



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: August 15, 2006
RE: W. M. Kelley Company Inc. / 043-21501-00053
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 according to IC 13-15-6-3, 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 and IC 13-15-6-1 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, **within eighteen (18) calendar days of the mailing of this notice**. 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.

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.

Enclosures
FNPER.dot 03/23/06



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Indianapolis, Indiana 46204-2251
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FEDERALLY ENFORCEABLE STATE OPERATING PERMIT RENEWAL

OFFICE OF AIR QUALITY

**W.M. Kelley Company Inc.
620 Durgee Road
New Albany, Indiana 47150**

(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 provision of this permit is grounds for enforcement action; permit termination, revocation and reissuance, or modification; and denial of a permit renewal application. 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.

Indiana statutes from IC 13 and rules from 326 IAC, quoted 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 FESOP.

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 2-8 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.: 043-21501-00053	
Issued by: Original signed by Nisha Sizemore, Chief Permits Branch Office of Air Quality	Issuance Date: August 15, 2006 Expiration Date: August 15, 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 2-8-3(b)]

The Permittee owns and operates a metal surface coating and fabrication company.

Authorized Individual: President
Source Address: 620 Durgee Road, New Albany, Indiana 47150
Mailing Address: Same
General Source Phone: 812/945-3529
SIC Code: 3535 and 3536
County Location: Floyd
Source Location Status: Nonattainment for PM2.5 and Ozone under the 8-hour standard
Attainment for all other criteria pollutants
Source Status: Federally Enforceable State Operating Permit (FESOP)
Minor Source, under PSD and Emission Offset Rules;
Minor Source, Section 112 of the Clean Air Act

A.2 Emission Units and Pollution Control Equipment Summary [326 IAC 2-8-3(c)(3)]

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

One (1) paint booth, constructed in 1994 identified as EP-01, equipped with two (2) spray guns, for metal surface coating, with a maximum capacity at the spray booth of 2.5 gallons per hour, using paint arrestors for overspray control, and exhausting through stack EP-01.

A.4 Insignificant Activities [326 IAC 2-7-1(21)] [326 IAC 2-8-3(c)(3)(I)]

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

- (a) Paved and unpaved roads and parking lots with public access.
- (b) Other emission units, not regulated by a NESHAP, with PM10 and SO₂ emissions less than five (5) pounds per hour or twenty-five (25) pounds per day, CO emissions less than twenty-five (25) pounds per day, lead emissions less than six-tenths (0.6) tons per year or three and twenty-nine hundredths (3.29) pounds per day, and emitting greater than one (1) pound per day but less than five (5) pounds per day or one (1) ton per year of a single HAP, or emitting greater than one (1) pound per day but less than twelve and five tenths (12.5) pounds per day or two and five tenths (2.5) ton per year of any combination of HAPs:
 - (1) One (1) phosphate washer, identified as EP-03 and constructed in 2003, equipped with a 0.39 MMBtu/hr natural gas-fired burner, exhausting through stack EP-03.
 - (2) One (1) wastewater evaporator, identified as EP-04 and constructed in 2003, using natural gas as fuel, with a maximum heat input rate of 0.4 MMBtu/hr, exhausting through stack EP-04.
 - (3) One (1) gas catalytic booster oven, identified as EP-05 and constructed in 2003, using natural gas as fuel, with a maximum heat input rate of 0.57 MMBtu/hr, exhausting through stack EP-05.
 - (4) One (1) curing oven, identified as EP-06 and constructed in 2003, using natural gas as fuel, with a maximum heat input rate of 1.58 MMBtu/hr, exhausting through stack EP-06.

- (5) One (1) enclosed powder coating system, constructed in 2003, consisted of two (2) powder coating guns, with a maximum coating usage of 145.6 lbs/hr. The overspray powder coating is collected by the integral dust collectors and the exhaust vents back to the system.
- (6) An assembly area, identified as EP-02, consisting of fifteen (15) metal inert gas (MIG) welding stations with a maximum consumption rate of 0.32 pounds of wire per hour per station, and capacity of 2,518 pounds of steel per hour.

A.5 FESOP Applicability [326 IAC 2-8-2]

This stationary source, otherwise required to have a Part 70 permit as described in 326 IAC 2-7-2(a), has applied to the Indiana Department of Environmental Management (IDEM), Office of Air Quality (OAQ) to renew a Federally Enforceable State Operating Permit (FESOP).

SECTION B

GENERAL CONDITIONS

B.1 Definitions [326 IAC 2-8-1]

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 2-8-4(2)][326 IAC 2-1.1-9.5]

This permit 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.

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 2-8-6]

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 2-8-4(4)]

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 2-8-4(5)(D)]

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

B.7 Duty to Provide Information [326 IAC 2-8-4(5)(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 "authorized individual" as defined by 326 IAC 2-1.1-1(1). 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 2-8-3(d)] [326 IAC 2-8-4(3)(C)(i)] [326 IAC 2-8-5(1)]

- (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 an authorized individual 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) An "authorized individual" is defined at 326 IAC 2-1.1-1(1).

B.9 Annual Compliance Certification [326 IAC 2-8-5(a)(1)]

- (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 April 15 of each year to:

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

- (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 2-8-4(3); and
 - (5) Such other facts as specified in Sections D of this permit, IDEM, OAQ, may require to determine the compliance status of the source.

The submittal by the Permittee does require the certification by an "authorized individual" as defined by 326 IAC 2-1.1-1(1).

B.10 Preventive Maintenance Plan [326 IAC 1-6-3] [326 IAC 2-8-4(9)] [326 IAC 2-8-5(a)(1)]

- (a) The Permittee shall maintain and implement Preventive Maintenance Plans (PMPs) for the source after issuance of this permit, as described in 326 IAC 1-6-3. At a minimum, the PMPs shall include:
- (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 an "authorized individual" as defined by 326 IAC 2-1.1-1(1).

B.11 Emergency Provisions [326 IAC 2-8-12]

- (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, except as provided in 326 IAC 2-8-12.
- (b) An emergency, as defined in 326 IAC 2-7-1(12), constitutes an affirmative defense to an action brought for noncompliance with a health-based or 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;

Telephone No.: 1-800-451-6027 (ask for Office of Air Quality, Compliance Section), or
Telephone No.: 317-233-0178 (ask for Compliance Section)
Facsimile No.: 317-233-6865

- (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 2-8-4(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 an "authorized individual" as defined by 326 IAC 2-1.1-1(1).

- (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 2-8-3(c)(6) 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 2-8 and any other applicable rules.
 - (g) Operations may continue during an emergency only if the following conditions are met:

- (1) 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.
- (2) If an emergency situation causes a deviation from a health-based limit, the Permittee may not continue to operate the affected emissions facilities unless:
 - (A) The Permittee immediately takes all reasonable steps to correct the emergency situation and to minimize emissions; and
 - (B) Continued operation of the facilities is necessary to prevent imminent injury to persons, severe damage to equipment, substantial loss of capital investment, or loss of product or raw material of substantial economic value.

