paint booths (EU-02) and outdoor spray operation (EU-03) under alternate operating scenario 2 during cleanup or color changes shall be directed into containers. Said containers shall be closed as soon as the solvent spraying is complete. In addition, all waste solvent shall be disposed of in such a manner that minimizes evaporation

D.2.6 Particulate Matter (PM) [326 IAC 6.5-1-2(a)]

Pursuant to 326 IAC 6.5-1-2(a) (formerly 326 IAC 6-1-2(a) (Nonattainment Area Particulate Limitations), particulate matter (PM) emissions from the spray booth (EU-02) shall be limited to 0.03 grain per dry standard cubic foot of exhaust air.

D.2.7 Preventive Maintenance Plan [326 IAC 2-7-5(13)]

A Preventive Maintenance Plan, in accordance with Section B - Preventive Maintenance Plan, of this permit, is required for the spray booths (EU-02) and their control device.

Compliance Determination Requirements

D.2.8 Volatile Organic Compounds (VOC) [326 IAC 8-12-5]

Pursuant to 326 IAC 8-12-5, the paint booths (EU-02) and the outdoor spray operation (EU-03) under alternate operating scenario 1 shall determine compliance using the methods in 40 CFR 63.786, as incorporated by reference in 326 IAC 20-26, in lieu of 326 IAC 8-12-5.

D.2.9 Volatile Organic Compounds (VOC)[326 IAC 8-1-2] [326 IAC 8-1-4]

Compliance with the VOC content contained in Condition D.2.4 shall be determined pursuant to 326 IAC 8-1-4(a)(3) and 326 IAC 8-1-2(a) by preparing or obtaining from the manufacturer the copies of the "as supplied" and "as applied" VOC data sheets. IDEM, OAQ reserves the authority to determine compliance using Method 24 in conjunction with the analytical procedures specified in 326 IAC 8-1-4.

D.2.10 Particulate Control

- (a) Pursuant to T019-6874-00006, issued July 13, 1999, and in order to comply with D.2.6, the paint arrester pads for PM control identified as PA1 and PA2 shall be in operation and control emissions from the two (2) paint booths (EU-02) at all times that the paint booths are in operation.
- (b) In the event that bag failure is observed in a multi-compartment baghouse, if operations will continue for ten (10) days or more after the failure is observed before the failed units will be repaired or replaced, the Permittee shall promptly notify the IDEM, OAQ of the expected date the failed units will be repaired or replaced. The notification shall also include the status of the applicable compliance monitoring parameters with respect to normal, and the results of any response actions taken up to the time of notification.

Compliance Monitoring Requirements [326 IAC 2-7-6(1)] [326 IAC 2-7-5(1)] [40 CFR Part 64]

D.2.11 Monitoring

- (a) Daily inspections shall be performed to verify the placement, integrity, and particle loading of the paint arrestor pads for the paint booths (EU-02). To monitor the performance of the dry filters, weekly observations shall be made of the overspray from the paint booth stack(s) while one or more of the booths are in operation. If a condition exists which should result in a response step, the Permittee shall take reasonable response steps in accordance with Section C - Response to Excursions or Exceedances. Failure to take response steps in accordance with Section C - Response to Excursions or Exceedances, shall be considered a deviation from this permit.
- (b) Monthly inspections shall be performed of the coating emissions from the stacks and the presence of overspray on the nearby ground. When there is a noticeable change in overspray emissions, or when evidence of overspray emissions is observed, the Permittee shall take reasonable response steps in accordance with Section C - Response to Excursions or Exceedances. Failure to take response steps in accordance with Section C - Response to Excursions or Exceedances, shall be considered a deviation from this permit.

Record Keeping and Reporting Requirements [326 IAC 2-7-5(3)] [326 IAC 2-7-19]

D.2.12 Record Keeping and Reporting Requirements for VOC (326 IAC 8-12-7)

- (a) Pursuant to 326 IAC 8-12-7, sources subject to 326 IAC 8-12 and 326 IAC 20-26 shall comply with the record keeping and reporting requirements of 40 CFR 63.786, as incorporated by reference in 326 IAC 20-26, in lieu of 326 IAC 8-12-7 when operating under alternate operating scenario 1.
- (b) To document compliance with Condition D.2.3 when operating under alternate operating scenario 2, the Permittee shall maintain records in accordance with (1) through (4) below. Records maintained for (1) through (4) shall be taken as stated below and shall be complete and sufficient to establish compliance with the VOC content usages limit established in Condition D.2.4.
 - (1) The VOC content of each coating material and solvent used less water.
 - (2) The amount of coating material and solvent used on monthly basis.
 - (A) Records shall include purchase orders, invoices, and material safety data sheets (MSDS) necessary to verify the type and amount used.
 - (B) Solvent usage records shall differentiate between those added to coatings and those used as cleanup solvents;
 - (C) The monthly cleanup solvent usage; and
 - (D) The total VOC usage for each month.
- (c) To document compliance with Condition D.2.11, the Permittee shall maintain a log of weekly overspray observations, and daily and monthly inspections.
- (d) The Permittee shall maintain records of all dates and times when the facility is engaged in shipbuilding operations.
- (e) All records shall be maintained in accordance with Section C - General Record Keeping Requirements, of this permit.

National Emission Standards for Hazardous Air Pollutants (NESHAP) Requirements [326 IAC 2-6.1-5]

D.2.13 General Provisions Relating to National Emission Standards for Hazardous Air Pollutants under 40 CFR Part 63 [326 IAC 20-1] [40 CFR Part 63, Subpart A]

- (a) Pursuant to 40 CFR 63.780, the Permittee shall comply with the provisions of 40 CFR Part 63, Subpart A – General Provisions, which are incorporated by reference as 326 IAC 20-1-1, for the ship building and ship repair surface coating activities as specified in Table 1 of 40 CFR Part 63, Subpart II in accordance with the schedule in 40 CFR Part 63, Subpart II.
- (b) Pursuant to 40 CFR 63.10, the Permittee shall submit all required notifications and reports to:

Indiana Department of Environmental Management
Compliance Branch, Office of Air Quality
100 North Senate Avenue
Indianapolis, Indiana 46204

D.2.14 National Emissions Standards for Hazardous Air Pollutants for Ship Building and Repair Surface Coating Requirements: [40 CFR Part 63, II] [326 IAC 20-26]

Pursuant to 40 CFR Part 63, Subpart II, the Permittee shall comply with the provisions of the National Emission Standards for Shipbuilding and Ship Repair (Surface Coating), which are incorporated by reference as 326 IAC 20-26 for the ship building and ship repair surface coating activities as specified as follows:

Subpart II—National Emission Standards for Shipbuilding and Ship Repair (Surface Coating)

Source: 60 FR 64336, Dec. 15, 1995, unless otherwise noted.

§ 63.780 Relationship of subpart II to subpart A of this part.

Table 1 of this subpart specifies the provisions of subpart A of this part that apply to owners and operators of sources subject to the provisions of this subpart.

§ 63.781 Applicability.

- (a) The provisions of this subpart apply to shipbuilding and ship repair operations at any facility that is a major source.
- (b) The provisions of this subpart do not apply to coatings used in volumes of less than 200 liters (52.8 gallons) per year, provided the total volume of coating exempt under this paragraph does not exceed 1,000 liters per year (264 gallons per year) at any facility. Coatings exempt under this paragraph shall be clearly labeled as “low-usage exempt,” and the volume of each such coating applied shall be maintained in the facility's records.
- (c) The provisions of this subpart do not apply to coatings applied with hand-held, nonrefillable, aerosol containers or to unsaturated polyester resin (i.e., fiberglass lay-up) coatings. Coatings applied to suitably prepared fiberglass surfaces for protective or decorative purposes are subject to this subpart.

§ 63.782 Definitions.

Terms used in this subpart are defined in the Clean Air Act (CAA), in subpart A of part 63, or in this section as follows:

Add-on control system means an air pollution control device such as a carbon absorber or incinerator that reduces pollution in an air stream by destruction or removal prior to discharge to the atmosphere.

Affected source means any shipbuilding or ship repair facility having surface coating operations with a minimum 1,000 liters (L) (264 gallons [gal]) annual marine coating usage that is subject to this subpart.

Air flask specialty coating means any special composition coating applied to interior surfaces of high pressure breathing air flasks to provide corrosion resistance and that is certified safe for use with breathing air supplies.

Antenna specialty coating means any coating applied to equipment through which electromagnetic signals must pass for reception or transmission.

Antifoulant specialty coating means any coating that is applied to the underwater portion of a vessel to prevent or reduce the attachment of biological organisms and that is registered with the EPA as a pesticide under the Federal Insecticide, Fungicide, and Rodenticide Act.

As applied means the condition of a coating at the time of application to the substrate, including any thinning solvent.

As supplied means the condition of a coating before any thinning, as sold and delivered by the coating manufacturer to the user.

Batch means the product of an individual production run of a coating manufacturer's process. A batch may vary in composition from other batches of the same product.

Bitumens mean black or brown materials that are soluble in carbon disulfide and consist mainly of hydrocarbons.

Bituminous resin coating means any coating that incorporates bitumens as a principal component and is formulated primarily to be applied to a substrate or surface to resist ultraviolet radiation and/or water.

Certify means, in reference to the volatile organic compounds (VOC) content or volatile organic hazardous air pollutants (VOHAP) content of a coating, to attest to the VOC content as determined through analysis by Method 24 of appendix A to 40 CFR part 60 or through use of forms and procedures outlined in appendix A of this subpart, or to attest to the VOHAP content as determined through an Administrator-approved test method. In the case of conflicting results, Method 24 of Appendix A to 40 CFR part 60 shall take precedence over the forms and procedures outlined in appendix A to this subpart for the options in which VOC is used as a surrogate for VOHAP.

Coating means any material that can be applied as a thin layer to a substrate and which cures to form a continuous solid film.

Cold-weather time period means any time during which the ambient temperature is below 4.5 °C (40 °F) and coating is to be applied.

Container of coating means the container from which the coating is applied, including but not limited to a bucket or pot.

Cure volatiles means reaction products which are emitted during the chemical reaction which takes place in some coating films at the cure temperature. These emissions are other than those from the solvents in the coating and may, in some cases, comprise a significant portion of total VOC and/or VOHAP emissions.

Epoxy means any thermoset coating formed by reaction of an epoxy resin (i.e., a resin containing a reactive epoxide with a curing agent).

Exempt compounds means specified organic compounds that are not considered VOC due to negligible photochemical reactivity. Exempt compounds are specified in 40 CFR 51.100(s).

Facility means all contiguous or adjoining property that is under common ownership or control, including properties that are separated only by a road or other public right-of-way.

General use coating means any coating that is not a specialty coating.

Hazardous air pollutants (HAP) means any air pollutant listed in or pursuant to section 112(b) of the CAA.

Heat resistant specialty coating means any coating that during normal use must withstand a temperature of at least 204 °C (400 °F).

High-gloss specialty coating means any coating that achieves at least 85 percent reflectance on a 60 degree meter when tested by ASTM D523–89 (incorporation by reference—see §63.14).

High-temperature specialty coating means any coating that during normal use must withstand a temperature of at least 426 °C (800 °F).

Inorganic zinc (high-build) specialty coating means a coating that contains 960 grams per liter (8 pounds per gallon) or more elemental zinc incorporated into an inorganic silicate binder that is applied to steel to provide galvanic corrosion resistance. (These coatings are typically applied at more than 2 mil dry film thickness.)

Major source means any source that emits or has the potential to emit, in the aggregate, 9.1 megagrams per year (10 tons per year) or more of any HAP or 22.7 megagrams per year (25 tons per year) or more of any combination of HAP.

Maximum allowable thinning ratio means the maximum volume of thinner that can be added per volume of coating without violating the standards of §63.783(a), as determined using Equation 1 of this subpart.

Military exterior specialty coating or Chemical Agent Resistant Coatings (“CARC”) means any exterior topcoat applied to military or U.S. Coast Guard vessels that are subject to specific chemical, biological, and radiological washdown requirements.

Mist specialty coating means any low viscosity, thin film, epoxy coating applied to an inorganic zinc primer that penetrates the porous zinc primer and allows the occluded air to escape through the paint film prior to curing.

Navigational aids specialty coating means any coating applied to Coast Guard buoys or other Coast Guard waterway markers when they are recoated aboard ship at their usage site and immediately returned to the water.

Nonskid specialty coating means any coating applied to the horizontal surfaces of a marine vessel for the specific purpose of providing slip resistance for personnel, vehicles, or aircraft.

Nonvolatiles (or volume solids) means substances that do not evaporate readily. This term refers to the film-forming material of a coating.

Normally closed means a container or piping system is closed unless an operator is actively engaged in adding or removing material.

Nuclear specialty coating means any protective coating used to seal porous surfaces such as steel (or concrete) that otherwise would be subject to intrusion by radioactive materials. These coatings must be resistant to long-term (service life) cumulative radiation exposure (ASTM D4082–89 [incorporation by reference—see §63.14]), relatively easy to decontaminate (ASTM D4256–89 or 94 [reapproved 1994] [incorporation by reference—see §63.14]), and resistant to various chemicals to which the coatings are likely to be exposed (ASTM D3912–80 [incorporation by reference—see §63.14]). [For nuclear coatings, see the general protective requirements outlined by the U.S. Nuclear Regulatory Commission in a report entitled “U.S. Atomic Energy Commission Regulatory Guide 1.54” dated June 1973, available through the Government Printing Office at (202) 512–2249 as document number A74062–00001.]

Operating parameter value means a minimum or maximum value established for a control device or process parameter that, if achieved by itself or in combination with one or more other operating parameter values, determines that an owner or operator has complied with an applicable emission limitation or standard.

