INDIANA DEPARTMENT OF ENVIRONMENTAL MANAGEMENT
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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: September 22, 2005

RE: Cole Harwood, Inc. / 017-21584-00028

FROM: Paul Dubenetzky
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 13-17-3-4 and 326 IAC 2, this approval is effective immediately, unless a petition for stay of effectiveness is filed and granted, and may be revoked or modified in accordance with the provisions of IC 13-15-7-1.

If you wish to challenge this decision, IC 4-21.5-3-7 and IC 13-15-7-3 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 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-MOD.dot 1/10/05

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Mr. John Land
Cole Hardwood, Inc.
P.O. Box 568
Logansport, Indiana 46947

September 22, 2005

Re: 017-21584-00028
Minor Source Modification to:
Part 70 permit No.: T017-7522-00028

Dear Mr. Land:

Cole Hardwood, Inc. was issued Part 70 Operating Permit T017-7522-00028 on December 1, 2000 for the operation of a rough sawing of green and kiln dried lumber plant. An application was received on July 22, 2005 requesting to install an additional woodworking machining line to their existing plant. Pursuant to 326 IAC 2-7-10.5 the following emission units are approved for installation at the source:

(a) One (1) woodworking machining line, identified as EU02-4, with a maximum input capacity of 4,000 board feet (16,800 pounds) per hour, having a baghouse for control, exhausting at one stack, identified as IDI03.

The following construction conditions are applicable to the proposed project:

General Construction Conditions

1. The data and information supplied with the application shall be considered part of this source modification approval. Prior to any proposed change in construction which may affect the potential to emit (PTE) of the proposed project, the change must be approved by the Office of Air Quality (OAQ).

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

3. Effective Date of the Permit
Pursuant to IC 13-15-5-3, this approval becomes effective upon its issuance.

4. Pursuant to 326 IAC 2-1.1-9 and 326 IAC 2-7-10.5(i), the Commissioner may revoke this approval if construction is not commenced within eighteen (18) months after receipt of this approval or if construction is suspended for a continuous period of one (1) year or more.

5. All requirements and conditions of this construction approval shall remain in effect unless modified in a manner consistent with procedures established pursuant to 326 IAC 2.

The source may begin modification when the minor source modification has been issued. Operating conditions shall be incorporated into the Part 70 operating permit as a minor permit modification in accordance with 326 IAC 2-7-10.5(l)(2) and 326 IAC 2-7-12.

This decision is subject to the Indiana Administrative Orders and Procedures Act - IC 4-21.5-3-5. If you have any questions on this matter, please contact Alic Bent at (973) 575-2555, ext. 3206 or dial (800) 451-6027, and ask for extension 3-6878.

Sincerely,

Original signed by
Nisha Sizemore, Section Chief
Permits Branch
Office of Air Quality

Attachments

AB/EVP
cc: File - Cass County
Air Compliance Section Inspector – Dave Rice
Compliance Data Section
Administrative and Development
Technical Support and Modeling - Michele Boner

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PART 70 OPERATING PERMIT
OFFICE OF AIR QUALITY

Cole Hardwood, Inc.
1611 W. Market St.
Logansport, IN 46947

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

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

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

Operation Permit No.: T017-7522-00028	
Issued by: Janet G. McCabe, Assistant Commissioner Office of Air Management	Issuance Date: December 1, 2000 Expiration Date: December 1, 2005

First Minor Source Modification No.:017-21584-00028	Pages Affected: 3, 6, 25, 30 to 33
Issued by: Original signed by Nisha Sizemore, Section Chief Permits Branch Office of Air Quality	Issuance Date: September 22, 2005

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

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

Compliance Monitoring Requirements [326 IAC 2-7-5(1)] [326 IAC 2-7-6(1)]
C.11 Compliance Monitoring [326 IAC 2-7-5(3)] [326 IAC 2-7-6(1)]
C.12 Monitoring Methods [326 IAC 3]
C.13 Pressure Gauge and Other Instrument Specifications

Corrective Actions and Response Steps [326 IAC 2-7-5] [326 IAC 2-7-6]
C.14 Emergency Reduction Plans [326 IAC 1-5-2] [326 IAC 1-5-3]
C.15 Risk Management Plan [326 IAC 2-7-5(12)] [40 CFR 68.215]
C.16 Compliance Monitoring Plan - Failure to Take Response Steps [326 IAC 2-7-5]
C.17 Actions Related to Noncompliance Demonstrated by a Stack Test [326 IAC 2-7-5]

Record Keeping and Reporting Requirements [326 IAC 2-7-5(3)] [326 IAC 2-7-19]
C.18 Emission Statement [326 IAC 2-7-5(3)(C)(iii)] [326 IAC 2-7-5(7)] [326 IAC 2-7-19(c)]
C.19 General Record Keeping Requirements [326 IAC 2-7-5(3)]
C.20 General Reporting Requirements [326 IAC 2-7-5(3)(C)]