Any operations shall continue no longer than the minimum time required to prevent the situations identified in (g)(2)(B) of this condition.

- (h) The Permittee shall include all emergencies in the Quarterly Deviation and Compliance Monitoring Report.

B.12 Prior Permits Superseded [326 IAC 2-1.1-9.5]

- (a) All terms and conditions of permits established prior to 043-21501-00053 and issued pursuant to permitting programs approved into the state implementation plan have been either:
 - (1) incorporated as originally stated,
 - (2) revised, or
 - (3) deleted.
- (b) All previous registrations and permits are superseded by this permit.

B.13 Termination of Right to Operate [326 IAC 2-8-9] [326 IAC 2-8-3(h)]

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 2-8-3(h) and 326 IAC 2-8-9.

B.14 Deviations from Permit Requirements and Conditions [326 IAC 2-8-4(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 need to be included in this report.

The Quarterly Deviation and Compliance Monitoring Report does require the certification by the "authorized individual" as defined by 326 IAC 2-1.1-1(1).

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

B.15 Permit Modification, Reopening, Revocation and Reissuance, or Termination [326 IAC 2-8-4(5)(C)] [326 IAC 2-8-7(a)] [326 IAC 2-8-8]

- (a) This permit may be modified, reopened, revoked and reissued, or terminated for cause. The filing of a request by the Permittee for a Federally Enforceable State Operating 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 2-8-4(5)(C)] The notification by the Permittee does require the certification by an "authorized individual" as defined by 326 IAC 2-1.1-1(1).
- (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 2-8-8(a)]
- (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 2-8-8(b)]
- (d) The reopening and revision of this permit, under 326 IAC 2-8-8(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 2-8-8(c)]

B.16 Permit Renewal [326 IAC 2-8-3(h)]

- (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 2-8-3. 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 "authorized individual" as defined by 326 IAC 2-1.1-1(1).

Request for renewal shall be submitted to:

Indiana Department of Environmental Management
Permits Branch, Office of Air Quality
100 North Senate Avenue
Indianapolis, IN 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 2-8 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.17 Permit Amendment or Revision [326 IAC 2-8-10] [326 IAC 2-8-11.1]

- (a) Permit amendments and revisions are governed by the requirements of 326 IAC 2-8-10 or 326 IAC 2-8-11.1 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 an "authorized individual" as defined by 326 IAC 2-1.1-1(1).
- (c) The Permittee may implement administrative amendment changes addressed in the request for an administrative amendment immediately upon submittal of the request. [326 IAC 2-8-10(b)(3)]

B.18 Operational Flexibility [326 IAC 2-8-15][326 IAC 2-8-11.1]

- (a) The Permittee may make any change or changes at this source that are described in 326 IAC 2-8-15(b) through (d), 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 approval required by 326 IAC 2-8-11.1 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 emission trades that are subject to 326 IAC 2-8-15(b) through (d). The Permittee shall make such records available, upon reasonable request, to public review.

Such records shall consist of all information required to be submitted to IDEM, OAQ, in the notices specified in 326 IAC 2-8-15(b)(2), (c)(1), and (d).

- (b) Emission Trades [326 IAC 2-8-15(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 2-8-15(c).
- (c) Alternative Operating Scenarios [326 IAC 2-8-15(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 2-8-4(7). No prior notification of IDEM, OAQ or U.S. EPA is required.

- (d) 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.19 Source Modification Requirement [326 IAC 2-8-11.1]

A modification, construction, or reconstruction is governed by the requirements of 326 IAC 2 and 326 IAC 2-8-11.1.

B.20 Inspection and Entry [326 IAC 2-8-5(a)(2)][IC 13-14-2-2][IC 13-17-3-2][IC13-30-3-1]

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 FESOP 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, at reasonable times, 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 at reasonable times, 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, at reasonable times, 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.21 Transfer of Ownership or Operational Control [326 IAC 2-8-10]

- (a) The Permittee must comply with the requirements of 326 IAC 2-8-10 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 an "authorized individual" as defined by 326 IAC 2-1.1-1(1).

- (c) The Permittee may implement administrative amendment changes addressed in the request for an administrative amendment immediately upon submittal of the request. [326 IAC 2-8-10(b)(3)]

B.22 Annual Fee Payment [326 IAC 2-1.1-7] [326 IAC 2-7-19] [326 IAC 2-8-4(6)] [326 IAC 2-8-16]

- (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) 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 317-233-4320 (ask for OAQ, Billing, Licensing, and Training Section), to determine the appropriate permit fee.

B.23 Credible Evidence [326 IAC 1-1-6] [326 IAC 2-8-4(3)][326 IAC 2-8-5][62 FR 8314]

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

Emissions Limitations and Standards [326 IAC 2-8-4(1)]

C.1 Particulate Emission Limitations For Processes with Process Weight Rates Less Than One Hundred (100) Pounds per Hour [326 IAC 6-3-2]

Pursuant to 326 IAC 6-3-2(e)(2), particulate emissions from any process not exempt under 326 IAC 6-3-1(b) or (c) which has a maximum process weight rate less than 100 pounds per hour and the methods in 326 IAC 6-3-2(b) through (d) do not apply shall not exceed 0.551 pounds per hour.

C.2 Overall Source Limit [326 IAC 2-8]

The purpose of this permit is to limit this source's potential to emit to less than major source levels for the purpose of Section 502(a) of the Clean Air Act.

(a) Pursuant to 326 IAC 2-8:

- (1) The potential to emit any regulated pollutant, except particulate matter (PM), from the entire source shall be limited to less than one-hundred (100) tons per twelve (12) consecutive month period. This limitation shall also make the requirements of 326 IAC 2-2 (Prevention of Significant Deterioration (PSD)) and 326 IAC 2-3 (Emission Offset) not applicable;
- (2) The potential to emit any individual hazardous air pollutant (HAP) from the entire source shall be limited to less than ten (10) tons per twelve (12) consecutive month period; and
- (3) The potential to emit any combination of HAPs from the entire source shall be limited to less than twenty-five (25) tons per twelve (12) consecutive month period.

(b) The potential to emit particulate matter (PM) from the entire source shall be limited to less than one-hundred (100) tons per twelve (12) consecutive month period.

(c) This condition shall include all emission points at this source including those that are insignificant as defined in 326 IAC 2-7-1(21). The source shall be allowed to add insignificant activities not already listed in this permit, provided that the source's potential to emit does not exceed the above specified limits.

(d) Section D of this permit contains independently enforceable provisions to satisfy this requirement.

C.3 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 forty percent (40%) in any one (1) six (6) minute averaging period as determined in 326 IAC 5-1-4.

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

C.4 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.5 Incineration [326 IAC 4-2] [326 IAC 9-1-2(3)]

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

C.6 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.7 Stack Height [326 IAC 1-7]

The Permittee shall comply with the applicable provisions of 326 IAC 1-7 (Stack Height Provisions), for all exhaust stacks through which a potential (before controls) of twenty-five (25) tons per year or more of particulate matter or sulfur dioxide is emitted.