Organic zinc specialty coating means any coating derived from zinc dust incorporated into an organic binder that contains more than 960 grams of elemental zinc per liter (8 pounds per gallon) of coating, as applied, and that is used for the expressed purpose of corrosion protection.

Pleasure craft means any marine or fresh-water vessel used by individuals for noncommercial, nonmilitary, and recreational purposes that is less than 20 meters in length. A vessel rented exclusively to or chartered by individuals for such purposes shall be considered a pleasure craft.

Pretreatment wash primer specialty coating means any coating that contains a minimum of 0.5 percent acid, by mass, and is applied only to bare metal to etch the surface and enhance adhesion of subsequent coatings.

Repair and maintenance of thermoplastic coating of commercial vessels (specialty coating) means any vinyl, chlorinated rubber, or bituminous resin coating that is applied over the same type of existing coating to perform the partial recoating of any in-use commercial vessel. (This definition does not include coal tar epoxy coatings, which are considered "general use" coatings.)

Rubber camouflage specialty coating means any specially formulated epoxy coating used as a camouflage topcoat for exterior submarine hulls and sonar domes.

Sealant for thermal spray aluminum means any epoxy coating applied to thermal spray aluminum surfaces at a maximum thickness of 1 dry mil.

Ship means any marine or fresh-water vessel used for military or commercial operations, including self-propelled vessels, those propelled by other craft (barges), and navigational aids (buoys). This definition includes, but is not limited to, all military and Coast Guard vessels, commercial cargo and passenger (cruise) ships, ferries, barges, tankers, container ships, patrol and pilot boats, and dredges. For purposes of this subpart, pleasure crafts and offshore oil and gas drilling platforms are not considered ships.

Shipbuilding and ship repair operations means any building, repair, repainting, converting, or alteration of ships.

Special marking specialty coating means any coating that is used for safety or identification applications, such as markings on flight decks and ships' numbers.

Specialty coating means any coating that is manufactured and used for one of the specialized applications described within this list of definitions.

Specialty interior coating means any coating used on interior surfaces aboard U.S. military vessels pursuant to a coating specification that requires the coating to meet specified fire retardant and low toxicity requirements, in addition to the other applicable military physical and performance requirements.

Tack specialty coating means any thin film epoxy coating applied at a maximum thickness of 2 dry mils to prepare an epoxy coating that has dried beyond the time limit specified by the manufacturer for the application of the next coat.

Thinner means a liquid that is used to reduce the viscosity of a coating and that evaporates before or during the cure of a film.

Thinning ratio means the volumetric ratio of thinner to coating, as supplied.

Thinning solvent: see Thinner.

Undersea weapons systems specialty coating means any coating applied to any component of a weapons system intended to be launched or fired from under the sea.

Volatile organic compounds (VOC) is as defined in §51.100(s) of this chapter.

Volatile organic hazardous air pollutants (VOHAP) means any compound listed in or pursuant to section 112(b) of the CAA that contains carbon, excluding metallic carbides and carbonates. This definition includes VOC listed as HAP and exempt compounds listed as HAP.

Weld-through preconstruction primer (specialty coating) means a coating that provides corrosion protection for steel during inventory, is typically applied at less than 1 mil dry film thickness, does not require removal prior to welding, is temperature resistant (burn back from a weld is less than 1.25 centimeters [0.5 inch]), and does not normally require removal before applying film-building coatings, including inorganic zinc high-build coatings. When constructing new vessels, there may be a need to remove areas of weld-through preconstruction primer due to surface damage or contamination prior to application of film-building coatings.

§ 63.783 Standards.

(a) No owner or operator of any existing or new affected source shall cause or allow the application of any coating to a ship with an as-applied VOHAP content exceeding the applicable limit given in Table 2 of this subpart, as determined by the procedures described in §63.785 (c)(1) through (c)(4). For the compliance procedures described in §63.785 (c)(1) through (c)(3), VOC shall be used as a surrogate for VOHAP, and Method 24 of Appendix A to 40 CFR part 60 shall be used as the definitive measure for determining compliance.

(b) Each owner or operator of a new or existing affected source shall ensure that:

(1) All handling and transfer of VOHAP-containing materials to and from containers, tanks, vats, drums, and piping systems is conducted in a manner that minimizes spills.

(2) All containers, tanks, vats, drums, and piping systems are free of cracks, holes, and other defects and remain closed unless materials are being added to or removed from them.

§ 63.784 Compliance dates.

(a) Each owner or operator of an existing affected source shall comply within two years after the effective date of this subpart.

§ 63.785 Compliance procedures.

(a) For each batch of coating that is received by an affected source, the owner or operator shall:

(1) Determine the coating category and the applicable VOHAP limit as specified in §63.783(a).

(2) Certify the as-supplied VOC content of the batch of coating. The owner or operator may use a certification supplied by the manufacturer for the batch, although the owner or operator retains liability should subsequent testing reveal a violation. If the owner or operator performs the certification testing, only one of the containers in which the batch of coating was received is required to be tested.

(b)(1) In lieu of testing each batch of coating, as applied, the owner or operator may determine compliance with the VOHAP limits using any combination of the procedures described in paragraphs (c)(1), (c)(2), (c)(3), and (c)(4) of this section. The procedure used for each coating shall be determined and documented prior to application.

(2) The results of any compliance demonstration conducted by the affected source or any regulatory agency using Method 24 shall take precedence over the results using the procedures in paragraphs (c)(1), (c)(2), or (c)(3) of this section.

(3) The results of any compliance demonstration conducted by the affected source or any regulatory agency using an approved test method to determine VOHAP content shall take precedence over the results using the procedures in paragraph (c)(4) of this section.

(c)(1) *Coatings to which thinning solvent will not be added.* For coatings to which thinning solvent (or any other material) will not be added under any circumstance or to which only water is added, the owner or operator of an affected source shall comply as follows:

(i) Certify the as-applied VOC content of each batch of coating.

(ii) Notify the persons responsible for applying the coating that no thinning solvent may be added to the coating by affixing a label to each container of coating in the batch or through another means described in the implementation plan required in §63.787(b).

(iii) If the certified as-applied VOC content of each batch of coating used during a calendar month is less than or equal to the applicable VOHAP limit in §63.783(a) (either in terms of g/L of coating or g/L of solids), then compliance is demonstrated for that calendar month, unless a violation is revealed using Method 24 of Appendix A to 40 CFR part 60.

(2) *Coatings to which thinning solvent will be added—coating-by-coating compliance.* For a coating to

which thinning solvent is routinely or sometimes added, the owner or operator shall comply as follows:

(i) Prior to the first application of each batch, designate a single thinner for the coating and calculate the maximum allowable thinning ratio (or ratios, if the affected source complies with the cold-weather limits in addition to the other limits specified in Table 2 of this subpart) for each batch as follows:

$$R = \frac{(V_s)(\text{VOHAP limit}) - m_{\text{VOC}}}{D_{\text{th}}} \quad \text{Eqn. 1}$$

where:

R=Maximum allowable thinning ratio for a given batch (L thinner/L coating as supplied);

V_s=Volume fraction of solids in the batch as supplied (L solids/L coating as supplied);

VOHAP limit=Maximum allowable as-applied VOHAP content of the coating (g VOHAP/L solids);

m_{VOC}=VOC content of the batch as supplied [g VOC (including cure volatiles and exempt compounds on the HAP list)/L coating (including water and exempt compounds) as supplied];

D_{th}=Density of the thinner (g/L).

If V_s is not supplied directly by the coating manufacturer, the owner or operator shall determine V_s as follows:

$$V_s = 1 - \frac{m_{\text{volatiles}}}{D_{\text{avg}}} \quad \text{Eqn. 2}$$

where:

m_{volatiles}=Total volatiles in the batch, including VOC, water, and exempt compounds (g/L coating); and

D_{avg}=Average density of volatiles in the batch (g/L).

The procedures specified in §63.786(d) may be used to determine the values of variables defined in this paragraph. In addition, the owner or operator may choose to construct nomographs, based on Equation 1 of this subpart, similar or identical to the one provided in appendix B of this subpart as a means of easily estimating the maximum allowable thinning ratio.

(ii) Prior to the first application of each batch, notify painters and other persons, as necessary, of the designated thinner and maximum allowable thinning ratio(s) for each batch of the coating by affixing a label to each container of coating or through another means described in the implementation plan required in §63.787(b).

(iii) By the 15th day of each calendar month, determine the volume of each batch of the coating used, as supplied, during the previous month.

(iv) By the 15th day of each calendar month, determine the total allowable volume of thinner for the coating used during the previous month as follows:

$$V_{\text{th}} = \sum_{i=1}^n (R \times V_b)_i + \sum_{i=1}^n (R_{\text{cold}} \times V_{b-\text{cold}})_i \quad \text{Eqn. 3}$$

where:

V_{th}=Total allowable volume of thinner for the previous month (L thinner);

V_b=Volume of each batch, as supplied and before being thinned, used during non-cold-weather days of the previous month (L coating as supplied);

R_{cold}=Maximum allowable thinning ratio for each batch used during cold-weather days (L thinner/L coating as supplied);

Vb-cold=Volume of each batch, as supplied and before being thinned, used during cold-weather days of the previous month (L coating as supplied);

i=Each batch of coating; and

n=Total number of batches of the coating.

(v) By the 15th day of each calendar month, determine the volume of thinner actually used with the coating during the previous month.

(vi) If the volume of thinner actually used with the coating [paragraph (c)(3)(v) of this section] is less than or equal to the total allowable volume of thinner for the coating [paragraph (c)(3)(iv) of this section], then compliance is demonstrated for the coating for the previous month, unless a violation is revealed using Method 24 of Appendix A to 40 CFR part 60.

(3) *Coatings to which the same thinning solvent will be added—group compliance.* For coatings to which the same thinning solvent (or other material) is routinely or sometimes added, the owner or operator shall comply as follows:

(i) Designate a single thinner to be added to each coating during the month and “group” coatings according to their designated thinner.

(ii) Prior to the first application of each batch, calculate the maximum allowable thinning ratio (or ratios, if the affected source complies with the cold-weather limits in addition to the other limits specified in Table 2 of this subpart) for each batch of coating in the group using the equations in paragraph (c)(2) of this section.

(iii) Prior to the first application of each “batch,” notify painters and other persons, as necessary, of the designated thinner and maximum allowable thinning ratio(s) for each batch in the group by affixing a label to each container of coating or through another means described in the implementation plan required in §63.787(b).

(iv) By the 15th day of each calendar month, determine the volume of each batch of the group used, as supplied, during the previous month.

(v) By the 15th day of each calendar month, determine the total allowable volume of thinner for the group for the previous month using Equation 3 of this subpart.

(vi) By the 15th day of each calendar month, determine the volume of thinner actually used with the group during the previous month.

(vii) If the volume of thinner actually used with the group [paragraph (c)(3)(vi) of this section] is less than or equal to the total allowable volume of thinner for the group [paragraph (c)(3)(v) of this section], then compliance is demonstrated for the group for the previous month, unless a violation is revealed using Method 24 of Appendix A to 40 CFR part 60.

§ 63.786 Test methods and procedures.

(a) For the compliance procedures described in §63.785(c) (1) through (c)(3), Method 24 of 40 CFR part 60, appendix A, is the definitive method for determining the VOC content of coatings, as supplied or as applied. When a coating or thinner contains exempt compounds that are volatile HAP or VOHAP, the owner or operator shall ensure, when determining the VOC content of a coating, that the mass of these exempt compounds is included.

(c) A coating manufacturer or the owner or operator of an affected source may use batch formulation data as a test method in lieu of Method 24 of Appendix A to 40 CFR part 60 to certify the as-supplied VOC content of a coating if the manufacturer or the owner or operator has determined that batch formulation data have a consistent and quantitatively known relationship to Method 24 results. This determination shall consider the role of cure volatiles, which may cause emissions to exceed an amount based solely upon coating formulation data. Notwithstanding such determination, in the event of conflicting results, Method 24 of appendix A of 40 CFR part 60 shall take precedence.

(d) Each owner or operator of an affected source shall use or ensure that the manufacturer uses the form and procedures mentioned in appendix A of this subpart to determine values for the thinner and coating parameters used in Equations 1 and 2 of this subpart. The owner or operator shall ensure that the coating/thinner manufacturer (or supplier) provides information on the VOC and VOHAP contents of the coatings/thinners and the procedure(s) used to determine these values.

§ 63.787 Notification requirements.

(a) Each owner or operator of an affected source shall comply with all applicable notification requirements in §63.9(a) through (d) and (i) through (j), with the exception that the deadline specified in §63.9(b) (2) and (3) shall be extended from 120 days to 180 days. Any owner or operator that receives approval pursuant to §63.783(c) to use an add-on control system to control coating emissions shall comply with the applicable requirements of §63.9(e) through (h).

(b) *Implementation plan.* The provisions of §63.9(a) apply to the requirements of this paragraph.

(1) Each owner or operator of an affected source shall:

(i) Prepare a written implementation plan that addresses each of the subject areas specified in paragraph (b)(3) of this section; and

(ii) Not later than one year after the effective date of this subpart, submit the implementation plan to the Administrator along with the notification required by §63.9(b)(2) or (b)(5) of subpart A, as applicable.

(2) [Reserved]

(3) *Implementation plan contents.* Each implementation plan shall address the following subject areas:

(i) *Coating compliance procedures.* The implementation plan shall include the compliance procedure(s) under §63.785(c) that the source intends to use.

(ii) *Recordkeeping procedures.* The implementation plan shall include the procedures for maintaining the records required under §63.788, including the procedures for gathering the necessary data and making the necessary calculations.

(iii) *Transfer, handling, and storage procedures.* The implementation plan shall include the procedures for ensuring compliance with §63.783(b).

§ 63.788 Recordkeeping and reporting requirements.