Stratospheric Ozone Protection
C.21 Compliance with 40 CFR 82 and 326 IAC 22-1

D.1 FACILITY OPERATION CONDITIONS - Boilers

Emission Limitations and Standards [326 IAC 2-7-5(1)]
D.1.1 Particulate Matter (PM) [326 IAC 6-2-4]

Compliance Determination Requirements
D.1.2 Testing Requirements [326 IAC 2-7-6(1),(6)][326 IAC 2-1.1-11]
D.1.3 Particulate Matter (PM)

Compliance Monitoring Requirements [326 IAC 2-7-6(1)] [326 IAC 2-7-5(1)]
D.1.4 Visible Emissions Notations
D.1.5 Multi-cyclone inspections
D.1.6 Multi-cyclone Failure

Record Keeping and Reporting Requirements [326 IAC 2-7-5(3)] [326 IAC 2-7-19]
D.1.7 New Source Performance Standard (NSPS) [40CFR Part 60.40c, 40CFR Part 60.48c(g) and 326 IAC 12 and 326 IAC 2-7-5(3)(B)]

D.2 FACILITY OPERATION CONDITIONS - Woodworking Machining Lines 30

Emission Limitations and Standards [326 IAC 2-7-5(1)]
D.2.1 Particulate [326 IAC 6-3-2]
D.2.2 Preventive Maintenance Plan [326 IAC 2-7-5(13)]

Compliance Determination Requirements
D.2.3 Testing Requirements [326 IAC 2-7-6(1),(6)][326 IAC 2-1.1-11]
D.2.4 Particulate Control

(i) One (1) woodworking machining line, identified as EU02-4, with a maximum input capacity of 4,000 board feet (16,800 pounds) per hour, having a baghouse for control, exhausting at one stack, identified as IDI03.

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

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

(a) Grinding and machining operations controlled with fabric filters, scrubbers, mist collectors, wet collectors and electrostatic precipitators with a design grain loading of less than or equal to 0.03 grains per actual cubic foot and a gas flow rate less than or equal to 4000 actual cubic feet per minute, including the following: deburring; buffing; polishing; abrasive blasting; pneumatic conveying; and woodworking operations. (326 IAC 6-3-2(c))

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

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

(a) It is a major source, as defined in 326 IAC 2-7-1(22);

(b) It is a source in a source category designated by the United States Environmental Protection Agency (U.S. EPA) under 40 CFR 70.3 (Part 70 - Applicability).

C.17 Actions Related to Noncompliance Demonstrated by a Stack Test [326 IAC 2-7-5] [326 IAC 2-7-6]

(a) When the results of a stack test performed in conformance with Section C - Performance Testing, of this permit exceed the level specified in any condition of this permit, the Permittee shall take appropriate corrective actions. The Permittee shall submit a description of these corrective 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 corrective 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 documents submitted pursuant to this condition do not require the certification by the "responsible official" as defined by 326 IAC 2-7-1(34).

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

C.18 Emission Statement [326 IAC 2-7-5(3)(C)(iii)] [326 IAC 2-7-5(7)] [326 IAC 2-7-19(c)] [326 IAC 2-6]

(a) In accordance with the compliance schedule specified in 326 IAC 2-6-3(b)(1), starting in 2007 and every three (3) years thereafter, the Permittee shall submit by July 1 an emission statement covering the previous calendar year. The emission statement shall contain, at a minimum, the information specified in 326 IAC 2-6-4(c) and shall meet the following requirements:

(1) Indicate estimated actual emissions of all pollutants listed in 326 IAC 2-6-4(a);

(2) Indicate estimated actual emissions of regulated pollutants as defined by 326 IAC 2-7-1 (32) ("Regulated pollutant, which is used only for purposes of Section 19 of this rule") from the source, for purpose of fee assessment.

The statement must be submitted to:

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

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

(b) The emission statement required by this permit shall be considered timely if the date postmarked on the envelope or certified mail receipt, or affixed by the shipper on the private shipping receipt, is on or before the date it is due. If the document is submitted by any other means, it shall be considered timely if received by IDEM, OAQ on or before the date it is due.

SECTION D.2 FACILITY OPERATION CONDITIONS

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

One (1) woodworking machining line - consisting of an I.D.I. rip saw, a planer and a sander - identified as EU02-1, with a maximum input capacity of 4,000 board feet (16,800 pounds) per hour, material machined is wood, having a baghouse for control, exhausting at one stack, identified as DC1.

One (1) woodworking machining line - consisting of a rip saw - identified as EU02-2, with a maximum input capacity of 16,000 board feet (92,800 pounds) per hour, material machined is wood, having a baghouse for control, exhausting at one stack, identified as DC2.

One (1) woodworking machining line, identified as EU02-4, with a maximum input capacity of 4,000 board feet (16,800 pounds) per hour, having a baghouse for control, exhausting at one stack, identified as IDI03.

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

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

D.2.1 Particulate [326 IAC 6-3-2]

(a) Pursuant to 326 IAC 6-3-2 (Particulate Emission Limitations for Manufacturing Processes), the allowable particulate emission rate from the woodworking machining line, identified as EU02-1, shall not exceed 17.1 pounds per hour when operating at a process weight rate of 8.4 tons per hour.