C.8 Asbestos Abatement Projects [326 IAC 14-10] [326 IAC 18] [40 CFR 61, Subpart M]

The Permittee shall comply with the applicable requirements of 326 IAC 14-10, 326 IAC 18, and 40 CFR 61.140.

Testing Requirements [326 IAC 2-8-4(3)]

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

- (a) All testing shall be performed according to the provisions of 326 IAC 3-6 (Source Sampling Procedures), except as provided elsewhere in this permit, utilizing 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 an "authorized individual" as defined by 326 IAC 2-1.1-1(1).

- (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 an "authorized individual" as defined by 326 IAC 2-1.1-1(1).
- (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.10 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 2-8-4] [326 IAC 2-8-5(a)(1)]

C.11 Compliance Monitoring [326 IAC 2-8-4(3)] [326 IAC 2-8-5(a)(1)]

Unless otherwise specified in this permit, all monitoring and record keeping requirements not already legally required shall be implemented upon issuance of this permit. If required by Section D, the Permittee shall be responsible for installing any necessary equipment and initiating any required monitoring related to that equipment.

Unless otherwise specified in the approval for the new emissions unit, compliance monitoring for new emission units or emission units added through a permit revision shall be implemented when operation begins.

C.12 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 2-8-4] [326 IAC 2-8-5(a)(1)]

C.13 Risk Management Plan [326 IAC 2-8-4] [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.14 Response to Excursions or Exceedances [326 IAC 2-8-4][326 IAC 2-8-5]

- (a) Upon detecting an excursion or exceedance, the Permittee shall restore operation of the emissions unit (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.15 Actions Related to Noncompliance Demonstrated by a Stack Test [326 IAC 2-8-4][326 IAC 2-8-5]

- (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 an "authorized individual" as defined by 326 IAC 2-1.1-1(1).

Record Keeping and Reporting Requirements [326 IAC 2-8-4(3)]

C.16 General Record Keeping Requirements [326 IAC 2-8-4(3)] [326 IAC 2-8-5]

- (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 2-8-4(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 an "authorized individual" as defined by 326 IAC 2-1.1-1(1).
- (b) The report required in (a) of this condition and reports required by conditions in Section D of this permit shall be submitted to:

Indiana Department of Environmental Management
Compliance Data Section, Office of Air 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 "authorized individual" as defined by 326 IAC 2-1.1-1(1).
- (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.

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 2-8-4(10)]:

- (a) One (1) paint booth, identified as EP-01, equipped with two (2) spray guns, for metal surface coating, with a maximum capacity at the spray booth of 2.5 gallons per hour, using paint arrestors for overspray control, and exhausting through stack EP-01.

(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 2-8-4(1)]

D.1.1 Volatile Organic Compound (VOC) [326 IAC 8-2-9]

- (a) Pursuant to 326 IAC 8-2-9 (Miscellaneous Metal Coating Operations), the volatile organic compound (VOC) content of coating delivered to the applicator at the spray booth that is air dried or forced warm air dried at temperatures up to one hundred ninety four degrees Fahrenheit (194°F) shall be limited to 3.5 pounds of VOCs per gallon of coating less water, for any calendar day.
- (b) 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.

D.1.2 VOC Limit [Agreed Order 2001-10757-A]

Pursuant to Agreed Order 2001-10757-A, issued on October 30, 2003, the total spray coating usage at paint booth EP-01 shall be limited to less than 871 gallons per twelve (12) consecutive month period with compliance determined at the end of each month. Combined with condition D.1.1(a), this is equivalent to 1.52 tons/yr of VOC emissions.

D.1.3 Hazardous Air Pollutants (HAPs) Limit [326 IAC 2-8]

- (a) The amount of any individual HAP delivered to the coating applicators in EP-01 plus the amount of that HAP used for clean-up shall be limited to less than ten (10) tons per twelve (12) consecutive month period with compliance determined at the end of each month. Therefore, the requirements in 326 IAC 2-7 do not apply.
- (b) The combination of HAPs delivered to the coating applicators in EP-01 plus the amount of all HAPs used for clean-up shall be limited to less than a total of twenty-five (25) tons per twelve (12) consecutive month period with compliance determined at the end of each month. Therefore, the requirements in 326 IAC 2-7 do not apply.

D.1.4 Particulate Emission Limitations for Manufacturing Processes [326 IAC 6-3]

Pursuant to 326 IAC 6-3-2 (Particulate emission limitations, work practices, and control technologies), part (d), the paint arrestors for particulate control shall be in operation in accordance with manufacturer's specifications and control particulate from paint booth EP-01 at all times this unit is in operation.

Compliance Determination Requirements

D.1.5 Volatile Organic Compounds (VOC) and Hazardous Air Pollutants (HAPs) [326 IAC 8-1-2][326 IAC 8-1-4]

Compliance with the VOC content and HAP usage limitations contained in conditions D.1.1 and D.1.3 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.

Compliance Monitoring Requirements [326 IAC 2-8-4] [326 IAC 2-8-5(a)(1)]

D.1.6 Monitoring

- (a) Daily inspections shall be performed to verify the placement, integrity and particle loading of the arrestors. To monitor the performance of the arrestors, weekly observations shall be made of the

overspray from stack EP-01 while the booth is 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 stack and the presence of overspray on the rooftops and 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 2-8-4(3)] [326 IAC 2-8-16]

D.1.7 Record Keeping Requirements

- (a) To document compliance with conditions D.1.1, D.1.2, and D.1.3, the Permittee shall maintain records in accordance with (1) through (5) below. Records maintained for (1) through (5) shall be taken monthly, and shall be complete and sufficient to establish compliance with the VOC content, the coating usage, and the HAP usage limits established in conditions D.1.1, D.1.2, and D.1.3.
- (1) The VOC and HAP contents of each coating material and solvent used;
 - (2) The amount of coating material and solvent less water used on a 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.
 - (3) The cleanup solvent usage for each month;
 - (4) The total HAP usage for each month; and
 - (5) The weight of HAPs emitted for each compliance period.
- (b) To document compliance with condition D.1.6, the Permittee shall maintain a log of weekly overspray observations, daily and monthly inspections, and those additional inspections prescribed by the Preventive Maintenance Plan.
- (c) All records shall be maintained in accordance with Section C - General Record Keeping Requirements, of this permit.

D.1.8 Reporting Requirements

A quarterly summary of the information to document compliance with conditions D.1.2 and D.1.3, shall be submitted to the address listed in Section C - General Reporting Requirements, of this permit, using the reporting forms located at the end of this permit, or their equivalent, within thirty (30) days after the end of the quarter being reported. The report submitted by the Permittee does not require the certification by the "authorized individual" as defined by 326 IAC 2-1.1-1(1).