(a) Each owner or operator of an affected source shall comply with the applicable recordkeeping and reporting requirements in §63.10 (a), (b), (d), and (f). Any owner that receives approval pursuant to §63.783(c) to use an add-on control system to control coating emissions shall also comply with the applicable requirements of §63.10 (c) and (e). A summary of recordkeeping and reporting requirements is provided in Table 3 of this subpart.

(b) *Recordkeeping requirements.* (1) Each owner or operator of a major source shipbuilding or ship repair facility having surface coating operations with less than 1000 liters (L) (264 gallons (gal)) annual marine coating usage shall record the total volume of coating applied at the source to ships. Such records shall be compiled monthly and maintained for a minimum of 5 years.

(2) Each owner or operator of an affected source shall compile records on a monthly basis and maintain those records for a minimum of 5 years. At a minimum, these records shall include:

(i) All documentation supporting initial notification;

(ii) A copy of the affected source's approved implementation plan;

(iii) The volume of each low-usage-exempt coating applied;

(iv) Identification of the coatings used, their appropriate coating categories, and the applicable VOHAP limit;

- (v) Certification of the as-supplied VOC content of each batch of coating;
 - (vi) A determination of whether containers meet the standards as described in §63.783(b)(2); and
 - (vii) The results of any Method 24 of appendix A to 40 CFR part 60 or approved VOHAP measurement test conducted on individual containers of coating, as applied.
- (3) The records required by paragraph (b)(2) of this section shall include additional information, as determined by the compliance procedure(s) described in §63.785(c) that each affected source followed:
- (i) *Coatings to which thinning solvent will not be added.* The records maintained by facilities demonstrating compliance using the procedure described in §63.785(c)(1) shall contain the following information:
 - (A) Certification of the as-applied VOC content of each batch of coating; and
 - (B) The volume of each coating applied.
 - (ii) *Coatings to which thinning solvent will be added—coating-by-coating compliance.* The records maintained by facilities demonstrating compliance using the procedure described in §63.785(c)(2) shall contain the following information:
 - (A) The density and mass fraction of water and exempt compounds of each thinner and the volume fraction of solids (nonvolatiles) in each batch, including any calculations;
 - (B) The maximum allowable thinning ratio (or ratios, if the affected source complies with the cold-weather limits in addition to the other limits specified in Table 2 of this subpart) for each batch of coating, including calculations;
 - (C) If an affected source chooses to comply with the cold-weather limits, the dates and times during which the ambient temperature at the affected source was below 4.5 °C (40 °F) at the time the coating was applied and the volume used of each batch of the coating, as supplied, during these dates;
 - (D) The volume used of each batch of the coating, as supplied;
 - (E) The total allowable volume of thinner for each coating, including calculations; and
 - (F) The actual volume of thinner used for each coating.
 - (iii) *Coatings to which the same thinning solvent will be added—group compliance.* The records maintained by facilities demonstrating compliance using the procedure described in §63.785(c)(3) shall contain the following information:
 - (A) The density and mass fraction of water and exempt compounds of each thinner and the volume fraction of solids in each batch, including any calculations;
 - (B) The maximum allowable thinning ratio (or ratios, if the affected source complies with the cold-weather limits in addition to the other limits specified in Table 2 of this subpart) for each batch of coating, including calculations;
 - (C) If an affected source chooses to comply with the cold-weather limits, the dates and times during which the ambient temperature at the affected source was below 4.5 °C (40 °F) at the time the coating was applied and the volume used of each batch in the group, as supplied, during these dates;
 - (D) Identification of each group of coatings and their designated thinners;
 - (E) The volume used of each batch of coating in the group, as supplied;
 - (F) The total allowable volume of thinner for the group, including calculations; and
 - (G) The actual volume of thinner used for the group.
- (4) If the owner or operator of an affected source detects a violation of the standards specified in §63.783,

the owner or operator shall, for the remainder of the reporting period during which the violation(s) occurred, include the following information in his or her records:

- (i) A summary of the number and duration of deviations during the reporting period, classified by reason, including known causes for which a Federally-approved or promulgated exemption from an emission limitation or standard may apply.
- (ii) Identification of the data availability achieved during the reporting period, including a summary of the number and total duration of incidents that the monitoring protocol failed to perform in accordance with the design of the protocol or produced data that did not meet minimum data accuracy and precision requirements, classified by reason.
- (iii) Identification of the compliance status as of the last day of the reporting period and whether compliance was continuous or intermittent during the reporting period.
- (iv) If, pursuant to paragraph (b)(4)(iii) of this section, the owner or operator identifies any deviation as resulting from a known cause for which no Federally-approved or promulgated exemption from an emission limitation or standard applies, the monitoring report shall also include all records that the source is required to maintain that pertain to the periods during which such deviation occurred and:
 - (A) The magnitude of each deviation;
 - (B) The reason for each deviation;
 - (C) A description of the corrective action taken for each deviation, including action taken to minimize each deviation and action taken to prevent recurrence; and
 - (D) All quality assurance activities performed on any element of the monitoring protocol.

(c) *Reporting requirements.* Before the 60th day following completion of each 6-month period after the compliance date specified in §63.784, each owner or operator of an affected source shall submit a report to the Administrator for each of the previous 6 months. The report shall include all of the information that must be retained pursuant to paragraphs (b) (2) through (3) of this section, except for that information specified in paragraphs (b)(2) (i) through (ii), (b)(2)(v), (b)(3)(i)(A), (b)(3)(ii)(A), and (b)(3)(iii)(A). If a violation at an affected source is detected, the source shall also report the information specified in paragraph (b)(4) of this section for the reporting period during which the violation(s) occurred. To the extent possible, the report shall be organized according to the compliance procedure(s) followed each month by the affected source.

§ 63.789 Implementation and enforcement.

- (a) This subpart can be implemented and enforced by the U.S. EPA, or a delegated authority such as the applicable State, local, or Tribal agency. If the U.S. EPA Administrator has delegated authority to a State, local, or Tribal agency, then that agency, in addition to the U.S. EPA, has the authority to implement and enforce this subpart. Contact the applicable U.S. EPA Regional Office to find out if implementation and enforcement of this subpart is delegated to a State, local, or Tribal agency.
- (b) In delegating implementation and enforcement authority of this subpart to a State, local, or Tribal agency under subpart E of this part, the authorities contained in paragraph (c) of this section are retained by the Administrator of U.S. EPA and cannot be transferred to the State, local, or Tribal agency.
- (c) The authorities that cannot be delegated to State, local, or Tribal agencies are as specified in paragraphs (c)(1) through (4) of this section.
 - (1) Approval of alternatives to the requirements in §§63.780 through 63.781, and 63.783 through 63.784.
 - (2) Approval of major alternatives to test methods under §63.7(e)(2)(ii) and (f), as defined in §63.90, and as required in this subpart.
 - (3) Approval of major alternatives to monitoring under §63.8(f), as defined in §63.90, and as required in this subpart.

(4) Approval of major alternatives to recordkeeping and reporting under §63.10(f), as defined in §63.90, and as required in this subpart.

Table 2 to Subpart II of Part 63—Volatile Organic HAP (VOHAP) Limits for Marine Coatings

Coating Category	Grams/liter coating (Minus water and exempt compounds)	Grams/liter solids	
		t _≥ 4.5oC	t _≥ 4.5oC
General use.....	340	571	728
Specialty:			
Air flask.....	340	571	728
Antenna.....	530	1,439	
Antifoulant.....	400	765	971
Heat resistant.....	420	841	1,069
High-gloss.....	420	841	1,069
High-temperature.....	500	1,237	1,597
Inorganic zinc high-build.....	340	571	728
Military exterior.....	340	571	728
Mist.....	610	2,235	
Navigational aids.....	550	1,597	
Nonskid.....	340	571	728
Nuclear.....	420	841	1,069
Organic zinc.....	360	630	802
Pretreatment wash primer.....	780	11,095	
Repair and maint. of thermoplastics.....	550	1,597	
Rubber camouflage.....	340	571	728
Sealant for thermal spray aluminum.....	610	2,235	
Special marking.....	490	1,178	
Specialty interior.....	340	571	728
Tack coat.....	610	2,235	
Undersea weapons systems.....	340	571	728
Weld-through precon. primer.....	650	2,885	

- a The limits are expressed in two sets of equivalent units. Either set of limits may be used for the compliance procedure described in § 63.785(c)(1), but only the limits expressed in units of g/L solids (nonvolatiles) shall be used for the compliance procedures described § 63.785(c) (2) through (4).
- b VOC (including exempt compounds listed as HAP) shall be used as a surrogate for VOHAP for those compliance procedures described in § 63.785(c) (1) through (3).
- c To convert from g/L to lb/gal, multiply by (3.785 L/gal)(1/453.6 lb/g) or 1/120. For compliance purposes, metric units define the standards.
- d VOHAP limits expressed in units of mass of VOHAP per volume of solids were derived from the VOHAP limits expressed in units of mass of VOHAP per volume of coating assuming the coatings contain no water or exempt compounds and that the volumes of all components within a coating are additive.
- e These limits apply during cold-weather time periods, as defined in § 63.782. Cold-weather allowances are not given to coatings in categories that permit less than 40 percent volume solids (nonvolatiles). Such coatings are subject to the same limits regardless of weather conditions.

Table 3 to Subpart II of Part 63—Summary of Recordkeeping and Reporting Requirements^{abc}

Requirement	All Opts.		Option 1		Option 2		Option 3	
	Rec	Rep	Rec	Rep	Rec	Rep	Rec	Rep
Notification (§ 63.9(a)-(d)).....	X	X						
Implementation plan (§ 63.787(b)) d	X	X						
Volume of coating applied at unaffected major sources (§ 63.781(b)).....	X							
Volume of each low-usage-exempt coating applied at affected sources (§ 63.781(c))	X	X						
ID of the coatings used, their appropriate coating categories, and the applicable VOHAP limit.....	X	X						
Determination of whether containers meet the	X	X						

standards described in § 63.783(b)(2).....								
Results of M-24 or other approved tests.....	X	X						
Certification of the as-supplied VOC content of each batch.....	X							
Certification of the as-applied VOC content of each batch.....					X			
Volume of each coating applied.....				X	X			
Density of each thinner and volume fraction of solids in each batch.....						X	X	
Maximum allowable thinning ratio(s) for each batch.....						X	X	X X
Volume used of each batch, as supplied.....						X	X	X X
Total allowable volume of thinner.....						X	X	X X
Actual volume of thinner used.....						X	X	X X
Identification of each group of coatings and designated thinners.....								X X

a Affected sources that comply with the cold-weather limits must record and report additional information, as specified in § 63.788(b)(3) (ii)(C), (iii)(C), and (iv)(D).

b Affected sources that detect a violation must record and report additional information, as specified in § 63.788(b)(4).

c OPTION 4: the recordkeeping and reporting requirements of Option 4 are identical to those of Options 1, 2, or 3, depending on whether and how thinners are used. However, when using Option 4, the term "VOHAP" shall be used in lieu of the term "VOC," and the owner or operator shall record and report the Administrator-approved VOHAP test method or certification procedure.

d Major sources that intend to become area sources by the compliance date may, in lieu of submitting an implementation plan, choose to submit a statement of intent as specified in § 63.787(b)(4).

D.2.15 One Time Deadlines Relating to NESHAP Subpart II: Ship Building and Repair Surface Coating

Pursuant to 40 CFR 63.5800, the Permittee was required to demonstrate compliance with the standards in 40 CFR 63, Subpart II by December 15, 1997.

D.2.16 General Provisions Relating to National Emissions Standards for Hazardous Air Pollutants under 40 CFR Part 63 [326 IAC 20-1] [40 CFR Part 63, Subpart A]

(a) Pursuant to 40 CFR 63.3901, the Permittee shall comply with the provisions of 40 CFR Part 63, Subpart A – General Provisions, which are incorporated by reference as 326 IAC 20-1-1, for the two (2) spray booths identified as EV-02 and the one (1) outdoor spray operation identified as EV-03 as specified in Table 2 of 40 CFR Part 63, Subpart M in accordance with the schedule in 40 CFR 63, Subpart M.

(b) Pursuant to 40 CFR 63.10, the Permittee shall submit all required notifications and reports to:

Indiana Department of Environmental Management
 Compliance Branch, Office of Air Quality
 100 North Senate Avenue
 Indianapolis, Indiana 46204

and

United States Environmental Protection Agency, Region V
 Air and Radiation Division, Air Enforcement Branch - Indiana (AE-17J)
 77 West Jackson Boulevard
 Chicago, Illinois 60604-3590

D.2.17 National Emissions Standards for Hazardous Air Pollutants for the Surface Coating of Miscellaneous Metal Parts and Products Requirements: [40 CFR Part 63, MMMM]

Pursuant to 40 CFR Part 63, Subpart MMMM, the Permittee shall comply with the provisions of the NESHAP for surface coating of Miscellaneous Metal Parts and Products for the two (2) spray booths identified as EV-02 and the one (1) outdoor spray operation identified as EV-03 specified as follows:

Subpart MMMM—National Emission Standards for Hazardous Air Pollutants for Surface Coating of Miscellaneous Metal Parts and Products

What this Subpart covers

§ 63.3881 Am I subject to this subpart?

(b) You are subject to this subpart if you own or operate a new, reconstructed, or existing affected source, as defined in §63.3882, that uses 946 liters (250 gallons (gal)) per year, or more, of coatings that contain hazardous air pollutants (HAP) in the surface coating of miscellaneous metal parts and products defined in paragraph (a) of this section; and that is a major source, is located at a major source, or is part of a major source of emissions of HAP. A major source of HAP emissions is any stationary source or group of stationary sources located within a contiguous area and under common control that emits or has the potential to emit any single HAP at a rate of 9.07 megagrams (Mg) (10 tons) or more per year or any combination of HAP at a rate of 22.68 Mg (25 tons) or more per year. You do not need to include coatings that meet the definition of non-HAP coating contained in §63.3981 in determining whether you use 946 liters (250 gal) per year, or more, of coatings in the surface coating of miscellaneous metal parts and products.