The pounds per hour limitation was calculated with the following equation:

Interpolation of the data for the process weight rate up to 60,000 pounds per hour shall be accomplished by use of the equation:

$E = 4.10\ P^{0.67}$ where E = rate of emission in pounds per hour; and
P = process weight rate in tons per hour

(b) Pursuant to 326 IAC 6-3-2 (Particulate Emission Limitations for Manufacturing Processes), the allowable particulate emission rate from the woodworking machining line, identified as EU02-2, shall not exceed 43.9 pounds per hour when operating at a process weight rate of 46.4 tons per hour.

The pounds per hour limitation was calculated with the following equation:

Interpolation and extrapolation of the data for the process weight rate in excess of 60,000 pounds per hour shall be accomplished by use of the equation:

$E = 55.0\ P^{0.11} - 40$ where E = rate of emission in pounds per hour; and
P = process weight rate in tons per hour

(c) Pursuant to 326 IAC 6-3-2 (Particulate Emission Limitations for Manufacturing Processes), the allowable particulate emission rate from the woodworking machining line, identified as EU02-4, shall not exceed 17.1 pounds per hour when operating at a process weight rate of 8.4 tons per hour.

The pounds per hour limitation was calculated with the following equation:

Interpolation of the data for the process weight rate up to 60,000 pounds per hour shall be accomplished by use of the equation:

$E = 4.10\ P^{0.67}$ where E = rate of emission in pounds per hour; and
P = process weight rate in tons per hour

D.2.2 Preventive Maintenance Plan [326 IAC 2-7-5(13)]

A Preventive Maintenance Plan, in accordance with Section B - Preventive Maintenance Plan, of this permit, is required for these facilities and their control devices.

Compliance Determination Requirements

D.2.3 Testing Requirements [326 IAC 2-7-6(1),(6)][326 IAC 2-1.1-11]

The Permittee is not required to test this facility by this permit. However, IDEM may require compliance testing when necessary to determine if the facility is in compliance. If testing is required by IDEM, compliance with the PM limit specified in Condition D1.1 shall be determined by a performance test conducted in accordance with Section C - Performance Testing.

D.2.4 Particulate Control

The baghouses for particulate control shall be in operation and control emissions at all times when the respective woodworking machining lines, identified as EU02-1, EU02-2 and EU02-4, are in operation.

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

D.2.5 Visible Emissions Notations

(a) Daily visible emission notations of the woodworking machining lines, identified as EU02-1, EU02-2 and EU02-4, stack exhaust shall be performed during normal daylight operations when exhausting to the atmosphere. A trained employee shall record whether emissions are normal or abnormal.

(b) For processes operated continuously, "normal" means those conditions prevailing, or expected to prevail, eighty percent (80%) of the time the process is in operation, not counting startup or shut down time.

(c) In the case of batch or discontinuous operations, readings shall be taken during that part of the operation that would normally be expected to cause the greatest emissions.

(d) A trained employee is an employee who has worked at the plant at least one (1) month and has been trained in the appearance and characteristics of normal visible emissions for that specific process.

(e) The Compliance Response Plan for this unit shall contain troubleshooting contingency and response steps for when an abnormal emission is observed. Failure to take response steps in accordance with Section C - Compliance Response Plan - Preparation, Implementation, Records, and Reports, shall be considered a deviation from this permit.

D.2.6 Parametric Monitoring

The Permittee shall record the total static pressure drop across the baghouse used in conjunction with the woodworking process, at least once weekly when the woodworking process is in operation when venting to the atmosphere. When for any one reading, the pressure drop across the baghouse is outside the normal range of 1.0 and 3.0 inches of water or a range established during the latest stack test, the Permittee shall take reasonable response steps in accordance with Section C - Compliance Response Plan - Preparation, Implementation, Records, and Reports. A pressure reading that is outside the above mentioned range is not a deviation from this permit. Failure to take response steps in accordance with Section C - Compliance Response Plan - Preparation, Implementation, Records, and Reports, shall be considered a deviation from this permit.

The instrument used for determining the pressure shall comply with Section C - Pressure Gauge and Other Instrument Specifications, of this permit, shall be subject to approval by IDEM, OAQ, and shall be calibrated at least once every six (6) months.

D.2.7 Broken or Failed Bag Detection

In the event that bag failure has been observed:

(a) For multi-compartment units, the affected compartments will be shut down immediately until the failed units have been repaired or replaced. Within eight (8) business hours of the determination of failure, response steps according to the timetable described in the Compliance Response Plan shall be initiated. For any failure with corresponding response steps and timetable not described in the Compliance Response Plan, response steps shall be devised within eight (8) business hours of discovery of the failure and shall include a timetable for completion. Failure to take response steps in accordance with Section C - Compliance Response Plan - Preparation, Implementation, Records, and Reports, shall be considered a deviation from this permit. If operations continue after bag failure is observed and it will be 10 days or more after the failure is observed before the failed units will be repaired or replaced, the Permittee shall promptly notify the IDEM, OAQ of the expected date the failed units will be repaired or replaced. The notification shall also include the status of the applicable compliance monitoring parameters with respect to normal, and the results of any response actions taken up to the time of notification.