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

**FEDERALLY ENFORCEABLE STATE OPERATING PERMIT (FESOP)
CERTIFICATION**

Source Name: W. M. Kelley Company, Inc.
Source Address: 620 Durgee Road, New Albany, Indiana 47150
Mailing Address: 620 Durgee Road, New Albany, Indiana 47150
FESOP No.: F043-21501-00053

**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:

Date:

**INDIANA DEPARTMENT OF ENVIRONMENTAL MANAGEMENT
OFFICE OF AIR QUALITY
COMPLIANCE BRANCH
100 North Senate Avenue
Indianapolis, Indiana 46204-2251
Phone: 317-233-0178
Fax: 317-233-6865**

**FEDERALLY ENFORCEABLE STATE OPERATING PERMIT (FESOP)
EMERGENCY OCCURRENCE REPORT**

Source Name: W. M. Kelley Company, Inc.
Source Address: 620 Durgess Road, New Albany, Indiana 47150
Mailing Address: 620 Durgess Road, New Albany, Indiana 47150
FESOP No.: F043-21501-00053

This form consists of 2 pages

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<input type="checkbox"/> This is an emergency as defined in 326 IAC 2-7-1(12) <ul style="list-style-type: none">• The Permittee must notify the Office of Air Quality (OAQ), within four (4) business hours (1-800-451-6027 or 317-233-0178, ask for Compliance Section); and• The Permittee must submit notice in writing or by facsimile within two (2) working days (Facsimile Number: 317-233-6865), 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 Describe:
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**

FESOP Quarterly Report for HAPs

Source Name: W. M. Kelley Company, Inc.
 Source Address: 620 Durgess Road, New Albany, Indiana 47150
 Mailing Address: 620 Durgess Road, New Albany, Indiana 47150
 FESOP No.: F043-21501-00053
 Facility: EP-01
 Parameters: Combination of HAPs and Single HAP Usage
 Limits: Combination of HAPs less than twenty-five (25) tons per twelve (12) consecutive month period with compliance determined at the end of each month, and/or single HAP less than ten (10) tons per twelve (12) consecutive month period with compliance determined at the end of each month.

QUARTER/YEAR: _____

Column 1	Column 2	Column 1 + Column 2
This Month	Previous 11 Months	12 Month Total

COMBINATION HAPS

Month 1			
Month 2			
Month 3			

SINGLE HAP

Month 1			
Month 2			
Month 3			

- No deviation occurred in this quarter.
- Deviation/s occurred in this quarter.
 Deviation has been reported on: _____

Submitted by: _____
 Title / Position: _____
 Signature: _____
 Date: _____
 Phone: _____

Attach a signed certification to complete this report.

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

FESOP Quarterly Report for Coating Usage

Source Name: W. M. Kelley Company, Inc.
Source Address: 620 Durgess Road, New Albany, Indiana 47150
Mailing Address: 620 Durgess Road, New Albany, Indiana 47150
FESOP No.: F043-12372-00053
Facility: EP-01
Parameter: Coating Usage
Limit: Less than 871 gallons per twelve (12) consecutive month period with compliance determined at the end of each month

QUARTER/YEAR: _____

Month	Column 1	Column 2	Column 1 + Column 2
	This Month	Previous 11 Months	12 Month Total
Month 1			
Month 2			
Month 3			

- No deviation occurred in this quarter.
- Deviation/s occurred in this quarter.
Deviation has been reported on: _____

Submitted by: _____
Title / Position: _____
Signature: _____
Date: _____
Phone: _____

Attach a signed certification to complete this report.

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

**FEDERALLY ENFORCEABLE STATE OPERATING PERMIT (FESOP)
QUARTERLY DEVIATION AND COMPLIANCE MONITORING REPORT**

Source Name: W. M. Kelley Company, Inc.
Source Address: 620 Durgess Road, New Albany, Indiana 47150
Mailing Address: 620 Durgess Road, New Albany, Indiana 47150
FESOP No.: F043-21501-00053

Months: _____ to _____ Year: _____

Page 1 of 2

<p>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".</p>	
<input type="checkbox"/> NO DEVIATIONS OCCURRED THIS REPORTING PERIOD.	
<input type="checkbox"/> 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.

Indiana Department of Environmental Management Office of Air Quality

Technical Support Document (TSD) for a Federally Enforceable State Operating Permit Renewal

Source Background and Description

Source Name: W. M. Kelley Company, Inc.
Source Location: 620 Durgee Road, New Albany, Indiana 47150
County: Floyd
SIC Code: 3535 and 3536
Renewal Operation Permit No.: F043-21501-00053
Permit Reviewer: Melissa Groch

The Office of Air Quality (OAQ) has reviewed a renewal application from W. M. Kelley Company, Inc., relating to the operation of an existing metal surface coating and fabricating plant.

Permitted Emission Units and Pollution Control Equipment

The source consists of the following permitted facilities and units:

One (1) paint booth constructed in 1994, identified as EP-01, equipped with two (2) spray guns for metal coating, with a maximum capacity at the spray booth of 2.5 gallons per hour, using paint arrestors for overspray control, and exhausting through stack EP-01.

Unpermitted Emission Units and Pollution Control Equipment

There are no known unpermitted facilities 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.
- (b) Other emission units, not regulated by a NESHAP, with PM₁₀ and SO₂ emissions less than five (5) pounds per hour or twenty-five (25) pounds per day, CO emissions less than twenty-five (25) pounds per day, lead emissions less than six-tenths (0.6) tons per year or three and twenty-nine hundredths (3.29) pounds per day, and emitting greater than one (1) pound per day but less than five (5) pounds per day or one (1) ton per year of a single HAP, or emitting greater than one (1) pound per day but less than twelve and five tenths (12.5) pounds per day or two and five tenths (2.5) ton per year of any combination of HAPs:
 - (1) One (1) phosphate washer, identified as EP-03 and constructed in 2003, equipped with a 0.39 MMBtu/hr natural gas-fired burner, exhausting through stack EP-03.
 - (2) One (1) wastewater evaporator, identified as EP-04 and constructed in 2003, using natural gas as fuel, with a maximum heat input rate of 0.4 MMBtu/hr, exhausting through stack EP-04.
 - (3) One (1) gas catalytic booster oven, identified as EP-05 and constructed in 2003, using natural gas as fuel, with a maximum heat input rate of 0.57 MMBtu/hr, exhausting through stack EP-05.
 - (4) One (1) curing oven, identified as EP-06 and constructed in 2003, using natural gas as fuel, with a maximum heat input rate of 1.58 MMBtu/hr, exhausting through stack EP-06.
 - (5) One (1) enclosed powder coating system, identified as EP-07 and constructed in 2003, consisting of two (2) powder coating guns, with a combined maximum coating usage of 145.6

lbs/hr. The overspray powder coating is collected by the integral dust collectors and the exhaust vents back to the system.

- (6) An assembly area, identified as EP-02, consisting of fifteen (15) metal inert gas (MIG) welding stations with a maximum consumption rate of 0.32 pounds of wire per hour per station, and capacity of 2,518 pounds of steel per hour.