(c) This subpart does not apply to surface coating or a coating operation that meets any of the criteria of paragraphs (c)(1) through (17) of this section.

(12) Surface coating of metal components of ships that meet the applicability criteria for shipbuilding and ship repair (subpart II of this part).

(e) If you own or operate an affected source that meets the applicability criteria of this subpart and at the same facility you also perform surface coating that meets the applicability criteria of any other final surface coating NESHAP in this part you may choose to comply as specified in paragraph (e)(1), (2), or (3) of this section.

(2) You may comply with the emission limitation representing the predominant surface coating activity at your facility, as determined according to paragraphs (e)(2)(i) and (ii) of this section. However, you may not establish high performance, rubber-to-metal, or extreme performance fluoropolymer coating operations as the predominant activity. You must not consider any surface coating activity that is subject to the Surface Coating of Automobiles and Light-Duty Trucks NESHAP (40 CFR part 63, subpart IIII) in determining the predominant surface coating activity at your facility.

(i) If a surface coating operation accounts for 90 percent or more of the surface coating activity at your facility (that is, the predominant activity), then compliance with the emission limitations of the predominant activity for all surface coating operations constitutes compliance with these and other applicable surface coating NESHAP. In determining predominant activity, you must include coating activities that meet the applicability criteria of other surface coating NESHAP and constitute more than 1 percent of total coating activities at your facility. Coating activities that meet the applicability criteria of other surface coating NESHAP but comprise less than 1 percent of coating activities need not be included in the determination of predominant activity but must be included in the compliance calculation.

(ii) You must use liters (gal) of solids used as a measure of relative surface coating activity over a representative period of operation. You may estimate the relative volume of coating solids used from parameters other than coating consumption and volume solids content (e.g., design specifications for the parts or products coated and the number of items produced). The determination of predominant activity must accurately reflect current and projected coating operations and must be verifiable through appropriate documentation. The use of parameters other than coating consumption and volume solids content must be approved by the Administrator. You may use data for any reasonable time period of at

least 1 year in determining the relative amount of coating activity, as long as they represent the way the source will continue to operate in the future and are approved by the Administrator. You must determine the predominant activity at your facility and submit the results of that determination with the initial notification required by §63.3910(b). You must also determine predominant activity annually and include the determination in the next semi-annual compliance report required by §63.3920(a).

§ 63.3882 What parts of my plant does this subpart cover?

(a) This subpart applies to each new, reconstructed, and existing affected source within each of the four subcategories listed in §63.3881(a).

(b) The affected source is the collection of all of the items listed in paragraphs (b)(1) through (4) of this section that are used for surface coating of miscellaneous metal parts and products within each subcategory.

(1) All coating operations as defined in §63.3981;

(2) All storage containers and mixing vessels in which coatings, thinners and/or other additives, and cleaning materials are stored or mixed;

(3) All manual and automated equipment and containers used for conveying coatings, thinners and/or other additives, and cleaning materials; and

(4) All storage containers and all manual and automated equipment and containers used for conveying waste materials generated by a coating operation.

(e) An affected source is existing if it is not new or reconstructed.

§ 63.3883 When do I have to comply with this subpart?

The date by which you must comply with this subpart is called the compliance date. The compliance date for each type of affected source is specified in paragraphs (a) through (c) of this section. The compliance date begins the initial compliance period during which you conduct the initial compliance demonstration described in §§63.3940, 63.3950, and 63.3960.

(b) For an existing affected source, the compliance date is the date 3 years after January 2, 2004.

(d) You must meet the notification requirements in §63.3910 according to the dates specified in that section and in subpart A of this part. Some of the notifications must be submitted before the compliance dates described in paragraphs (a) through (c) of this section.

Notifications, Reports, and Records

§ 63.3910 What notifications must I submit?

(a) *General.* You must submit the notifications in §§63.7(b) and (c), 63.8(f)(4), and 63.9(b) through (e) and (h) that apply to you by the dates specified in those sections, except as provided in paragraphs (b) and (c) of this section.

(b) *Initial Notification.* You must submit the initial notification required by §63.9(b) for a new or reconstructed affected source no later than 120 days after initial startup or 120 days after January 2, 2004, whichever is later. For an existing affected source, you must submit the initial notification no later than 1 year after January 2, 2004. If you are using compliance with the Surface Coating of Automobiles and Light-Duty Trucks NESHAP (subpart IIII of this part) as provided for under §63.3881(d) to constitute compliance with this subpart for any or all of your metal parts coating operations, then you must include a statement to this effect in your initial notification, and no other notifications are required under this subpart in regard to those metal parts coating operations. If you are complying with another NESHAP that constitutes the predominant activity at your facility under §63.3881(e)(2) to constitute compliance with this subpart for your metal parts coating operations, then you must include a statement to this effect in your initial notification, and no other notifications are required under this subpart in regard to those metal parts coating operations.

§ 63.3920 What reports must I submit?

(a) *Semiannual compliance reports.* You must submit semiannual compliance reports for each affected source according to the requirements of paragraphs (a)(1) through (7) of this section. The semiannual compliance reporting requirements may be satisfied by reports required under other parts of the Clean Air Act (CAA), as specified in paragraph (a)(2) of this section.

(1) *Dates.* Unless the Administrator has approved or agreed to a different schedule for submission of reports under §63.10(a), you must prepare and submit each semiannual compliance report according to the dates specified in paragraphs (a)(1)(i) through (iv) of this section. Note that the information reported for each of the months in the reporting period will be based on the last 12 months of data prior to the date of each monthly calculation.

(i) The first semiannual compliance report must cover the first semiannual reporting period which begins the day after the end of the initial compliance period described in §63.3940, §63.3950, or §63.3960 that applies to your affected source and ends on June 30 or December 31, whichever date is the first date following the end of the initial compliance period.

(ii) Each subsequent semiannual compliance report must cover the subsequent semiannual reporting period from January 1 through June 30 or the semiannual reporting period from July 1 through December 31.

(iii) Each semiannual compliance report must be postmarked or delivered no later than July 31 or January 31, whichever date is the first date following the end of the semiannual reporting period.

(iv) For each affected source that is subject to permitting regulations pursuant to 40 CFR part 70 or 40 CFR part 71, and if the permitting authority has established dates for submitting semiannual reports pursuant to 40 CFR 70.6(a)(3)(iii)(A) or 40 CFR 71.6(a)(3)(iii)(A), you may submit the first and subsequent compliance reports according to the dates the permitting authority has established instead of according to the date specified in paragraph (a)(1)(iii) of this section.

(2) *Inclusion with title V report.* Each affected source that has obtained a title V operating permit pursuant to 40 CFR part 70 or 40 CFR part 71 must report all deviations as defined in this subpart in the semiannual monitoring report required by 40 CFR 70.6(a)(3)(iii)(A) or 40 CFR 71.6(a)(3)(iii)(A). If an affected source submits a semiannual compliance report pursuant to this section along with, or as part of, the semiannual monitoring report required by 40 CFR 70.6(a)(3)(iii)(A) or 40 CFR 71.6(a)(3)(iii)(A), and the semiannual compliance report includes all required information concerning deviations from any emission limitation in this subpart, its submission will be deemed to satisfy any obligation to report the same deviations in the semiannual monitoring report. However, submission of a semiannual compliance report shall not otherwise affect any obligation the affected source may have to report deviations from permit requirements to the permitting authority.

(3) *General requirements.* The semiannual compliance report must contain the information specified in paragraphs (a)(3)(i) through (vii) of this section, and the information specified in paragraphs (a)(4) through (7) and (c)(1) of this section that is applicable to your affected source.

(i) Company name and address.

(ii) Statement by a responsible official with that official's name, title, and signature, certifying the truth, accuracy, and completeness of the content of the report.

(iii) Date of report and beginning and ending dates of the reporting period. The reporting period is the 6-month period ending on June 30 or December 31. Note that the information reported for each of the 6 months in the reporting period will be based on the last 12 months of data prior to the date of each monthly calculation.

§ 63.3930 What records must I keep?

You must collect and keep records of the data and information specified in this section. Failure to collect and keep these records is a deviation from the applicable standard.

(a) A copy of each notification and report that you submitted to comply with this subpart, and the documentation supporting each notification and report. If you are using the predominant activity alternative under §63.3890(c), you must keep records of the data and calculations used to determine the predominant activity. If you are using the facility-specific emission limit alternative under §63.3890(c), you must keep records of the data used to calculate the facility-specific emission limit for the initial compliance demonstration. You must also keep records of any data used in each annual predominant activity determination and in the calculation of the facility-specific emission limit for each 12-month compliance period included in the semi-annual compliance reports.

(b) A current copy of information provided by materials suppliers or manufacturers, such as manufacturer's formulation data, or test data used to determine the mass fraction of organic HAP and density for each coating, thinner and/or other additive, and cleaning material, and the volume fraction of coating solids for each coating. If you conducted testing to determine mass fraction of organic HAP, density, or volume fraction of coating solids, you must keep a copy of the complete test report. If you use information provided to you by the manufacturer or supplier of the material that was based on testing, you must keep the summary sheet of results provided to you by the manufacturer or supplier. You are not required to obtain the test report or other supporting documentation from the manufacturer or supplier.

(c) For each compliance period, the records specified in paragraphs (c)(1) through (4) of this section.

(1) A record of the coating operations on which you used each compliance option and the time periods (beginning and ending dates and times) for each option you used.

§ 63.3931 In what form and for how long must I keep my records?

(a) Your records must be in a form suitable and readily available for expeditious review, according to §63.10(b)(1). Where appropriate, the records may be maintained as electronic spreadsheets or as a database.

(b) As specified in §63.10(b)(1), you must keep each record for 5 years following the date of each occurrence, measurement, maintenance, corrective action, report, or record.

(c) You must keep each record on-site for at least 2 years after the date of each occurrence, measurement, maintenance, corrective action, report, or record according to §63.10(b)(1). You may keep the records off-site for the remaining 3 years.

Other Requirements and Information

§ 63.3980 Who implements and enforces this subpart?

(a) This subpart can be implemented and enforced by us, the U.S. Environmental Protection Agency (EPA), or a delegated authority such as your State, local, or tribal agency. If the Administrator has delegated authority to your State, local, or tribal agency, then that agency (as well as the EPA) has the authority to implement and enforce this subpart. You should contact your EPA Regional Office to find out if implementation and enforcement of this subpart is delegated to your State, local, or tribal agency.

(b) In delegating implementation and enforcement authority of this subpart to a State, local, or tribal agency under subpart E of this part, the authorities contained in paragraph (c) of this section are retained by the Administrator and are not transferred to the State, local, or tribal agency.

(c) The authorities that will not be delegated to State, local, or tribal agencies are listed in paragraphs (c)(1) through (4) of this section:

(1) Approval of alternatives to the requirements in §63.3881 through 3883 and §63.3890 through 3893.

(2) Approval of major alternatives to test methods under §63.7(e)(2)(ii) and (f) and as defined in §63.90.

(3) Approval of major alternatives to monitoring under §63.8(f) and as defined in §63.90.

(4) Approval of major alternatives to recordkeeping and reporting under §63.10(f) and as defined in §63.90.

§ 63.3981 What definitions apply to this subpart?

Terms used in this subpart are defined in the CAA, in 40 CFR 63.2, and in this section as follows:

Additive means a material that is added to a coating after purchase from a supplier (e.g., catalysts, activators, accelerators).

Add-on control means an air pollution control device, such as a thermal oxidizer or carbon adsorber, that reduces pollution in an air stream by destruction or removal before discharge to the atmosphere.

Adhesive, adhesive coating means any chemical substance that is applied for the purpose of bonding two surfaces together. Products used on humans and animals, adhesive tape, contact paper, or any other product with an adhesive incorporated onto or in an inert substrate shall not be considered adhesives under this subpart.

Assembled on-road vehicle coating means any coating operation in which coating is applied to the surface of some component or surface of a fully assembled motor vehicle or trailer intended for on-road use including, but not limited to, components or surfaces on automobiles and light-duty trucks that have been repaired after a collision or otherwise repainted, fleet delivery trucks, and motor homes and other recreational vehicles (including camping trailers and fifth wheels). Assembled on-road vehicle coating includes the concurrent coating of parts of the assembled on-road vehicle that are painted off-vehicle to protect systems, equipment, or to allow full coverage. Assembled on-road vehicle coating does not include surface coating operations that meet the applicability criteria of the automobiles and light-duty trucks NESHAP. Assembled on-road vehicle coating also does not include the use of adhesives, sealants, and caulks used in assembling on-road vehicles.

Capture device means a hood, enclosure, room, floor sweep, or other means of containing or collecting emissions and directing those emissions into an add-on air pollution control device.

Capture efficiency or capture system efficiency means the portion (expressed as a percentage) of the pollutants from an emission source that is delivered to an add-on control device.

Capture system means one or more capture devices intended to collect emissions generated by a coating operation in the use of coatings or cleaning materials, both at the point of application and at subsequent points where emissions from the coatings and cleaning materials occur, such as flashoff, drying, or curing. As used in this subpart, multiple capture devices that collect emissions generated by a coating operation are considered a single capture system.

Cleaning material means a solvent used to remove contaminants and other materials, such as dirt, grease, oil, and dried or wet coating (e.g., depainting or paint stripping), from a substrate before or after coating application or from equipment associated with a coating operation, such as spray booths, spray guns, racks, tanks, and hangers. Thus, it includes any cleaning material used on substrates or equipment or both.