(b) For single compartment baghouses, if failure is indicated by a significant drop in the baghouse's pressure readings with abnormal visible emissions or the failure is indicated by an opacity violation, or if bag failure is determined by other means, such as gas temperatures, flow rates, air infiltration, leaks, dust traces or triboflows, then failed units and the associated process will be shut down immediately until the failed units have been repaired or replaced. Operations may continue only if the event qualifies as an emergency and the Permittee satisfies the requirements of the emergency provisions of this permit (Section B - Emergency Provisions).

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

D.2.8 Record Keeping Requirements

(a) To document compliance with Condition D.2.5, the Permittee shall maintain records of daily visible emission notations of the woodworking machining lines' stack exhaust.

(b) To document compliance with Condition D.2.6, the Permittee shall maintain the following:

(1) Weekly records of the total static pressure drop during normal operation when venting to the atmosphere.

(2) Documentation of the dates vents are redirected.

(c) To document compliance with Condition D.2.2, the Permittee shall maintain of records of any additional inspections prescribed by the Preventive Maintenance Plan.

(d) All records shall be maintained in accordance with Section C - General Record Keeping Requirements, of this permit.

Indiana Department of Environmental Management
Office of Air Quality

Technical Support Document (TSD) for a Minor Source Modification and Minor Permit Modification to a Part 70 Operating Permit

Source Background and Description

Source Name:	**Cole Hardwood, Inc.**
Source Location:	**1611 West Market Street, Logansport, IN 46947**
County:	**Cass**
SIC Code:	**5030 and 2430**
Operation Permit No.:	**T017-7522-00028**
Operation Permit Issuance Date:	**December 1, 2000**
Minor Source Modification No.:	**017-21584-00028**
Minor Permit Modification No.:	**017-21645-00028**
Permit Reviewer:	**Alic Bent/EVP**

The Office of Air Quality (OAQ) has reviewed a modification application from Cole Hardwood, Inc. relating to the construction and operation of the following emission unit and pollution control device:

(a) One (1) woodworking machining line, identified as EU02-4, with a maximum input capacity of 4,000 board feet (16,800 pounds) per hour, having a baghouse for control, exhausting at one stack, identified as IDI03.

Existing Approvals

The source was issued a Part 70 Operating Permit T017-7522-00028 on December 1, 2000. There have been no approvals since then.

Enforcement Issue

There are no enforcement actions pending.

Recommendation

The staff recommends to the Commissioner that the Minor Source Modification and Minor Permit Modification 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 July 22, 2005.

Emission Calculations

See Appendix A: page 1 of 1 of this document for detailed emissions calculations.

Potential To Emit Before Controls (Modification)

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

Pollutant	Potential To Emit (tons/year)
PM	221.92
PM-10	221.92
SO_2	--
VOC	--
CO	--
NO_x	--

Justification for Modification

The Title V permit is being modified through a Minor Source Modification. This modification is being performed pursuant to 326 IAC 2-7-10.5(d)(8) because it is a modification that has a potential to emit greater than the thresholds under subdivision (3) that adds an emissions unit of the same type that are already permitted and that will comply with the same applicable requirements and permit terms and conditions as the existing emission units, and the potential to emit is less than the thresholds in 326 IAC 2-2. The Minor Source Modification will be incorporated into the permit through a Minor Permit Modification because the modification does not involve significant changes to existing permit conditions.

County Attainment Status

The source is located in Cass County.

Pollutant	Status
PM2.5	Attainment
PM-10	Attainment
SO_2	Attainment
NO_2	Attainment
1-hour Ozone	Attainment
8-hour Ozone	Attainment
CO	Attainment
Lead	Attainment

(a) Volatile organic compounds (VOC) and Nitrogen Oxides (NOx) are regulated under the Clean Air Act (CAA) for the purposes of attaining and maintaining the National Ambient Air Quality Standards (NAAQS) for ozone. Therefore, VOC emissions and NOx are considered when evaluating the rule applicability relating to ozone. Cass County has been designated as attainment or unclassifiable for ozone. Therefore, VOC emissions and NOx were reviewed pursuant to the requirements for Prevention of Significant Deterioration (PSD), 326 IAC 2-2.

(b) Cass County has been classified as unclassifiable or attainment for PM2.5. U.S. EPA has not yet established the requirements for Prevention of Significant Deterioration (PSD), 326 IAC 2-2 for PM 2.5 emissions. Therefore, until the U.S.EPA adopts specific provisions for PSD review for PM2.5 emissions, it has directed states to regulate PM10 emissions as surrogate for PM2.5 emissions.

(c) Cass County has been classified as attainment or unclassifiable in Indiana for all other pollutants. Therefore, these emissions were reviewed pursuant to the requirements for Prevention of Significant Deterioration (PSD), 326 IAC 2-2.