Existing Approvals

The source has been operating under FESOP 043-12372-00053, issued April 18, 2001, with an expiration date of April 18, 2006, and the following approvals:

- (a) Second Administrative Amendment 043-19614-00053, issued August 2, 2004;
- (b) Significant Permit Revision 043-17879-00053, issued March 15, 2004; and
- (c) First Administrative Amendment 043-17731-00053, issued July 9, 2003.

All conditions from previous approvals were incorporated into this FESOP renewal, except for the following:

Condition: Pursuant to 326 IAC 6-5 (Fugitive Particulate Matter Emission Limitations), fugitive particulate matter emissions shall be controlled according to the plan submitted by the Permittee to IDEM.

Reason not incorporated: 326 IAC 6-5 is not required because the source does not have units that emit fugitive particulate matter.

Condition: Compliance monitoring condition D.1.7 for particulate control at unit EP-01 has been replaced.

Reason not incorporated: 326 IAC 6-3-2 has been amended to include a provision for surface coating particulate under part (d) of the rule. This requirement is under Emission Limitations and Standards as condition D.1.5.

Condition: Section D.2 and condition D.2.1 regarding 326 IAC 6-3 applicability for unit EP-02 have been removed.

Reason not incorporated: Pursuant to 326 IAC 6-3-1(b)(9), this assembly area is exempt from rule 326 IAC 6-3 because it consumes less than six hundred twenty-five (625) pounds of rod or wire per day.

Enforcement Issue

At the time of this review, there were no enforcement actions pending.

Recommendation

The staff recommends to the Commissioner that the renewal operating permit 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 application for the purposes of this review was received on June 30, 2005.

Emissions Calculations

Appendix A, pages 1 through 4 of 4, of this document contain the calculations performed for the initial FESOP permit, with the exception of some formatting changes, and a change in the transfer efficiency at unit EP-01.

Unrestricted Potential Emissions

This table reflects the unrestricted potential emissions of the source, excluding the emission limits that were contained in the previous approvals.

Pollutant	Unrestricted Potential Emissions (ton/year)			
	EP-01	EP-02	*EP-07	Total
PM	65.07	0.0264	0.141	65.24
PM-10	65.07	0.0264	0.141	65.24
SO ₂	-	-	0.008	0.008
VOC	51.95	-	0.715	52.665
CO	-	-	1.079	1.079
NO _x	-	-	1.284	1.284
HAPs				
Ethyl Benzene	4.80	-	-	4.80
Manganese	-	0.0024	-	0.0024
Xylene	32.89	-	-	32.89

Note: The unrestricted potential emissions from the source have been updated for the purposes of this renewal operating permit. For more detailed information on the numbers included in the table above, please see Appendix A of this document. Because the unrestricted potential to emit of xylene, a single HAP, is over 10 tons per year, the source must take a federally enforceable limit to stay out of the Part 70 operating permit program.

* Powdercoat System EP-07 includes units EP-03 through EP-05 and does not exhaust externally.

Restricted (or Limited) Potential to Emit

The source has opted to remain a FESOP source. The table below summarizes the total restricted potential to emit, reflecting all limits, if applicable, of the emission units. Any control equipment continues to be enforceable only after issuance of this FESOP and only to the extent that the effect of the control equipment is made practically enforceable in the permit. The source was required to accept VOC limits for their spray coating operation under approval 043-17879-00053, issued March 14, 2004. As a result, the table below is based on that information (EP-01, VOC column) in addition to the values calculated in this FESOP renewal.

Process/facility	Restricted Potential to Emit (tons/year)						
	PM	PM-10	SO ₂	VOC	CO	NO _x	HAPs
Paint Booth (EP-01)	Less than 10.0	Less than 10.0	--	Less than 1.52	--	--	Less than 10 for a single HAP and 25 for total HAPs
Assembly Area Welding (EP-02)	0.0264	0.0264	--	--	--	--	Negligible
Powdercoat System (EP-03 through EP-07)	0.141	0.141	0.008	0.715	1.079	1.284	Negligible
Total PTE of the Entire Source	Less than 11.1	Less than 11.1	Less than 1.0	Less than 1.52	Less than 1.0	Less than 1.0	Less than 10 for a single HAP and 25 for total HAPs
Title V Major Source Thresholds	NA	100	100	100	100	100	10 for a single HAP and 25 for any combination of HAPs.

EP-01 is the only unit that has added on controls (for particulate overspray), therefore the restricted potential to emit of PM-10 from that unit is after controls.

County Attainment Status

The source is located in Floyd County.

Pollutant	Status
PM _{2.5}	Nonattainment
PM ₁₀	Attainment or Unclassifiable
SO ₂	Attainment
NO ₂	Attainment
1-hour Ozone	Attainment
8-hour Ozone	Nonattainment
CO	Attainment

Lead	Attainment
------	------------

- (a) U.S. EPA in Federal Register Notice 70 FR 943 dated January 5, 2005, has designated Floyd County as nonattainment for PM2.5. On March 7, 2005, the Indiana Attorney General's Office on behalf of IDEM filed a law suit with the Court of Appeals for the District of Columbia Circuit challenging U.S. EPA's designation of nonattainment areas without sufficient data. However, in order to ensure that sources are not potentially liable for violation of the Clean Air Act, the OAQ is following the U.S. EPA's guidance to regulate PM10 emissions as surrogate for PM2.5 emissions pursuant to the Nonattainment New Source Review requirements. See the State Rule Applicability - Entire Source section.
- (b) Volatile organic compounds (VOC) are precursors for the formation of ozone. Therefore, VOC emissions are considered when evaluating the rule applicability relating to the ozone standards. Floyd County was designated as attainment for ozone at the time F043-12372-00053 was issued on April 18, 2001. Floyd County has been redesignated as maintenance attainment for ozone since October 23, 2001.
- (c) Floyd County has been classified as attainment or unclassifiable 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.
- (d) Fugitive Emissions
Since this type of operation is not one of the 28 listed source categories under 326 IAC 2-2, the fugitive PM emissions are not counted toward determination of PSD applicability.

Federal Rule Applicability

- (a) There were no New Source Performance Standards (NSPS)(326 IAC 12 and 40 CFR Part 60) included in this operating permit renewal, for Paint Booth EP-01.
- (b) The surface coating operation performed at this source is for conveyors and conveyor components, and not metal furniture. Therefore, the New Source Performance Standards for Surface Coating of Metal Furniture (40 CFR Part 60.310 - 60.316, Subpart EE) are not included in this renewal operating permit.
- (c) The source applies coatings to conveyors and does not have any metal coil surface coating operations. Therefore, the New Source Performance Standards for Metal Coil Surface Coating (40 CFR Part 60.460 - 60.466, Subpart TT) are not included in this renewal operating permit.
- (d) This source has limited the HAP emissions from the entire source to less than the major source thresholds. As a result, the proposed National Emission Standards for Hazardous Air Pollutants (NESHAPs) for Miscellaneous Metal Parts and Products Surface Coating (40 CFR 63, Subpart Mmmm) are not included in this renewal operating permit.
- (e) This renewal does not involve a pollutant-specific emissions unit with the potential to emit after control in an amount equal to or greater than 100 tons per year. Therefore, the requirements of 40 CFR 64, Compliance Assurance Monitoring (CAM), are not included in this renewal operating permit.