Coating means a material applied to a substrate for decorative, protective, or functional purposes. Such materials include, but are not limited to, paints, sealants, liquid plastic coatings, caulks, inks, adhesives, and maskants. Decorative, protective, or functional materials that consist only of protective oils for metal, acids, bases, or any combination of these substances, or paper film or plastic film which may be pre-coated with an adhesive by the film manufacturer, are not considered coatings for the purposes of this subpart. A liquid plastic coating means a coating made from fine particle-size polyvinyl chloride (PVC) in solution (also referred to as a plastisol).

Coating operation means equipment used to apply cleaning materials to a substrate to prepare it for coating application (surface preparation) or to remove dried coating; to apply coating to a substrate (coating application) and to dry or cure the coating after application; or to clean coating operation equipment (equipment cleaning). A single coating operation may include any combination of these types of equipment, but always includes at least the point at which a given quantity of coating or cleaning material is applied to a given part and all subsequent points in the affected source where organic HAP are emitted from the specific quantity of coating or cleaning material on the specific part. There may be multiple coating operations in an affected source. Coating application with handheld, non-refillable aerosol containers, touch-up markers, or marking pens is not a coating operation for the purposes of this subpart.

Coatings solids means the nonvolatile portion of the coating that makes up the dry film.

Continuous parameter monitoring system (CPMS) means the total equipment that may be required to meet the data acquisition and availability requirements of this subpart, used to sample, condition (if applicable), analyze, and provide a record of coating operation, or capture system, or add-on control device parameters.

Controlled coating operation means a coating operation from which some or all of the organic HAP emissions are routed through an emission capture system and add-on control device.

Deviation means any instance in which an affected source subject to this subpart, or an owner or operator of such a source:

- (1) Fails to meet any requirement or obligation established by this subpart including but not limited to, any emission limit or operating limit or work practice standard;
- (2) Fails to meet any term or condition that is adopted to implement an applicable requirement in this subpart and that is included in the operating permit for any affected source required to obtain such a permit; or
- (3) Fails to meet any emission limit, or operating limit, or work practice standard in this subpart during startup, shutdown, or malfunction, regardless of whether or not such failure is permitted by this subpart.

Emission limitation means the aggregate of all requirements associated with a compliance option including emission limit, operating limit, work practice standard, etc.

Enclosure means a structure that surrounds a source of emissions and captures and directs the emissions to an add-on control device.

Exempt compound means a specific compound that is not considered a VOC due to negligible photochemical reactivity. The exempt compounds are listed in 40 CFR 51.100(s).

Extreme performance fluoropolymer coating means coatings that are formulated systems based on fluoropolymer resins which often contain bonding matrix polymers dissolved in non-aqueous solvents as well as other ingredients. Extreme performance fluoropolymer coatings are typically used when one or more critical performance criteria are required including, but not limited to a nonstick low-energy surface, dry film lubrication, high resistance to chemical attack, extremely wide operating temperature, high electrical insulating properties, or that the surface comply with government (e.g., USDA, FDA) or third party specifications for health, safety, reliability, or performance. Once applied to a substrate, extreme performance fluoropolymer coatings undergo a curing process that typically requires high temperatures, a chemical reaction, or other specialized technology.

Facility maintenance means the routine repair or renovation (including the surface coating) of the tools, equipment, machinery, and structures that comprise the infrastructure of the affected facility and that are necessary for the facility to function in its intended capacity.

General use coating means any material that meets the definition of coating but does not meet the definition of high performance coating, rubber-to-metal coating, magnet wire coating, or extreme performance fluoropolymer coating as defined in this section.

High performance architectural coating means any coating applied to architectural subsections which is required to meet the specifications of Architectural Aluminum Manufacturer's Association's publication number AAMA 605.2-2000.

High performance coating means any coating that meets the definition of high performance architectural coating or high temperature coating in this section.

High temperature coating means any coating applied to a substrate which during normal use must withstand temperatures of at least 538 degrees Celsius (1000 degrees Fahrenheit).

Hobby shop means any surface coating operation, located at an affected source, that is used exclusively for personal, noncommercial purposes by the affected source's employees or assigned personnel.

Magnet wire coatings, commonly referred to as magnet wire enamels, are applied to a continuous strand of wire which will be used to make turns (windings) in electrical devices such as coils, transformers, or motors. Magnet wire coatings provide high dielectric strength and turn-to-turn conductor insulation. This allows the turns of an electrical device to be placed in close proximity to one another which leads to increased coil effectiveness and electrical efficiency.

Magnet wire coating machine means equipment which applies and cures magnet wire coatings.

Manufacturer's formulation data means data on a material (such as a coating) that are supplied by the material manufacturer based on knowledge of the ingredients used to manufacture that material, rather than based on testing of the material with the test methods specified in §63.3941. Manufacturer's formulation data may include, but are not limited to, information on density, organic HAP content, volatile organic matter content, and coating solids content.

Mass fraction of organic HAP means the ratio of the mass of organic HAP to the mass of a material in which it is contained, expressed as kg of organic HAP per kg of material.

Month means a calendar month or a pre-specified period of 28 days to 35 days to allow for flexibility in recordkeeping when data are based on a business accounting period.

Non-HAP coating means, for the purposes of this subpart, a coating that contains no more than 0.1 percent by mass of any individual organic HAP that is an OSHA-defined carcinogen as specified in 29 CFR 1910.1200(d)(4) and no more than 1.0 percent by mass for any other individual HAP.

Organic HAP content means the mass of organic HAP emitted per volume of coating solids used for a coating calculated using Equation 2 of §63.3941. The organic HAP content is determined for the coating in the condition it is in when received from its manufacturer or supplier and does not account for any alteration after receipt. For reactive adhesives in which some of the HAP react to form solids and are not emitted to the atmosphere, organic HAP content is the mass of organic HAP that is emitted, rather than the organic HAP content of the coating as it is received.

Permanent total enclosure (PTE) means a permanently installed enclosure that meets the criteria of Method 204 of appendix M, 40 CFR part 51, for a PTE and that directs all the exhaust gases from the enclosure to an add-on control device.

Personal watercraft means a vessel (boat) which uses an inboard motor powering a water jet pump as its primary source of motive power and which is designed to be operated by a person or persons sitting, standing, or kneeling on the vessel, rather than in the conventional manner of sitting or standing inside the vessel.

Protective oil means an organic material that is applied to metal for the purpose of providing lubrication or protection from corrosion without forming a solid film. This definition of protective oil includes, but is not limited to, lubricating oils, evaporative oils (including those that evaporate completely), and extrusion oils. Protective oils used on miscellaneous metal parts and products include magnet wire lubricants and soft temporary protective coatings that are removed prior to installation or further assembly of a part or component.

Reactive adhesive means adhesive systems composed, in part, of volatile monomers that react during the adhesive curing reaction, and, as a result, do not evolve from the film during use. These volatile components instead become integral parts of the adhesive through chemical reaction. At least 70 percent of the liquid components of the system, excluding water, react during the process.

Research or laboratory facility means a facility whose primary purpose is for research and development of new processes and products, that is conducted under the close supervision of technically trained personnel, and is not engaged in the manufacture of final or intermediate products for commercial purposes, except in a *de minimis* manner.

Responsible official means responsible official as defined in 40 CFR 70.2.

Rubber-to-metal coatings are coatings that contain heat-activated polymer systems in either solvent or water that, when applied to metal substrates, dry to a non-tacky surface and react chemically with the

rubber and metal during a vulcanization process.

Startup, initial means the first time equipment is brought online in a facility.

Surface preparation means use of a cleaning material on a portion of or all of a substrate. This includes use of a cleaning material to remove dried coating, which is sometimes called depainting.

Temporary total enclosure means an enclosure constructed for the purpose of measuring the capture efficiency of pollutants emitted from a given source as defined in Method 204 of appendix M, 40 CFR part 51.

Thinner means an organic solvent that is added to a coating after the coating is received from the supplier.

Total volatile hydrocarbon (TVH) means the total amount of nonaqueous volatile organic matter determined according to Methods 204 and 204A through 204F of appendix M to 40 CFR part 51 and substituting the term TVH each place in the methods where the term VOC is used. The TVH includes both VOC and non-VOC.

Uncontrolled coating operation means a coating operation from which none of the organic HAP emissions are routed through an emission capture system and add-on control device.

Volatile organic compound (VOC) means any compound defined as VOC in 40 CFR 51.100(s).

Volume fraction of coating solids means the ratio of the volume of coating solids (also known as the volume of nonvolatiles) to the volume of a coating in which it is contained; liters (gal) of coating solids per liter (gal) of coating.

Wastewater means water that is generated in a coating operation and is collected, stored, or treated prior to being discarded or discharged.

D.2.18 One Time Deadlines Relating to NESHAP Subpart M MMM: Surface Coating of Miscellaneous Metal Parts and Products

Pursuant to 40 CFR 63.3883, the Permittee shall demonstrate compliance with the standards in 40 CFR 63, Subpart M MMM by January 2, 2007. Pursuant to 40 CFR 63.3910, no other notifications are required after the initial notification.

**INDIANA DEPARTMENT OF ENVIRONMENTAL MANAGEMENT
OFFICE OF AIR QUALITY**

**PART 70 OPERATING PERMIT
CERTIFICATION**

Source Name: Jeffboat, LLC.
Source Location: 1030 East Market Street, Jeffersonville, Indiana 47130
Mailing Address: 1030 East Market Street, Jeffersonville, Indiana 47130
Permit Renewal No.: T019-18066-00006

This certification shall be included when submitting monitoring, testing reports/results or other documents as required by this permit.

Please check what document is being certified:

- Annual Compliance Certification Letter
- Test Result (specify)
- Report (specify)
- Notification (specify)
- Affidavit (specify)
- Other (specify)

I certify that, based on information and belief formed after reasonable inquiry, the statements and information in the document are true, accurate, and complete.

Signature:

Printed Name:

Title/Position:

Phone:

Date:

**INDIANA DEPARTMENT OF ENVIRONMENTAL MANAGEMENT
OFFICE OF AIR QUALITY
COMPLIANCE BRANCH
100 North Senate Avenue
Indianapolis, Indiana 46204-2251
Phone: 317-233-5674
Fax: 317-233-5967**

**PART 70 OPERATING PERMIT
EMERGENCY OCCURRENCE REPORT**

Source Name: Jeffboat, LLC.
Source Location: 1030 East Market Street, Jeffersonville, Indiana 47130
Mailing Address: 1030 East Market Street, Jeffersonville, Indiana 47130
Permit Renewal No.: T019-18066-00006

This form consists of 2 pages

Page 1 of 2

- | |
|--|
| <input type="checkbox"/> This is an emergency as defined in 326 IAC 2-7-1(12) <ul style="list-style-type: none">C The Permittee must notify the Office of Air Quality (OAQ), within four (4) business hours (1-800-451-6027 or 317-233-5674, ask for Compliance Section); andC The Permittee must submit notice in writing or by facsimile within two (2) working days (Facsimile Number: 317-233-5967), and follow the other requirements of 326 IAC 2-7-16. |
|--|

If any of the following are not applicable, mark N/A

Facility/Equipment/Operation:
Control Equipment:
Permit Condition or Operation Limitation in Permit:
Description of the Emergency:
Describe the cause of the Emergency:

If any of the following are not applicable, mark N/A

Page 2 of 2

Date/Time Emergency started:
Date/Time Emergency was corrected:
Was the facility being properly operated at the time of the emergency? Y N
Type of Pollutants Emitted: TSP, PM-10, SO ₂ , VOC, NO _x , CO, Pb, other:
Estimated amount of pollutant(s) emitted during emergency:
Describe the steps taken to mitigate the problem:
Describe the corrective actions/response steps taken:
Describe the measures taken to minimize emissions:
If applicable, describe the reasons why continued operation of the facilities are necessary to prevent imminent injury to persons, severe damage to equipment, substantial loss of capital investment, or loss of product or raw materials of substantial economic value:

Form Completed by: _____

Title / Position: _____

Date: _____

Phone: _____

A certification is not required for this report.

**INDIANA DEPARTMENT OF ENVIRONMENTAL MANAGEMENT
OFFICE OF AIR QUALITY
COMPLIANCE DATA SECTION**

**PART 70 OPERATING PERMIT
QUARTERLY DEVIATION AND COMPLIANCE MONITORING REPORT**

Source Name: Jeffboat, LLC.
Source Location: 1030 East Market Street, Jeffersonville, Indiana 47130
Mailing Address: 1030 East Market Street, Jeffersonville, Indiana 47130
Permit Renewal No.: T019-18066-00006

Months: _____ to _____ Year: _____

Page 1 of 2

This report shall be submitted quarterly based on a calendar year. Any deviation from the requirements, the date(s) of each deviation, the probable cause of the deviation, and the response steps taken must be reported. A deviation required to be reported pursuant to an applicable requirement that exists independent of the permit, shall be reported according to the schedule stated in the applicable requirement and does not need to be included in this report. Additional pages may be attached if necessary. If no deviations occurred, please specify in the box marked "No deviations occurred this reporting period".

NO DEVIATIONS OCCURRED THIS REPORTING PERIOD.

THE FOLLOWING DEVIATIONS OCCURRED THIS REPORTING PERIOD

Permit Requirement (specify permit condition #)

Date of Deviation:

Duration of Deviation:

Number of Deviations:

Probable Cause of Deviation:

Response Steps Taken:

Permit Requirement (specify permit condition #)

Date of Deviation:

Duration of Deviation:

Number of Deviations:

Probable Cause of Deviation:

Response Steps Taken:

Permit Requirement (specify permit condition #)	
Date of Deviation:	Duration of Deviation:
Number of Deviations:	
Probable Cause of Deviation:	
Response Steps Taken:	
Permit Requirement (specify permit condition #)	
Date of Deviation:	Duration of Deviation:
Number of Deviations:	
Probable Cause of Deviation:	
Response Steps Taken:	
Permit Requirement (specify permit condition #)	
Date of Deviation:	Duration of Deviation:
Number of Deviations:	
Probable Cause of Deviation:	
Response Steps Taken:	

Form Completed by: _____

Title / Position: _____

Date: _____

Phone: _____

Attach a signed certification to complete this report.