Source Status

Existing Source PSD Definition (emissions after controls, based upon 8760 hours of operation per year at rated capacity and/or as otherwise limited):

Pollutant	Emissions (tons/year)
PM	Less than 100
PM-10	Less than 100
SO_2	Less than 100
VOC	Less than 100
CO	Greater than 100, less than 250
NOx	Less than 100

(a) This existing source is not a major stationary source because no attainment regulated pollutant is emitted at a rate of 250 tons per year or more, and it is not one of the 28 listed source categories.

(b) These emissions are based upon the Technical Support Document for the Part 70 Permit No.: 017-7522-00028.

Potential to Emit After Controls for the Modification

The table below summarizes the total potential to emit, reflecting all limits, of the significant emission units for the modification.

	Potential to Emit (tons/year)						
Process/facility	PM	PM-10	SO_2	VOC	CO	NO_X	HAPs
Woodworking Machining Line (EU02-4)	4.44	4.44	--	--	--	--	--
Total for this modification	4.44	4.44	--	--	--	--	--
PSD Significance Level	250	250	250	250	250	250	--

Federal Rule Applicability

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

(b) There are no National Emission Standards for Hazardous Air Pollutants (NESHAP), 326 IAC 20, (40 CFR Part 63) incorporated into this permit.

State Rule Applicability - Entire Source

326 IAC 2-2 (Prevention of Significant Deterioration)

This modification to an existing minor stationary source, which is not one of the 28 listed source categories, is not major because the modification does not have the potential to emit of 250 tons per year or more of any criteria pollutant. The source will still be a minor source after this modification. Therefore, the requirements of 326 IAC 2-2 (PSD) do not apply.

326 IAC 2-6 (Emission Reporting)

Since this source is required to have an operating permit under 326 IAC 2-7, Part 70 Permit Program, this source is subject to 326 IAC 2-6 (Emission Reporting). In accordance with the compliance schedule in 326 IAC 2-6-3, an emission statement must be submitted triennially by July 1 beginning in 2007 and every 3 years after. The emission statement shall contain, at a minimum, the information specified in 326 IAC 2-6-4.

326 IAC 5-1 (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.

State Rule Applicability - Individual Facilities

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

The particulate from the woodworking machine line identified as EU02-4, shall be limited by the following:

Interpolation of the data for the process weight rate up to sixty thousand (60,000) pounds per hour shall be accomplished by use of the equation:

$E = 4.10\ P^{0.67}$ where E = rate of emission in pounds per hour and
P = process weight rate in tons per hour

$E = 4.10\ (8.4)^{0.67}$
$= 17.1$ pounds per hour

The baghouse shall be in operation at all times the woodworking machine line identified as EU02-4 is in operation, in order to comply with this limit.

Compliance Requirements

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

Compliance Determination Requirements in Section D of the permit are those conditions that are found more or less directly within state and federal rules and the violation of which serves as grounds for enforcement action. If these conditions are not sufficient to demonstrate continuous compliance, they will be supplemented with Compliance Monitoring Requirements, also 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 modification are as follows:

1. The woodworking machine line identified as EU02-4 has applicable compliance monitoring conditions as specified below:

    (a) Daily visible emission notations of the woodworking machine line identified as EU02-4 stack exhaust shall be performed during normal daylight operations when exhausting to the atmosphere. A trained employee shall record whether emissions are normal or abnormal.

    (b) For processes operated continuously, "normal" means those conditions prevailing, or expected to prevail, eighty percent (80%) of the time the process is in operation, not counting startup or shut down time.

    (c) In the case of batch or discontinuous operations, readings shall be taken during that part of the operation that would normally be expected to cause the greatest emissions.

    (d) A trained employee is an employee who has worked at the plant at least one (1) month and has been trained in the appearance and characteristics of normal visible emissions for that specific process.

    (e) The Compliance Response Plan for this unit shall contain troubleshooting contingency and response steps for when an abnormal emission is observed. Failure to take response steps in accordance with Section C - Compliance Response Plan - Preparation, Implementation, Records, and Reports, shall be considered a deviation from this permit.

(f) The Permittee shall record the total static pressure drop across the baghouse used in conjunction with the woodworking machine line identified as EU02-4, at least once weekly when the woodworking process is in operation when venting to the atmosphere. When for any one reading, the pressure drop across the baghouse is outside the normal range of 1.0 and 3.0 inches of water or a range established during the latest stack test, the Permittee shall take reasonable response steps in accordance with Section C- Compliance Response Plan - Preparation, Implementation, Records, and Reports. A pressure reading that is outside the above mentioned range is not a deviation from this permit. Failure to take response steps in accordance with Section C - Compliance Response Plan - Preparation, Implementation, Records, and Reports, shall be considered a deviation from this permit.

The instrument used for determining the pressure shall comply with Section C - Pressure Gauge and Other Instrument Specifications, of this permit, shall be subject to approval by IDEM, OAQ and shall be calibrated at least once every six (6) months.

(g) In the event that bag failure has been observed.