State Rule Applicability - Entire Source

326 IAC 1-5-2 Emergency Reduction Plans

The unrestricted PM emissions from the source do not exceed 100 tons per year, therefore, 326 IAC 1-5-2 is not included in this renewal operating permit.

326 IAC 2-3 Emission Offset

Floyd County has been designated as nonattainment for PM2.5 in 70 FR 943 dated January 5, 2005. According to the April 5, 2005, EPA memo titled "Implementation of New Source Review Requirements in PM2.5 Nonattainment Areas" authored by Steve Page, Director of OAQPS, until EPA promulgates the PM2.5 major NSR regulations, states should assume that a major stationary source's PM10 emissions represent PM2.5 emissions. IDEM will use the PM10 nonattainment major NSR program as a surrogate to address the requirements of nonattainment major NSR for the PM2.5 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. W. M. Kelley Company would be a major source for HAPs emissions, but have taken a limit and opted into the FESOP program. Since they have an unrestricted potential to emit of PM10 below 100 tpy, and assuming that PM10 emissions represent

PM2.5 emissions, the requirements of 326 IAC 2-3 are not included in this renewal operating permit.

Additionally, Floyd County is also designated as nonattainment for ozone, however, the source is not subject to the requirements of 326 IAC 2-3 (Emission Offset) because its unrestricted potential to emit of VOC is less than one hundred (100) tons per year.

326 IAC 2-4.1-1 (New Toxics Source Control)

The requirements from 326 IAC 2-4.1-1 are not included in this renewal operating permit because this source was constructed prior to July 27, 1997, and is not a major source of HAPs.

326 IAC 2-6 Emission Reporting

This source is located in Floyd County and is not required to operate under a Part 70 operating permit. Therefore, reporting pursuant to 326 IAC 2-6 is not a requirement of this renewal operating permit.

326 IAC 2-8 (Overall Source Limit)

The purpose of this permit is to limit this source's potential to emit to less than major source levels for the purpose of Section 502(a) of the Clean Air Act.

(a) Pursuant to 326 IAC 2-8:

- (1) The potential to emit any regulated pollutant, except particulate matter (PM), from the entire source shall be limited to less than one-hundred (100) tons per twelve (12) consecutive month period. This limitation shall also make the requirements of 326 IAC 2-2 (PSD) not applicable;
- (2) The potential to emit any individual hazardous air pollutant (HAP) from the entire source shall be limited to less than ten (10) tons per twelve (12) consecutive month period; and
- (3) The potential to emit any combination of HAPs from the entire source shall be limited to less than twenty-five (25) tons per twelve (12) consecutive month period.

(b) This condition shall include all emission points at this source including those that are insignificant as defined in 326 IAC 2-7-1(21). The source shall be allowed to add insignificant activities not already listed in this permit, provided that the source's potential to emit does not exceed the above specified limits.

(c) Section D of the permit contains independently enforceable provisions to satisfy this requirement.

326 IAC 2-8-4 (FESOP)

The unrestricted potential to emit of HAPs from this source is greater than the Title V major source thresholds. Pursuant to 326 IAC 2-8-4 and F043-12372-00053, issued on April 18, 2001, the HAP usage for this source, including the coating and clean-up solvent usages, is limited to less than 10 tons/yr for a single HAP and less than 25 tons/yr for any combination of HAPs. Therefore, the requirements of 326 IAC 2-7 are not included in this renewal operating permit.

326 IAC 5-1 (Visible Opacity Limitations)

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 forty percent (40%) 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 has not added a facility 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, the requirements of 326 IAC 6-5 are not included in this renewal operating permit.

326 IAC 8-1-6 (New Facilities; General Reduction Requirements)

Although this facility was constructed after January 1, 1980, the requirements of 326 IAC 8-1-6 are not included in this renewal operating permit because rule 326 IAC 8-2-9 applies to paint booth EP-01.

326 IAC 8-7 (Specific VOC Reduction for Lake, Porter, Clark, and Floyd Counties)

The requirements from 326 IAC 8-7 are not included in this renewal operating permit. This coating facility belongs to the miscellaneous metal coating operations source category under 326 IAC 8-2 and is therefore exempted from 326 IAC 8-7, pursuant to 326 IAC 8-7-2(a)(3)(A).

326 IAC 10-1 (Nitrogen Oxides Control in Clark and Floyd Counties)

This source is located in Floyd County, but because it does not have the potential to emit greater than or equal to one hundred (100) tons per year or more of NO_x from all facilities at the source (no unit at the source emits NO_x emissions), the requirements of 326 IAC 10-1 do not apply.

Paint Booth EP-01

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

Pursuant to 326 IAC 6-3-2 (Particulate emission limitations, work practices, and control technologies), part (d), the particulate from the paint booth (EP-01) shall be controlled by a dry filter, waterwash, or an equivalent control device, and the Permittee shall operate the control device in accordance with manufacturer's specifications. Currently, EP-01 is controlled by paint arrestors which are considered as an equivalent control device.

To demonstrate compliance with 326 IAC 6-3-2(d), the paint arrestors for particulate control shall be in operation in accordance with manufacturer's specifications and control particulate from paint booth EP-01 at all times this unit is in operation.

Agreed Order 2001-10757-A

Pursuant to Agreed Order 2001-10757-A between W. M. Kelley Company and IDEM, Office of Enforcement, effective on October 30, 2003, the total spray coating usage at paint booth EP-01 shall be limited to less than 871 gallons per twelve (12) consecutive month period with compliance determined at the end of each month. Combined with the VOC content limit of 3.5 lbs/gal, this is equivalent to 1.52 tons/yr of VOC emissions.

Compliance with the VOC content and HAP usage limitations above 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.

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

Paint booth EP-01 is used to paint metal conveyors and the source operates under the Standard Industrial Classification Code major group #35. In addition, this paint booth was constructed after July 1, 1990 and has actual VOC emissions greater than 15 pounds per day. Therefore, paint booth EP-01 is subject to 326 IAC 8-2-9 and must comply with the following:

- (a) The VOC content of the coatings applied in the paint booth shall not exceed three and five tenths (3.5) pounds VOC per gallon of coating, excluding water, delivered to the applicators for application of extreme performance coatings.
- (b) Solvent sprayed from the application equipment during clean-up or color changes shall be directed into containers. Such containers shall be closed as soon as such solvent spraying is completed, and the waste solvent shall be disposed of in such a manner that evaporation is minimized.

Based on the MSDS submitted by the Permittee, the VOC content of the coating delivered to paint booth EP-01 demonstrates compliance with the requirements above.