Appendix A - Fugitive Dust Control Plan

Last Revised November 18, 2005

Purpose:

This Fugitive Dust Control Plan is prepared in accordance with Indiana Rule 326 IAC 6-5-1 Fugitive Particulate Matter Emission Limitations and 326 IAC 6-5-4 Control measures for the reduction of fugitive emissions from paved and unpaved roads and parking lots.

Plan implementation is on a year round basis unless otherwise changed by Indiana Department of Environmental Management.

Jeffboat's Responsible Official for this plan:

David Bellus
Director of Facilities
Jeffboat LLC
1030 East Market Street
Jeffersonville, Indiana 47130
Telephone 812-288-1849

Discussion and future plans:

Jeffboat's primary business is the construction of steel inland river barges and Towboats. The facility occupies approximately 85 acres of land along the Ohio River in Jeffersonville, Indiana. Approximately 60% of the land is utilized in the construction process and is occupied by large shop buildings, construction lines, launch way, and open storage areas. Facility roadways are 95% paved. There is an unpaved portion from Gate 12 to the Warehouse in the east end of the facility. There is an open unpaved material and equipment storage area at the east end of the facility.

Jeffboat has seven (7) employee parking lots outside of the facility boundaries. Of these parking lots, two (2) are paved with asphalt and the remainder is paved with chip and seal compound.

Vehicular traffic within the facility is restricted to Company owned vehicles, including a small fleet of pickup trucks, two (2) semi-trailers and six (6) forklifts. Privately owned vehicles are prohibited, excepting subcontractors and vendors conducting Company business.

Jeffboat currently has developmental plans to pave all unpaved roads, parking lots and open material storage areas with chip and seal compound over the next three (3) years. Scheduling of these paving activities are that one-third (1/3) of the remaining areas of unpaved facility should be paved in each of the next three (3) years. Paving will commence in 2006.

Paved roads and parking lots:

Paved roads and parking lots are indicated on the attached site plan. Dust from these sources is controlled through utilization of road sweeping twice a month. In the event of inclement weather

causing delays in this schedule sweeping will occur on the first dry day following inclement weather.

Estimated average vehicular traffic on these roads is twenty (20) semi-trucks and one-hundred (100) company owned vehicles per day, six (6) days a week.

Unpaved roads and parking lots:

Unpaved roads within the facility will be treated with a dust suppressant, as necessary, until paving activities of the unpaved roads are complete. Vehicular traffic on this unpaved road is estimated at twelve (12) semi-truck per day, five days per week.

Unpaved open material storage areas:

Control of dust emissions in areas of open material storage adjacent to roadways will be treated with a dust suppressant as necessary, until paving activities of the unpaved open material storage areas are complete

Vehicle speed control:

Speed limits within the facility are five (5) miles-per-hour for paved and unpaved roads. Speed limits are monitored by plant security guards and the Safety Department. *Employees are given a written warning for a first offence. Further violations of the posted speed limit are dealt with by the Director of Human Resources. Vendors and visitors shall be denied access for repeat violations.*

Monitoring and record keeping:

Records of control activities within the scope of this plan will be maintained by the Maintenance Department. Records will include as a minimum, date, type of control utilized, and observations of the following:

- Road sweeping, including weather delays;
- Application of chip and seal;
- Application of suppressants, including type of suppressant applied; and
- Paving activities by area.

These records may be kept in a record book, or electronically. The Director of Facilities and the Safety Director will be provided a copy on a monthly basis. These records must be maintained on the facility, for a minimum of three (3) years.

Indiana Department of Environmental Management Office of Air Quality

Technical Support Document (TSD) for a Part 70 Operating Permit Renewal

Source Background and Description

Source Name:	Jeffboat, LLC.
Source Location:	1030 East Market Street, Jeffersonville, Indiana 47130
County:	Clark
SIC Code:	3731 for Operating Scenario No. 1; 3441 and 3449 for Alternative Operating Scenario No. 2
Operation Permit No.:	T019-6874-00006
Operation Permit Issuance Date:	July 13, 1999
Permit Renewal No.:	T019-18066-00006
Permit Reviewer:	ERG/HJ

The Office of Air Quality (OAQ) has reviewed a Part 70 Operating Permit Renewal application from Jeffboat, LLC. relating to the operation of a stationary shipbuilding and repair facility.

Permitted Emission Units and Pollution Control Equipment

The source consists of the following permitted emission units and pollution control devices:

- (a) Two (2) shot blast units, identified as EU-01, also known as Pangborn (No. 1) and Wheelabrator (No. 2), with a maximum capacity of 600 marine vessels per year. Emissions are controlled by baghouse dust collectors identified as BH1 and BH2. Unit No. 1 was constructed in 1980. Unit No. 2 was constructed in 1970.
- (b) Surface coating operations consisting of the following:
 - (1) Two (2) spray booths, identified as EU-02, for the application of weld-through (shop) primer when performing shipbuilding, with a maximum capacity of 600 marine vessels per year. Emissions are controlled by paint arrestor pads identified as PA1 and PA2. Unit No. 1 was constructed in 1980. Unit No. 2 was constructed in 1970. Under NESHAP II, this is considered shipbuilding and repair.
 - (2) Outdoor spray operations, identified as EU-03, constructed in 1939, consisting of conventional, airless and electrostatic paint spray application methods, as well as brush and roller applications, with a maximum capacity of 600 marine vessels per year. Under NESHAP II, this is considered shipbuilding and repair.

These units have two different operating scenarios: Alternative Operating Scenario No. 1 consists of emission units EU-02 and EU-03 performing surface coating related to ship building and repair. Alternative Operating Scenario No. 2 consists of emission units EU-02 and EU-03 performing non-shipbuilding related metal coating.

- (c) Outdoor welding operations, identified as EU-04, for the construction of marine vessels from sheet steel, with a maximum capacity of 600 marine vessels per year and constructed in 1939. Emissions are uncontrolled and exhausted to the atmosphere.

- (d) Outdoor flame cutting operations, identified as EU-05, for the construction of marine vessels from sheet steel, with a maximum capacity of 600 marine vessels per year and constructed in 1939. Emissions are uncontrolled and exhausted to the atmosphere.
- (e) Four (4) abrasive outdoor blasting units for the outdoor maintenance and construction of marine vessels, identified as EU-06, constructed in 2002, with a maximum capacity of 2.0 tons of blast media per hour. Emissions are controlled by a dust suppressant and exhausted to the atmosphere.

Note: Alternative Operating Scenario No. 2 would only be used when the shipbuilding business is slow. Alternative Operating Scenario No. 2 has never been used to date.

Unpermitted Emission Units and Pollution Control Equipment

There are no unpermitted emission units operating at this source during this review process.

Insignificant Activities

The source also consists of the following insignificant activities, as defined in 326 IAC 2-7-1(21):

- (a) Paved and unpaved roads and parking lots with public access. [326 IAC 6-4]
- (b) Natural gas-fired combustion sources with heat input equal to or less than ten million (10,000,000) British thermal units per hour.
- (c) Fuel oil-fired combustion sources with heat input equal to or less than two million (2,000,000) British thermal units per hour and firing fuel containing less than five-tenths (0.5) percent sulfur by weight.
- (d) Wood-fired combustion sources with heat input equal to or less than one million (1,000,000) British thermal units per hour and not burning wood refuse, treated wood or chemically contaminated wood.
- (e) A gasoline fuel transfer and dispensing operation handling less than or equal to 1,300 gallons per day, such as filling of tanks, locomotives, automobiles, having a storage capacity less than or equal to 10,500 gallons.
- (f) Machining where an aqueous cutting coolant continuously floods the machining interface.
- (g) Replacement or repair of electrostatic precipitators, bags in baghouses and filters in other air filtration equipment.
- (h) Purging of gas lines and vessels that is related to routine maintenance and repair of buildings, structures, or vehicles at the source where air emissions from those activities would not be associated with any production process.

Existing Approvals

The source has been operating under Part 70 operating permit No. T019-6874-00006, issued on July 13, 1999, and the following approvals:

- (a) Title V Reopening 019-13166-00006, issued December 5, 2001.
- (b) 1st Significant Source Modification 019-14738-00006, issued April 18, 2002;
- (c) 1st Significant Permit Modification 019-15091-00006, issued on April 29, 2002; and
- (d) 1st Administrative Amendment 019-21335-00006, issued June 29, 2005.

All terms and conditions of previous permits issued pursuant to permitting programs approved into the state implementation plan have been either incorporated as originally stated, revised, or deleted by this permit. All previous permits are superseded by this permit.

The following terms and conditions from previous approvals have been determined no longer applicable; therefore, were not incorporated into this Part 70 permit:

- (a) All construction conditions from all previously issued permits.

Reason not incorporated: All facilities previously permitted have already been constructed; therefore, the construction conditions are no longer necessary as part of the operating permit. Any facilities that were previously permitted but have not yet been constructed would need new pre-construction approval before beginning construction.

Pursuant to 326 IAC 6.5-1-2(a) (formerly 326 IAC 6-1-2(a) Nonattainment Area Particulate Limitations) and SSM 019-14738-00006, issued April 18, 2002, particulate matter (PM) emissions from the four (4) abrasive blasting units identified as EU-06 shall be limited to 0.03 grain per dry standard cubic foot of exhaust air.

Pursuant to SSM 019-14738-00006, issued April 18, 2002, the four (4) abrasive blasting units (EU-06) shall use less than 4,500 tons of blasting material per twelve (12) consecutive month period, with compliance determined at the end of each month.

Pursuant to SSM 019-14738-00006, issued April 18, 2002, and in order to comply with D.4.1, a dust suppressant product, such as DUSTNET, or its equivalent, shall be mixed with the blasting media at all times that the four (4) abrasive blasting units, identified as EU-06, are in operation.

Reason not incorporated: 326 IAC 6.5-1-2(a) (formerly 326 IAC 6-1-2(a) Nonattainment Area Particulate Limitations) does not apply to outdoor fugitive emission sources such as the four (4) abrasive blasting units, identified as EU-06. Thus, the requirement to comply with 326 IAC 6.5-1-2(a) (formerly 326 IAC 6-1-2(a)) was removed, as well as the throughput limit and the requirement to use dust suppressant to comply with 326 IAC 6.5-1-2(a).

Enforcement Issue

There are no enforcement actions pending.

Recommendation

The staff recommends to the Commissioner that the Part 70 permit renewal 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.

An administratively complete Part 70 permit renewal application for the purposes of this review was received on September 18, 2003.

There was no notice of completeness letter mailed to the Permittee.

Emission Calculations

The calculations submitted by the applicant have been verified and found to be accurate and correct.

Potential to Emit of the Source
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Pursuant to 326 IAC 2-1.1-1(16), Potential to Emit is defined as "the maximum capacity of a stationary source 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 source was issued a Part 70 Operating Permit on July 13, 1999. The table below summarizes the potential to emit, reflecting all limits, of the emission units. Any control equipment is considered enforceable only after issuance of the original Part 70 operating Permit and only to the extent that the effect of the control equipment is made practically enforceable in the permit.

The table below summarizes the total limited potential to emit of the emission units.

Process/facility	Limited Potential to Emit (tons/year)						
	PM	PM ₁₀	SO ₂	VOC	CO	NO _x	HAPs
Shot Blasting (EU-01)	0.296	0.296	0.0	0.0	0.0	0.0	0.022
Spray Booths (EU-02)	3.00	3.00	0.0	0.0	0.0	0.0	0.0
Outdoor Spraying Operations (EU-03) (Fugitive)	272	272	0.0	546	0.0	0.0	233
Outdoor Welding (EU-04) (Fugitive)	68.3	68.3	0.0	0.0	0.0	0.0	3.08
Outdoor Flame Cutting (EU-05) (Fugitive)	93.8	93.8	0.0	0.0	0.0	0.0	0.347
Outdoor Shot Blasting (EU-06) (Fugitive)	205	14.0	0.00	0.00	0.00	0.00	0.00
Insignificant Activities	2.10	2.10	0.058	4.87	6.75	9.22	0.0
Total Non-Fugitive Emissions	5.40	5.40	0.058	4.87	6.75	9.22	0.022
Total Emissions	645	454	0.058	551	6.75	9.22	236

The emissions from alternate operating scenario 2 are assumed to be the same as the primary operating scenario 1 because the tonnage of steel that would be painted in the alternative operating scenario 2 is equivalent to the 600 barges painted per year in primary operating scenario 1. Also, the coatings used in both scenarios are expected to be similar.

- (a) The potential to emit (as defined in 326 IAC 2-7-1(29)) of PM10 and VOC are equal to or greater than one hundred (100) tons per year. Therefore, the source is subject to the provisions of 326 IAC 2-7.
- (b) The potential to emit (as defined in 326 IAC 2-7-1(29)) of any single HAP is equal to or greater than ten (10) tons per year and the potential to emit (as defined in 326 IAC 2-7-1(29)) of a combination of HAPs is equal to or greater than twenty-five (25) tons per year.
- (c) Fugitive Emissions
 Since this type of operation is not one of the twenty-eight (28) listed source categories under 326 IAC 2-2 and since there are no applicable New Source Performance Standards that were in effect on August 7, 1980, the fugitive particulate matter (PM) and volatile organic compound (VOC) emissions are not counted toward determination of PSD and Emission Offset applicability.