(i) For multi-compartment units, the affected compartments will be shut down immediately until the failed units have been repaired or replaced. Within eight (8) business hours of the determination of failure, response steps according to the timetable described in the Compliance Response Plan shall be initiated. For any failure with corresponding response steps and timetable not described in the Compliance Response Plan, response steps shall be devised within eight (8) business hours of discovery of the failure and shall include a timetable for completion. Failure to take response steps in accordance with Section C - Compliance Response Plan - Preparation, Implementation, Records, and Reports, shall be considered a deviation from this permit. If operations continue after bag failure is observed and it will be 10 days or more after the failure is observed before the failed units will be repaired or replaced, the Permittee shall promptly notify the IDEM, OAQ of the expected date the failed units will be repaired or replaced. The notification shall also include the status of the applicable compliance monitoring parameters with respect to normal, and the results of any response actions taken up to the time of notification.

(ii) For single compartment baghouses, if failure is indicated by a significant drop in the baghouse's pressure readings with abnormal visible emissions or the failure is indicated by an opacity violation, or if bag failure is determined by other means, such as gas temperatures, flow rates, air infiltration, leaks, dust traces or triboflows, then failed units and the associated process will be shut down immediately until the failed units have been repaired or replaced. Operations may continue only if the event qualifies as an emergency and the Permittee satisfies the requirements of the emergency provisions of this permit (Section B - Emergency Provisions).

These monitoring conditions are necessary because the control equipment for the woodworking machine line identified as EU02-4 must operate properly to ensure compliance with 326 IAC 6-3-2 (Particulate Emission Limitations for Manufacturing Processes) and 326 IAC 2-7 (Part 70).

Changes Proposed

(a) The changes listed below have been made to the Part 70 Operating Permit T017-7522-00028 to incorporate the new woodworking machining line identified as EU02-4. Language that has been deleted has been shown with a line through it and language that has been added is shown in bold.

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

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

(i) One (1) woodworking machining line, identified as EU02-4, with a maximum input capacity of 4,000 board feet (16,800 pounds) per hour, having a baghouse for control, exhausting at one stack, identified as IDI03.

SECTION D.2 FACILITY OPERATION CONDITIONS

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

One (1) woodworking machining line - consisting of an I.D.I. rip saw, a planer and a sander - identified as EU02-1, with a maximum input capacity of 4,000 board feet (16,800 pounds) per hour, material machined is wood, having a baghouse for control, exhausting at one stack, identified as DC1.

One (1) woodworking machining line - consisting of a rip saw - identified as EU02-2, with a maximum input capacity of 16,000 board feet (92,800 pounds) per hour, material machined is wood, having a baghouse for control, exhausting at one stack, identified as DC2.

One (1) woodworking machining line, identified as EU02-4, with a maximum input capacity of 4,000 board feet (16,800 pounds) per hour, having a baghouse for control, exhausting at one stack, identified as IDI03.

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

D.2.1 Particulate ~~Matter (PM)~~ [326 IAC 6-3**-2**]

(a) Pursuant to 326 IAC 6-3**-2** (~~Process Operations~~ **Particulate Emission Limitations for Manufacturing Processes**), **the allowable particulate emission rate** ~~the PM emissions~~ from the woodworking machining line, identified as EU02-1, shall not exceed 17.~~2~~**1** pounds per hour when operating at a process weight rate of 8.4 tons per hour.

The pounds per hour limitation was calculated with the following equation:

Interpolation ~~and extrapolation~~ of the data for the process weight rate up to 60,000 pounds per hour shall be accomplished by use of the equation:

$E = 4.10\ P^{0.67}$ where E = rate of emission in pounds per hour; and
P = process weight rate in tons per hour

(b) Pursuant to 326 IAC 6-3**-2** (~~Process Operations~~ **Particulate Emission Limitations for Manufacturing Processes**), **the allowable particulate emission rate** ~~PM emissions~~ from the woodworking machining line, identified as EU02-2, shall not exceed 43.9 pounds per hour when operating at a process weight rate of 46.4 tons per hour.

The pounds per hour limitation was calculated with the following equation:

Interpolation and extrapolation of the data for the process weight rate in excess of 60,000 pounds per hour shall be accomplished by use of the equation:

$E = 55.0\ P^{0.11} - 40$ where E = rate of emission in pounds per hour; and
P = process weight rate in tons per hour

(c) Pursuant to 326 IAC 6-3-2 (Particulate Emission Limitations for Manufacturing Processes), the allowable particulate emission rate from the woodworking machining line, identified as EU02-4, shall not exceed 17.1 pounds per hour when operating at a process weight rate of 8.4 tons per hour.

The pounds per hour limitation was calculated with the following equation:

Interpolation of the data for the process weight rate up to 60,000 pounds per hour shall be accomplished by use of the equation:

$\mathbf{E = 4.10\ P^{0.67}}$ **where E = rate of emission in pounds per hour; and**
P = process weight rate in tons per hour

D.2.4 Particulate ~~Matter (PM)~~ **Control**

The baghouses for ~~PM~~ **particulate** control shall be in operation **and control emissions** at all times when the respective woodworking machining lines, identified as EU02-1**,** ~~and~~ EU02-2 **and EU02-4**, are in operation.