Insignificant Activities

326 IAC 2-8 (Overall Source Limit)

The purpose of this permit is to limit this source's potential to emit to less than major source levels for the purpose of Section 502(a) of the Clean Air Act. The requirements of this condition, which are found in C.1 of the operating permit, include emission points at this source that are insignificant as defined in 326 IAC 2-7-1(21). The source shall be allowed to add insignificant activities not already listed in this permit, provided that the source's potential to emit does not exceed the specified limits of C.1.

As shown in the table, Restricted Potential to Emit, the potential to emit after controls of each process/facility is significantly lower than the Title V thresholds for each criteria pollutant. Therefore, the current insignificant activities, as included in this operating permit, would not likely cause these values to approach the threshold values.

Compliance Requirements

Permits issued under 326 IAC 2-8 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 2-8-4. 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 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:

The paint booth (EP-01) has applicable compliance monitoring conditions as specified below:

- (a) Daily inspections shall be performed to verify the placement, integrity and particle loading of the arrestors. To monitor the performance of the arrestors, weekly observations shall be made of the overspray from the spray paint booth stack while the booth is in operation.
- (b) Monthly inspections shall be performed of the coating emissions from the stack and the presence of overspray on the rooftops and the nearby ground. The Compliance Response Plan for this unit shall contain troubleshooting contingency and response steps for when a noticeable change in overspray emission, or evidence of overspray emission is observed.
- (c) Additional inspections and preventive measures shall be performed as prescribed in the Preventive Maintenance Plan.

These monitoring conditions are necessary because the arrestors must function properly to ensure compliance with 326 IAC 6-3.

Conclusion

The renewal operating permit shall be subject to the conditions of the attached proposed FESOP No. F043-21501-00053.

**Appendix A: Emissions Calculations
VOC and Particulate
From Surface Coating Operations**

**Company Name: W.M. Kelley
Address City IN Zip: 620 Durgee Road, New Albany, Indiana 47150
FESOP Renewal #: 043-21501-00053**

Unit EP-01

Material	Density (Lb/Gal)	Wgt. % Volatile (H2O & Organics)	Wgt % Water	Wgt % Organics	Volume % Water	Volume % Non-Volatiles (solids)	Maximum Material (gal/hr)	lbs VOC/gal of coating less water	lbs VOC/gal of coating	Potential VOC (lb/hr)	Potential VOC (lb/day)	Potential VOC (tons/yr)	Before Controls Particulate Potential (ton/yr)	lb VOC/gal solids	% Transfer Efficiency
Alvey Gray Air Dry Enamel (SP-11180)	8.43	41.31%	0.0%	41.3%	0.0%	0.00%	2.50	3.48	3.48	8.71	208.94	38.13	27.09	NA	50%
CM20 Rapid Dry Gloss Enamel	10.00	34.70%	0.0%	34.7%	0.0%	0.00%	2.50	3.47	3.47	8.68	208.20	38.00	35.75	NA	50%
Shopkote Primer	11.92	0.29%	0.0%	29.00%	0.0%	0.00%	2.50	3.457	3.457	8.64	207.41	37.85	65.07	NA	50%
Xylene for Thinning	7.227	0.00%	0.0%	100.0%	0.0%	0.00%	0.1591	7.23	7.23	1.15	27.60	5.04	N/A	N/A	N/A
Xylene for Cleaning	7.227	0.00%	0.0%	100.0%	0.0%	0.00%	0.2775	7.23	7.23	2.01	48.13	8.78	N/A	N/A	N/A

Unit EP-01 Worst Case Potential Emissions: 8.71 208.94 51.95 65.07

EP-01 Dry Filter Control Efficiency	After Controls Particulate Potential (ton/yr)
97.5%	1.63

METHODOLOGY:

The calculations above were performed for 12372 in 2001. The application for 17879 included Shopkote Primer which has been added to the table above.

Pounds of VOC per Gallon Coating less Water = (Density (lb/gal) * Weight % Organics) / (1-Volume % water)

Pounds of VOC per Gallon Coating = (Density (lb/gal) * Weight % Organics)

Potential VOC Pounds per Hour = Pounds of VOC per Gallon coating (lb/gal) *Max. Gal of Material (gal/hr)

Potential VOC Pounds per Day = Pounds of VOC per Gallon coating (lb/gal) *Max. Gal of Material (gal/hr) * (24 hr/day)

Potential VOC Tons per Year = Pounds of VOC per Gallon coating (lb/gal) * Max. Gal of Material (gal/hr) * (8760 hr/yr) * (1 ton/2000 lbs)

Particulate Potential Tons per Year = (gal/hr) * (lbs/gal) * (1- Weight % Volatiles) * (1-Transfer efficiency) *(8760 hrs/yr) *(1 ton/2000 lbs)

Pounds VOC per Gallon of Solids = (Density (lbs/gal) * Weight % organics) / (Volume % solids)

Worst Case Potential Emissions = Highest Coating Potential + Sum of all solvents (Xylene for thinning and cleaning) used

The transfer efficiency for air atomized spray (conventional) surface coating application is given as a range in AP-42, page 4.2.2.12-3. For the purposes of the calculations above, 50% is used as the transfer efficiency. Previous to this review, a 30% efficiency was used.

After control emission rate = before control emission rate * (1- control efficiency)

This surface coating booth does not have VOC controls, therefore 100% VOC is assumed emitted.

**Appendix A: Emission Calculations
HAP Emission Calculations**

**Company Name: W.M. Kelley
Address City IN Zip: 620 Durgess Road, New Albany, Indiana 47150
FESOP Renewal #: 043-21501-00053**

Unit EP-01

Material	Density (lb/gal)	Max. gal of material per hour (gal/hr)	Wgt % Xylene	Wgt % Ethyl Benzene	Xylene Emissions (ton/yr)	Ethyl Benzene (ton/yr)
Alvey Gray Air Dry Enamel	8.43	2.50	2.56%	0.00	2.36	0.00
CM20 Rapid Dry Gloss Enamel	10.00	2.50	15.30%	0.03	16.75	3.285
Shopkote Primer	11.92	2.50	14.52%	0.0368	18.95	4.80
Xylene for Thinning Paint	7.23	0.16	100.00%	na	5.07	na
Xylene for Cleanup	7.23	0.28	100.00%	na	8.87	na

EP-01 Worst Case Potential HAP Emissions:

32.89	4.80
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METHODOLOGY:

HAP emission rate (t/yr) = Density (lb/gal) * Max. Gal of Material (gal/hr) * Wgt % HAP * 8760 hrs/yr * 1 t/2000 lbs

Worse Case Potential Emissions = Highest Coating HAPs Potential + Sum of all solvents (Xylene for thinning and cleaning) used

**Appendix A: Emissions Calculations
Assembly Area Process Welding**

**Company Name: W.M. Kelley
Address City IN Zip: 620 Durgee Rd, New Albany, Indiana 47150
FESOP Renewal #: 043-21501-00053**

Unit EP-02

PROCESS WELDING	# of Stations	Max. electrode consumption per station (lbs/hr)	EMISSION FACTORS (lb pollutant/lb electrode)				EMISSIONS (lbs/hr)				HAPS (lbs/hr)
			PM = PM10	Mn	Ni	Cr	PM = PM10	Mn	Ni	Cr	
Metal Inert Gas (MIG)(carbon steel)	15.0000	0.3200	0.0055	0.0005			0.0264	0.0024	0.0000	0.0000	0.0024

EMISSION TOTALS

Potential Emissions lbs/hr:	0.0264	0.0024	0.0000	0.0000	0.0024
Potential Emissions lbs/day:	0.6336	0.0576	0.0000	0.0000	0.0576
Potential Emissions tons/year:	0.1156	0.0105	0.0000	0.0000	0.0105

METHODOLOGY

Welding emissions, lb/hr: (# of stations)(max. lbs of electrode used/hr/station)(emission factor, lb. pollutant/lb. of electrode used)

Emissions, lbs/day = emissions, lbs/hr x 24 hrs/day

Emissions, tons/yr = emissions, lb/hr x 8,760 hrs/year x 1 ton/2,000 lbs.