Actual Emissions

The following table shows the actual emissions from the source. This information reflects the 2003 OAQ emission data.

Pollutant	Actual Emissions (tons/year)
PM	78.0
PM10	78.0
PM2.5	0.0
SO ₂	0.0
VOC	67.0
CO	0.0
NO _x	0.0
HAP	Not reported

County Attainment Status

The source is located in Clark County.

Pollutant	Status
PM10	Attainment
PM 2.5	Nonattainment
SO ₂	Attainment
NO ₂	Attainment
1-hour Ozone	Attainment
8-hour Ozone	Nonattainment
CO	Attainment
Lead	Attainment

- (a) Clark County has been classified as nonattainment for PM2.5 in 70 FR 943 dated January 5, 2005. Until U.S. EPA adopts specific New Source Review rules for PM2.5 emissions, it has directed states to regulate PM10 emissions as surrogate for PM2.5 emissions pursuant to the Non-attainment New Source Review requirements. See the State Rule Applicability – Entire Source section.
- (b) Volatile organic compounds (VOC) and Nitrogen Oxides (NOx) are regulated under the Clean Air Act (CAA) for the purposes of attaining and maintaining the National Ambient Air Quality Standards (NAAQS) for ozone. Therefore, VOC and NOx emissions are considered when evaluating the rule applicability relating to the ozone standards. Clark County has been designated as nonattainment for the 8-hour ozone standard. Therefore, VOC and NOx emissions were reviewed pursuant to the requirements for nonattainment new source review.
- (c) Clark County has been classified as attainment or unclassifiable in Indiana for all other criteria pollutants. Therefore, these emissions were reviewed pursuant to the requirements for Prevention of Significant Deterioration (PSD), 326 IAC 2-2. See the State Rule Applicability – Entire Source section.

Part 70 Permit Conditions

This source is subject to the requirements of 326 IAC 2-7, pursuant to which the source has to meet the following:

- (a) Emission limitations and standards, including those operational requirements and limitations that assure compliance with all applicable requirements at the time of issuance of Part 70 permits.
- (b) Monitoring and related record keeping requirements which assure that all reasonable information is provided to evaluate continuous compliance with the applicable requirements.

Federal Rule Applicability

CAM

The requirements of 40 CFR Part 64, Compliance Assurance Monitoring, are included in this permit.

- (a) This operating permit involves a pollutant-specific emissions unit (the spray booths identified as EU-02) as defined in 40 CFR 64.1 for PM/PM10:
 - (1) with the potential to emit before controls equal to or greater than the major source threshold for PM/PM10,
 - (2) that is subject to an emission limitation or standard for PM/PM10, and
 - (3) uses a control device as defined in 40 CFR 64.1 to comply with that emission limitation or standard.
- (b) Since spray booth EU-02 is not a "large unit" as described in 40 CFR 64.5, the Permittee was required to submit a CAM plan pursuant to 40 CFR 64 as part of the Part 70 renewal application. The CAM requirements for these units include daily inspections to verify the placement, integrity, and particle loading of the filters, monthly inspections of the particulate emissions from the stack and the presence of overspray on the roof tops and the nearby ground, and visible emission notations.

NSPS

There are no New Source Performance Standards (NSPS) (326 IAC 12 and 40 CFR Part 60) included in this permit.

NESHAPs

- (a) This is subject to the National Emission Standards for Hazardous Air Pollutants for Surface Coating of Miscellaneous Metal Parts and Products. The requirements of the National Emission Standards for Hazardous Air Pollutants for Surface Coating of Miscellaneous Metal Parts and Products, 40 CFR 63, Subpart Mmmm are applicable to the two (2) spray booths identified as EU-02 and the outdoor spray operations, identified as EU-03, when operating under alternative operating scenario No. 2 because the source is a major source of HAP that will engage in the surface coating of miscellaneous metal parts or products when operating under alternative operating scenario No. 2.

Note: The two (2) spray booths identified as EU-02 and the outdoor spray operations, identified as EU-03, are subject to 40 CFR 63, Subpart II when operating under alternative operating scenario No. 1, therefore they are not subject to 40 CFR 63, Subpart Mmmm when operating under alternative operating scenario No. 1.

Pursuant to 40 CFR 63.3882(a), the miscellaneous metal parts and product surface coating facility is an existing affected source because the surface coating facilities were constructed prior to August 13, 2002. The Permittee shall comply with the requirements of 40 CFR 63, Subpart Mmmm by January 2, 2007.

Pursuant to 40 CFR 63.3881, if the Permittee operates an affected source that meets the applicability criteria of another final surface coating NESHAP in this part, the Permittee may comply by complying with the emission limitation representing the predominant surface coating activity at the facility.

The Permittee has chosen to comply with the emission limitation representing the predominant surface coating activity at the facility, as determined according to 40 CFR 63.3881(e)(2)(i)-(e)(2)(ii). The predominant surface coating activity at the facility is the surface coating of ships and ship components. Thus, the Permittee will comply with 40 CFR 63, Subpart M MMM by complying with the emission limitations in 40 CFR 63, Subpart II.

The existing affected source associated with the miscellaneous metal parts and product surface coating facility is subject to the following portions of 40 CFR 63, Subpart M MMM. Non-applicable portions of the NESHAP are not included in the permit.

- (1) 40 CFR 63.3880
- (2) 40 CFR 63.3881(a)
- (3) 40 CFR 63.3881(b)
- (4) 40 CFR 63.3881(c)(12)
- (5) 40 CFR 63.3881(e)
- (6) 40 CFR 63.3882(a)
- (7) 40 CFR 63.3882(b)
- (8) 40 CFR 63.3882(e)
- (9) 40 CFR 63.3883(b)
- (10) 40 CFR 63.3883(d)
- (11) 40 CFR 63.3910(a)
- (12) 40 CFR 63.3910(b)
- (13) 40 CFR 63.3920(a)
- (14) 40 CFR 63.3931(a),(b) and (c)
- (15) 40 CFR 63.3980
- (16) 40 CFR 63.3981

The provisions of 40 CFR 63 Subpart A – General Provisions, which are incorporated as 326 IAC 20-1-1, apply to the facility described in this section except when otherwise specified in 40 CFR 63, Subpart M MMM.

- (b) This is subject to the National Emission Standards for Hazardous Air Pollutants for Shipbuilding and Ship Repair (Surface Coating) Operations, which is incorporated by reference as 326 IAC 20-16. The requirements of the National Emission Standards for Hazardous Air Pollutants for Shipbuilding and Ship Repair (Surface Coating) Operations, 40 CFR 63, Subpart II (326 IAC 20-26) are applicable to the two (2) spray booths, identified as EU-02, and the outdoor spray operations, identified as EU-03, when operating under alternative operating scenario No. 1 because this source is a major source of HAP that performs ship building and ship repair operations when operating under alternative operating scenario No. 1. Although the two (2) spray booths, identified as EU-02, and the outdoor spray operations, identified as EU-03, will not be subject to Subpart II when operating under alternative operating scenario No. 2, because these facilities will not be engaged in shipbuilding or repair activities, the source will comply with the requirements of 40 CFR Part 63, Subpart M MMM, by complying with the requirements of 40 CFR 63, Subpart II pursuant to 40 CFR 63.3881(c)(2).

The ship building and repair surface coating operations are an existing affected source because a shipbuilding and repair surface coating affected source existed at this site prior to December 15, 1995. The Permittee was required to comply with the requirements of 40 CFR 63, Subpart II by December 15, 1996.

The Permittee complies with the requirements of 40 CFR 63, Subpart II by using the following compliance options: (1) certify the as-supplied VOC content of each batch of coating; (2) certify the as-applied VOC content of each batch of coating to which thinning solvent will not be added; or (3) determine compliance on a coating by coating basis for coatings where thinners will be applied. The MACT allows the source to switch between these three compliance options.

The source will not install an add-on control device or demonstrate compliance through an alternative (i.e. non-Method 24 in Appendix A to 40 CFR Part 60) test method.

The existing affected source associated with ship building and repair is subject to the following sections of 40 CFR 63, Subpart II. Non-applicable sections of the NESHAP are not included in the permit.

- (1) 40 CFR 63.780
- (2) 40 CFR 63.781(a)-(c)
- (3) 40 CFR 63.782
- (4) 40 CFR 63.783(a)
- (5) 40 CFR 63.783(b)(1)
- (6) 40 CFR 63.783(b)(2)
- (7) 40 CFR 63.784(a)
- (8) 40 CFR 63.785(a)(1)
- (9) 40 CFR 63.785(a)(2)
- (10) 40 CFR 63.785(b)(1)
- (11) 40 CFR 63.785(b)(2)
- (12) 40 CFR 63.785(b)(3)
- (13) 40 CFR 63.785(c)(1)
- (14) 40 CFR 63.785(c)(2)
- (15) 40 CFR 63.785(c)(3)
- (16) 40 CFR 63.786(a), (c) and (d)
- (17) 40 CFR 63.787(a)
- (18) 40 CFR 63.787(b)
- (19) 40 CFR 63.788(a), (b), and (c)
- (20) 40 CFR 63.789
- (21) Table 2 to 40 DFR 63 Subpart II (the applicable portions)
- (22) Table 3 to 40 DFR 63 Subpart II (the applicable portions)

The provisions of 40 CFR 63, Subpart A – General Provisions, which are incorporated as 326 IAC 20-1-1, apply to the facility described in this section except when otherwise specified in 40 CFR Part 63 Subpart II.

- (c) The requirements of the National Emission Standards for Hazardous Air Pollutants for Boat Manufacturing, 40 CFR 63, Subpart VVVV are not included in this permit for the two (2) spray booths identified as EU-02 and the outdoor spray operations, identified as EU-03, when operating under either operating scenario No. 1 or No. 2. Subpart VVVV applies to fiberglass boat manufacturing and aluminum recreational boat manufacturing operations. The source does not manufacture fiberglass boats or aluminum recreational boats.

State Rule Applicability – Entire Source

326 IAC 2-2 (PSD)

This source was constructed in the 1860's and has operated under the current ownership since 1939. Title V operating permit T019-6874-00006 was issued on July 13, 1999. Since this type of operation is not one of the twenty-eight (28) listed source categories and since there are no applicable New Source Performance Standards that were in effect on August 7, 1980, the fugitive particulate matter emissions are not counted toward determination of PSD applicability. Thus, since this source's emissions are largely fugitive, and non-fugitive emissions are less than 250 tons per year for all attainment pollutants, the source is a minor source for PSD.

The source has undergone one modification since the issuance of the original Title V operating permit. The source was issued SSM 019-14738-0006 on April 18, 2002 to install four (4) outdoor blasting units. All emissions from the outdoor blasting operations are fugitive, as there are no stacks. The source remained a PSD minor source after this modification because the fugitive PM emissions are not subject to the PSD rules, and cannot be evaluated against PSD threshold levels.

326 IAC 2-3 (Emission Offset)

Since this type of operation is not one of the twenty-eight (28) listed source categories and since there are no applicable New Source Performance Standards that were in effect on August 7, 1980, the fugitive PM and volatile organic compound (VOC) emissions are not counted toward determination of Emission Offset applicability. Clark County was designated by the U.S. EPA as non-attainment for the 8-hour ozone standard on April 15, 2004. This designation became effective on June 15, 2004. Thus, since this source's emissions are largely fugitive, and since the non-fugitive PM₁₀, NO_x, and VOC are less than 100 tons per year, this source is a minor source under 326 IAC 2-3 (Emission Offset). No modifications to this source occurred after the designation of the PM 2.5 and 8-hour ozone standards.

Clark County has been designated as nonattainment for PM 2.5 in 70 FR 943 dated January 5, 2005. According to the April 5, 2005 EPA memo titled "Implementation of New Source Review Requirements in PM_{2.5} Nonattainment Areas" authored by Steve Page, Director of OAQPS, until EPA promulgates the PM 2.5 major NSR regulations, states should assume that a major stationary source's PM₁₀ emissions represent PM_{2.5} emissions. IDEM will use the PM₁₀ nonattainment major NSR program as a surrogate to address the requirements of nonattainment major NSR for the PM_{2.5} NAAQS. A major source in a nonattainment area is a source that emits or has the potential to emit 100 tpy of any regulated pollutant. Jeffboat, LLC. has a limited potential to emit of non-fugitive PM₁₀ below 100 tpy. Therefore, assuming that PM₁₀ emissions represent PM_{2.5} emissions, this source is a minor source under the nonattainment area New Source Review program.

326 IAC 2-6 (Emission Reporting)

Since this source is required to have an operating permit under 326 IAC 2-7, Part 70 Permit Program, this source is subject to 326 IAC 2-6 (Emission Reporting). Since the potential VOC and PM₁₀ emissions from this source are greater than 250 tons per year, the Permittee is required to submit an emission statement annually by July 1. The emission statement shall contain, at a minimum, the information specified in 326 IAC 2-6-4.

326 IAC 5-1 (Opacity Limitations)

This source is located in Jeffersonville Township in Clark County and is therefore subject to the following opacity limits from 326 IAC 5-1-2(2):

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

- (a) Opacity shall not exceed an average of thirty percent (30%) opacity 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.

326 IAC 6-4 (Fugitive Dust Emissions)

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 6-5 (Fugitive Particulate Matter Emission Limitations)

This source is located in Clark County in Jeffersonville Township. There are facilities located at this source that have the potential to emit greater than 25 tons per year of fugitive particulate matter. The source has added a facility (the abrasive blasting units identified as EU-06) with the potential to emit fugitive particulate matter greater than 25 tons per year, which requires a permit as set forth in 326 IAC 2, after December 13, 1985. Therefore, pursuant to 326 IAC 6-5-1, this source is subject to the requirements of 326 IAC 6-5 and must maintain a fugitive dust plan. The source's fugitive dust plan is attached as Appendix A to the permit.