D.2.5 Visible Emissions Notations

(a) Daily visible emission notations of the woodworking machining lines, identified as EU02-1**,** ~~and~~ EU02-2 **and EU02-4**, stack exhaust shall be performed during normal daylight operations when exhausting to the atmosphere. A trained employee shall record whether emissions are normal or abnormal.

(b) For processes operated continuously, "normal" means those conditions prevailing, or expected to prevail, eighty percent (80%) of the time the process is in operation, not counting startup or shut down time.

(c) In the case of batch or discontinuous operations, readings shall be taken during that part of the operation that would normally be expected to cause the greatest emissions.

(d) A trained employee is an employee who has worked at the plant at least one (1) month and has been trained in the appearance and characteristics of normal visible emissions for that specific process.

(e) The Compliance Response Plan for this unit shall contain troubleshooting contingency and response steps for when an abnormal emission is observed. **Failure to take response steps in accordance with Section C - Compliance Response Plan - Preparation, Implementation, Records, and Reports, shall be considered a deviation from this permit.**

D.2.6 Parametric Monitoring

The Permittee shall record the total static pressure drop across each baghouse used in conjunction with the woodworking processes, at least once weekly when the woodworking processes are in operation when venting to the atmosphere. ~~Unless operated under conditions for which the Compliance Response Plan specifies otherwise, the pressure drop across the baghouse shall be maintained within the range of 1 and 3 inches of water or a range established during the latest stack test. The Compliance Response Plan for this unit shall contain troubleshooting contingency and response steps for when the pressure reading is outside of the above mentioned range for any one reading.~~ **When for any one reading, the pressure drop across the baghouse is outside the normal range of 1.0 and 3.0 inches of water or a range established during the latest stack test, the Permittee shall take reasonable response steps in accordance with Section C- Compliance Response Plan - Preparation, Implementation, Records, and Reports. A pressure reading that is outside the above mentioned range is not a deviation from this permit. Failure to take response steps in accordance with Section C - Compliance Response Plan - Preparation, Implementation, Records, and Reports, shall be considered a deviation from this permit.**

The instrument used for determining the pressure shall comply with Section C - Pressure Gauge **and Other Instrument** Specifications, of this permit, shall be subject to approval by IDEM, OA**Q**~~M~~, and shall be calibrated at least once every six (6) months.

D.2.7 Broken or Failed Bag Detection

In the event that bag failure has been observed:

(a) ~~The affected compartments will be shut down immediately until the failed units have been repaired or replaced. Within eight (8) hours of the determination of failure, response steps according to the timetable described in the Compliance Response Plan shall be initiated. For any failure with corresponding response steps and timetable not described in the Compliance Response Plan, response steps shall be devised within eight (8) hours of discovery of the failure and shall include a timetable for completion. Operations may continue only if the event qualifies as an emergency and the Permittee satisfies the requirements of the emergency provisions of this permit (Section B - Emergency Provisions).~~

For multi-compartment units, the affected compartments will be shut down immediately until the failed units have been repaired or replaced. Within eight (8) business hours of the determination of failure, response steps according to the timetable described in the Compliance Response Plan shall be initiated. For any failure with corresponding response steps and timetable not described in the Compliance Response Plan, response steps shall be devised within eight (8) business hours of discovery of the failure and shall include a timetable for completion. Failure to take response steps in accordance with Section C - Compliance Response Plan - Preparation, Implementation, Records, and Reports, shall be considered a deviation from this permit. If operations continue after bag failure is observed and it will be 10 days or more after the failure is observed before the failed units will be repaired or replaced, the Permittee shall promptly notify the IDEM, OAQ of the expected date the failed units will be repaired or replaced. The notification shall also include the status of the applicable compliance monitoring parameters with respect to normal, and the results of any response actions taken up to the time of notification.

(b) ~~For single compartment baghouses, failed units and the associated process will be shut down immediately until the failed units have been repaired or replaced. Operations may continue only if the event qualifies as an emergency and the Permittee satisfies the requirements of the emergency provisions of this permit (Section B - Emergency Provisions).~~

For single compartment baghouses, if failure is indicated by a significant drop in the baghouse's pressure readings with abnormal visible emissions or the failure is indicated by an opacity violation, or if bag failure is determined by other means, such as gas temperatures, flow rates, air infiltration, leaks, dust traces or triboflows, then failed units and the associated process will be shut down immediately until the failed units have been repaired or replaced. Operations may continue only if the event qualifies as an emergency and the Permittee satisfies the requirements of the emergency provisions of this permit (Section B - Emergency Provisions).

D.2.8 Record Keeping Requirements

(a) To document compliance with Condition D.2.5, the Permittee shall maintain records of daily visible emission notations of the woodworking machining lines' stack exhaust.

(b) To document compliance with Condition D.2.6, the Permittee shall maintain the following:

~~(1) Daily records of the following operational parameters during normal operation when venting to the atmosphere:~~

~~Inlet and outlet differential static pressure~~

~~(2) Documentation of all response steps implemented, per event .~~

~~(3) Operation and preventive maintenance logs, including work purchases orders, shall be maintained.~~

~~(4) Quality Assurance/Quality Control (QA/QC) procedures.~~

~~(5) Operator standard operating procedures (SOP).~~

~~(6) Manufacturer's specifications or its equivalent.~~

~~(7) Equipment "troubleshooting" contingency plan.~~

(1) Weekly records of the total static pressure drop during normal operation when venting to the atmosphere.