Welding and other flame cutting emission factors are from an internal training session document.

Refer to AP-42, Chapter 12.19 for additional emission factors for welding.

**Appendix A: Emissions Calculations
Criteria Pollutant Potential Emissions
Powdercoat System**

**Company Name: W.M. Kelley
Address City IN Zip: 620 Durdgee Road, New Albany, Indiana 47150
FESOP Renewal #: 043-21501-00053**

Process Name	Facility Unit ID	Density (lbs/gal)	Pollutant	Maximum Throughput	Units	Maximum Annual Hours of Operation	VOC %	Control Efficiency	Transfer Efficiency	Factor	Units	Uncontrolled Emissions (lbs/yr)	Uncontrolled Emissions (tons/yr)	Controlled Emissions (lbs/yr)	Controlled Emissions (tons/yr)
Phosphate Wash	EP-03	9.070	PM	3.00	gallons/hr	8760		n/a	0.900	n/a	n/a	85,809	0.043	85,809	0.043
Natural Gas Phosphate Wash	EP-03		PM	0.39	MMBtu/hr	8760		n/a		0.008	lb/MMBtu	25,965	0.013	25,965	0.013
			SO ₂	0.39	MMBtu/hr	8760		n/a		0.001	lb/MMBtu	2,050	0.001	2,050	0.001
			NO _x	0.39	MMBtu/hr	8760		n/a		0.100	lb/MMBtu	341,640	0.171	341,640	0.171
			CO	0.39	MMBtu/hr	8760		n/a		0.084	lb/MMBtu	286,978	0.143	286,978	0.143
			VOC	0.39	MMBtu/hr	8760		n/a		0.006	lb/MMBtu	20,498	0.010	20,498	0.010
Natural Gas Evaporator	EP-04		PM	0.40	MMBtu/hr	8760		n/a		0.008	lb/MMBtu	26,630	0.013	26,630	0.013
			SO ₂	0.40	MMBtu/hr	8760		n/a		0.001	lb/MMBtu	2,102	0.001	2,102	0.001
			NO _x	0.40	MMBtu/hr	8760		n/a		0.100	lb/MMBtu	350,400	0.175	350,400	0.175
			CO	0.40	MMBtu/hr	8760		n/a		0.084	lb/MMBtu	294,336	0.147	294,336	0.147
			VOC	0.40	MMBtu/hr	8760		n/a		0.006	lb/MMBtu	21,024	0.011	21,024	0.011
Powdercoat System (two guns)															
PPG Envirocron (hybrid)	EP-07	13.730	PM	145.61	lbs/hr	8760		1.000	0.000	n/a	n/a	n/a	n/a	0	0
		13.730	VOC	145.61	lbs/hr	8760	0.090%	0.000	0.000	n/a	n/a	1147,989	0.574	1147,989	0.574
PPG Environcron (Polyester)		12.570	PM	145.61	lbs/hr	8760		1.000	0.000	n/a	n/a	n/a	n/a	0.000	0.000
		12.570	VOC	145.61	lbs/hr	8760	0.010%	0.000	0.000			127,554	0.064	127,554	0.064
Sherwin Williams		13.940	PM	145.61	lbs/hr	8760		1.000	0.000	n/a	n/a	n/a	n/a	0.000	0.000
TCI 5000 (Generic Hybrid)	8.400	PM	145.61	lbs/hr	8760		0.000	0.000	n/a	n/a	n/a	n/a	0.000	0.000	
Natural Gas Catalytic Booster Oven	EP-05		PM	0.566	MMBtu/hr	8760		n/a		0.008	lb/MMBtu	37,709	0.019	37,709	0.019
			SO ₂	0.566	MMBtu/hr	8760		n/a		0.001	lb/MMBtu	2,977	0.001	2,977	0.001
			NO _x	0.566	MMBtu/hr	8760		n/a		0.100	lb/MMBtu	496,166	0.248	496,166	0.248
			CO	0.566	MMBtu/hr	8760		n/a		0.084	lb/MMBtu	416,780	0.208	416,780	0.208
			VOC	0.566	MMBtu/hr	8760		n/a		0.006	lb/MMBtu	29,770	0.015	29,770	0.015
Natural Gas Convection Oven	EP-06		PM	1.576	MMBtu/hr	8760		n/a		0.008	lb/MMBtu	104,908	0.052	104,908	0.052
			SO ₂	1.576	MMBtu/hr	8760		n/a		0.001	lb/MMBtu	8,282	0.004	8,282	0.004
			NO _x	1.576	MMBtu/hr	8760		n/a		0.100	lb/MMBtu	1380,370	0.690	1380,370	0.690
			CO	1.576	MMBtu/hr	8760		n/a		0.084	lb/MMBtu	1159,511	0.580	1159,511	0.580
			VOC	1.576	MMBtu/hr	8760		n/a		0.006	lb/MMBtu	82,822	0.041	82,822	0.041
Potential Emission Totals													PM	0.141	
													SO ₂	0.008	
													NO _x	1.284	
													CO	1.079	
													VOC	0.715	

Methodology:

Since EP-07 is enclosed by design and does not emit particulate, "uncontrolled emissions" do not exist at this unit. In this case, the controlled particulate emissions are also considered as unrestricted emissions. The control efficiency for this unit is also by design, and is therefore 100%.

Uncontrolled Emissions (lbs/yr) = Maximum Throughput (MMBtu/hr) * Maximum Annual Hours of Operation (hrs) * Factor (lb/MMBtu)

Uncontrolled Emissions (tons/yr) = Maximum Throughput (MMBtu/hr) * Maximum Annual Hours of Operation (hrs) * Factor (lb/MMBtu) / 2000

Controlled Emissions (tons/yr) = Uncontrolled Emissions (tons/yr) * Control Efficiency / 2000

EP-03 - Phosphoric Acid is 3.6% of the Fremont 608 cleaner. It is assumed that the remaining 96.4% is water. The Fremont 608 Cleaner has a dilution rate of 1:100.