326 IAC 2-4.1 (Major Sources of Hazardous Air Pollutants (HAP))

The operation of the ship building and repair facility will emit greater than 10 tons per year of a single HAP and 25 tons per year of a combination of HAPs. However, the requirements of 326 IAC 2-4.1 (Major Sources of Hazardous Air Pollutants (HAP)) are not applicable to this source because all HAP emitting facilities were constructed prior to July 27, 1997, the applicability date for this rule.

326 IAC 6-5-2 (Particulate Limitations-Clark County)

Jeffboat, LLC. is not specifically listed in 326 IAC 6-5-2, (Particulate limitations: Clark County). Thus, 326 IAC 6-5-2 does not apply to any of the emission units at this source.

State Rule Applicability-Individual Facilities

Paint Booths (EU-02) and Outdoor Spray Operations (EU-03)

The paint booths (EU-02) and outdoor spray operations (EU-03) are permitted to operate under two different operating scenarios. In the primary operating scenario, alternate operating scenario No. 1, the paint booths (EU-02) and outdoor spray operations (EU-03) will perform surface coating related to shipbuilding and repair. Only paint booths (EU-02) will apply weld-through (shop) preconstruction primer. The outdoor spray operations (EU-03) will not apply weld-through (shop) preconstruction primer. Alternate operating scenario No. 2 would only be used if there was not enough ship building and repair work to sustain Jeffboat, LLC. In alternate operating scenario No. 2, the paint booths (EU-02) and outdoor spray operations (EU-03) will perform surface coating of miscellaneous metal parts and not perform any work related to ship building. Emission units EU-01, EU-04, EU-05, and EU-06 are unaffected by Alternative Operating Scenario No. 2.

326 IAC 8-12-4 (Volatile Organic Compounds) (VOC)

The paint booths (EU-02) and outdoor spray operations (EU-03) are subject to 326 IAC 8-12-4 because they are at a source located in Clark County with a potential to emit more than 100 tpy of VOC from all operations from this shipbuilding and ship repair facility.

- (a) Pursuant to 326 IAC 8-12-4 (Shipbuilding or ship repair operations in Clark, Floyd, Lake, or Porter counties), VOC emissions from the surface coating operations under alternate operating scenario 1 shall be limited throughout the year as follows:
 - (1) Provisions applicable to specialty coatings are as follows:
 - (A) Special marking coatings shall not exceed a VOC content of four and eight-hundredths (4.08) pounds per gallon.
 - (B) Heat resistant and high-gloss coatings shall not exceed a VOC content of three and fifty-hundredths (3.50) pounds per gallon.
 - (C) High-temperature coatings shall not exceed a VOC content of four and seventeen-hundredths (4.17) pounds per gallon.
 - (D) Any other specialty coating shall not exceed a VOC content of two and eighty-three hundredths (2.83) pounds per gallon.
 - (2) During application of any general use coating, VOC emissions shall be limited as follows:
 - (A) The VOC content of any general use coating shall not exceed two and eighty-three hundredths (2.83) pounds per gallon, as applied.
 - (B) From May 1 through September 30, no thinner shall be added to any general use coating.

- (b) The source shall comply with the following work practice standards:
- (1) Cleaning accessories, such as, but not limited to, paper, cloth, and rags that have been used for cleaning surfaces and equipment and that contain cleaning materials shall be stored in normally closed, gasket-sealed containers.
 - (2) VOC-containing solvents and coatings shall be stored in normally closed-sealed containers prior to use. Spent VOC-containing solvents and coatings shall be stored in normally closed, gasket-sealed containers.
 - (3) Cleaning materials for cleaning spray equipment, including paint lines, shall not be used unless the equipment for collecting the cleaning materials and minimizing its evaporation to the atmosphere is used.
 - (4) All handling and transfer of VOC-containing materials to and from containers, tanks, vats, drums, and piping systems shall be conducted in a manner that minimizes drips and spills, and any drips and spills shall be cleaned up promptly.
 - (5) All containers, tanks, vats, drums, and piping systems shall be free of cracks, holes and other defects and must be closed unless materials are being added to or removed from them.
- (c) Pursuant to 326 IAC 8-12-4 (Shipbuilding or ship repair operations in Clark, Floyd, Lake, or Porter counties), VOC emissions from the application of any weld-through (shop) preconstruction primer under alternate operating scenario 1 shall be limited as follows:
- (1) During application of any weld-through (shop) preconstruction primer, VOC emissions shall be limited throughout the year as follows:
 - (A) Waterbased weld-through (shop) preconstruction primer shall be used.
 - (B) The VOC content of weld-through (shop) preconstruction primer, as applied, shall not exceed zero (0).
 - (C) No VOC containing cleaning material shall be used in the primer application facility.
 - (D) No VOC containing thinner shall be added to the weld-through (shop) preconstruction primer.
 - (2) If the Permittee determines that a waterbased weld-through (shop) preconstruction primer can no longer be used due to an operational, performance, or availability constraint associated with the waterbased weld-through (shop) preconstruction primer, the source shall do the following:
 - (A) Notify the department within seven (7) days of discontinuing use of the waterbased weld-through (shop) preconstruction primer.
 - (B) Submit to the department for approval a plan for an alternative control within sixty (60) days of discontinuance. The alternative control shall consist of one (1) of the following:
 - (i) A waterbased weld-through (shop) preconstruction primer.
 - (ii) A control system with a minimum overall VOC emissions reduction efficiency of ninety-five percent (95%) that is subject to each of the following requirements:

- (AA) The operation, maintenance, and testing requirements of 326 IAC 8-7-9.
- (BB) The monitoring, record keeping, and reporting requirements of 326 IAC 8-7-10.
- (C) Install the alternative control within nine (9) months of approval by the department of the plan required in clause 326 IAC 8-12-4(a)(2)(b).
- (3) During the time between the date when the Permittee discontinues the use of the water-based preconstruction primer and the date when the alternative control is installed, the weld-through (shop) preconstruction primer used by the Permittee shall not exceed a VOC content of five and sixty-five hundredths (5.65) pounds per gallon, this is the VOC content for weld-through (shop) preconstruction primer prescribed by the U.S. EPA in 40 CFR 63, Subpart II, National Emission Standard for Shipbuilding and Ship Repair (surface coating).
- (d) Pursuant to 326 IAC 8-12-4, the paint booths (EU-02) and the outdoor spray operation (EU-03) under alternate operating scenario 1 shall comply with the following training requirements:
 - (1) The training program may include training provided by the manufacturer or supplier of coatings, cleaning materials, or the application equipment thereof, and shall include written procedures, hands-on demonstration, as appropriate, and certification by the trainer of the trainee's ability to perform the task, on the following activities:
 - (A) Identification of appropriate coatings or cleaning materials.
 - (B) Preparation of coatings or cleaning materials according to coating or cleaning material manufacturer, distributor, or owner or operator's recommendations.
 - (C) Application of coatings or cleaning materials, or organic solvents using techniques that minimize their usage.
 - (D) Procedures to clean spray guns to minimize evaporation of organic solvents to the atmosphere.
 - (E) Work practice standards established in 326 IAC 8-12-4(5)(b)(3).
 - (2) The Permittee shall provide annual refresher training prior to any worker performing one (1) or more of the activities listed in 326 IAC 8-12-4(5)(b)(3). Such training shall be appropriate to the job responsibilities of the worker.
 - (3) Any worker may perform one (1) or more activities listed in 326 IAC 8-12-4(5)(b)(3) for not more than one hundred eighty (180) days, notwithstanding the requirement of 326 IAC 8-12-4(5)(b)(2), provided such untrained worker works under the supervision of a worker who meets the training requirements of 326 IAC 8-12-4(5)(b)(2).

326 IAC 6.5-1-2(a) (Particulate Limitations)

Because the source has potential particulate emissions greater than 100 tons per year and is located in Clark County, 326 IAC 6.5-1-2(a), (formerly 326 IAC 6-1-2(a) Nonattainment Area Particulate Limitations) is applicable. Pursuant to 326 IAC 6.5-1-2(a), particulate emissions from the two (2) shot blast units, identified as EU-01, and the spray booths, identified as EU-02, shall be limited to 0.03 grains per dry standard cubic foot. Baghouse dust collectors shall ensure compliance with this limit.

326 IAC 6-3-2 (Particulate Emission Limitations for Manufacturing Processes)

Since PM emissions from the paint booths (EU-02) and the outdoor spray operations (EU-03) are subject to the requirements of 326 IAC 6.5-1 (formerly 326 IAC 6-1 Nonattainment Area Particulate Limitations), and 326 IAC 6-1 remains in effect under 40 CFR 52, Subpart P, the paint booths (EU-02) and the outdoor spray operations (EU-03) are exempt from the requirements of 326 IAC 6-3-2, pursuant to 326 IAC 6-3-1(c)(3).

326 IAC 8-2-9 (Miscellaneous Metal Coating)

The outdoor surface coating operations (EU-02 and EU-03) when operating under operating scenario No. 1 are not subject to 326 IAC 8-2-9 because they are subject to 326 IAC 8-12-4.

The outdoor surface coating operations (EU-02 and EU-03) when operating under operating scenario No. 2 are subject to 326 IAC 8-2-9 because these facilities existed as of January 1, 1980, the facilities are located in Clark county, the facilities will be used to coat metal parts when operating under operating scenario No. 2, and actual VOC emissions are greater than 15 pounds per day.

Pursuant to 326 IAC 8-2-9 (Miscellaneous Metal Coating Operations) and when operating under alternative operating scenario No. 2, the Permittee shall not allow the discharge into the atmosphere of VOC in excess of the following limits from the surface coating operations:

- (a) Four and three-tenths (4.3) for clear coats;
- (b) Three and five-tenths (3.5) for air dried or forced warm air dried coatings;
- (c) Three and five-tenths (3.5) for extreme performance coatings; and
- (d) Three (3.0) pounds for all other coatings.

Per gallon of coating, excluding water, as delivered to the applicator.

Solvent sprayed from application equipment during cleanup or color changes shall be directed into containers. Such containers shall be closed as soon as such solvent spraying is complete, and the waste solvent shall be disposed of in such a manner that evaporation is minimized.

Welding Operations (EU-04), Flame Cutting Operations (EU-05), and Abrasive Blasting Units (EU-06)

326 IAC 6.5-1-2(a) (Particulate Limitations)

326 IAC 6.5-1-2(a) does not apply to fugitive emissions. Therefore, the outdoor spray operations identified as EU-03, the welding operations identified as EU-04, the flame cutting operations identified as EU-05, and the four (4) abrasive blasting units identified as EU-06, are not subject to 326 IAC 6.5-1-2(a) because they are outdoor fugitive emissions sources.

326 IAC 6-3-2 (Particulate Emission Limitations for Manufacturing Processes)

326 IAC 6-3-2 does not apply to fugitive emissions. Therefore, the outdoor spray operations identified as EU-03, the welding operations identified as EU-04, the flame cutting operations identified as EU-05, and the four (4) abrasive blasting units, identified as EU-06, are not subject to 326 IAC 6-3-2 because they are outdoor fugitive emissions sources.

Testing Requirements

No stack test is required in this Part 70 permit renewal because compliance with the limits for VOC and HAP shall be determined using Material Data Safety Sheets (MSDS) and records of the types of material applied.

Compliance Requirements

Permits issued under 326 IAC 2-7 are required to ensure that sources can demonstrate compliance with applicable state and federal rules on a more or less continuous basis. All state and federal rules contain compliance provisions, however, these provisions do not always fulfill the requirement for a more or less continuous demonstration. When this occurs IDEM, OAQ, in conjunction with the source, must develop specific conditions to satisfy 326 IAC 2-7-5. As a result, compliance requirements are divided into two sections: Compliance Determination Requirements and Compliance Monitoring Requirements.

Compliance Determination Requirements in Section D of the permit are those conditions that are found more or less directly within state and federal rules and the violation of which serves as grounds for enforcement action. If these conditions are not sufficient to demonstrate continuous compliance, they will be supplemented with Compliance Monitoring Requirements, also in Section D of the permit. Unlike Compliance Determination Requirements, failure to meet Compliance Monitoring conditions would serve as a trigger for corrective actions and not grounds for enforcement action. However, a violation in relation to a compliance monitoring condition will arise through a source's failure to take the appropriate corrective actions within a specific time period.

The compliance monitoring requirements applicable to this source are as follows:

1. The paint booth EU-02 has applicable compliance monitoring conditions as specified below:
 - (a) Daily inspections shall be performed to verify the placement, integrity, and particle loading of the paint arrestor pads for the paint booths (EU-02). To monitor the performance of the dry filters, weekly observations shall be made of the overspray from the paint booth stack(s) while one or more of the booths are in operation. If a condition exists which should result in a response step, the Permittee shall take reasonable response steps in accordance with Section C - Response to Excursions or Exceedances. Failure to take response steps in accordance with Section C - Response to Excursions or Exceedances, shall be considered a deviation from this permit.
 - (b) Monthly inspections shall be performed of the coating emissions from the stacks and the presence of overspray on the nearby ground. When there is a noticeable change in overspray emissions, or when evidence of overspray emissions is observed, the Permittee shall take reasonable response steps in accordance with Section C - Response to Excursions or Exceedances. Failure to take response steps in accordance with Section C - Response to Excursions or Exceedances, shall be considered a deviation from this permit.

These monitoring conditions are necessary because the paint arrestor pads for the spray paint booths (EU-02) must operate properly to ensure compliance with 326 IAC 6.5-1 and 326 IAC 2-7 and 40 CFR Part 64 (CAM).

Conclusion

The operation of this stationary shipbuilding and repair facility shall be subject to the conditions of this Part 70 permit renewal T019-18066-00006.