(~~8~~**2**) Documentation of the dates vents are redirected.

(c) To document compliance with Condition D.2.2, the Permittee shall maintain of records of any additional inspections prescribed by the Preventive Maintenance Plan.

(d) All records shall be maintained in accordance with Section C - General Record Keeping Requirements, of this permit.

(b) The source is subject to 326 IAC 2-6-3(a)(2) and (b)(1), therefore, Condition C.18 has been revised as follows:

C.18 Emission Statement [326 IAC 2-7-5(3)(C)(iii)] [326 IAC 2-7-5(7)] [326 IAC 2-7-19(c)] [326 IAC 2-6]

~~(a) The Permittee shall submit an annual emission statement certified pursuant to the requirements of 326 IAC 2-6, that must be received by July 1 of each year and must comply with the minimum requirements specified in 326 IAC 2-6-4. The annual emission statement shall meet the following requirements:~~

~~(1) Indicate actual emissions of criteria pollutants from the source, in compliance with 326 IAC 2-6 (Emission Reporting);~~

~~(2) Indicate actual emissions of other regulated pollutants (as defined by 326 IAC 2-7-1) from the source, for purposes of Part 70 fee assessment.~~

~~(b) The annual emission statement covers the twelve (12) consecutive month time period starting January 1 and ending December 31. The annual emission statement must be submitted to:~~

~~Indiana Department of Environmental Management~~
~~Technical Support and Modeling Section, Office of Air Management~~
~~100 North Senate Avenue, P. O. Box 6015~~
~~Indianapolis, Indiana 46206-6015~~

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

~~(c) The annual emission statement required by this permit shall be considered timely if the date postmarked on the envelope or certified mail receipt, or affixed by the shipper on the private shipping receipt, is on or before the date it is due. If the document is submitted by any other means, it shall be considered timely if received by IDEM, OAM, on or before the date it is due.~~

(a) In accordance with the compliance schedule specified in 326 IAC 2-6-3(b)(1), starting in 2007 and every three (3) years thereafter, the Permittee shall submit by July 1 an emission statement covering the previous calendar year. The emission statement shall contain, at a minimum, the information specified in 326 IAC 2-6-4(c) and shall meet the following requirements:

(1) Indicate estimated actual emissions of all pollutants listed in 326 IAC 2-6-4(a);

(2) Indicate estimated actual emissions of regulated pollutants as defined by 326 IAC 2-7-1 (32) ("Regulated pollutant, which is used only for purposes of Section 19 of this rule") from the source, for purpose of fee assessment.

The statement must be submitted to:

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

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

(b) The emission statement required by this permit shall be considered timely if the date postmarked on the envelope or certified mail receipt, or affixed by the shipper on the private shipping receipt, is on or before the date it is due. If the document is submitted by any other means, it shall be considered timely if received by IDEM, OAQ on or before the date it is due.

Conclusion

The operation of this rough sawing of green and kiln dried lumber plant shall be subject to the conditions of the attached proposed Minor Source Modification No. 017-21584-00028 and Minor Permit Modification No. 017-21645-00028.

Appendix A: Emission Calculations
Woodworking Machining Line EU02-4

Company Name: **Cole Hardwood, Inc.**
Address City IN Zip: **1611 West Market St., Logansport, IN 46947**
Permit Number: **MSM017-21584-00028**
Reviewer: **AB/EVP**

* * Process Emissions * *

Uncontrolled Potential Emissions (tons/year)

Process	No. of Units	Grain Loading per Actual Cubic Foot of Outlet Air	Air to Cloth Ratio Air Flow (acfm/ft²)	Total Filter Area (ft²)	Control Efficiency	Total (tons/yr)
Woodworking Machining Line EU02-4	1	0.003	3086	12.77	98.00%	221.92

Controlled Potential Emissions (tons/year)

Process	No. of Units	Grain Loading per Actual Cubic Foot of Outlet Air	Air to Cloth Ratio Air Flow (acfm/ft²)	Total Filter Area (ft²)	Control Efficiency	Total (tons/yr)
Woodworking Machining Line EU02-4	1	0.003	3086	12.77	98.00%	4.44

Allowable Emissions:

The following calculations determine PM compliance with 326 IAC 6-3-2 for process weight rates less than 30 tons per hour:

P= 8.4 tons/hr

limit = 4.1 x (8.4 ^0.67) = 17.1 lb/hr (allowable)

with potential:

4.4 tons/yr x 2000 lb/ton / 8760 hr/yr = 1.0 lb/hr (will comply)

Methodology:

Potential (uncontrolled):

Baghouse (tons/yr) = No. Units * Loading (grains/acf) * Air/Cloth Ratio (acfm/ft²) * Filter Area (ft²) * 1 lb/7,000 grains * 60 min/hr * 8760 hr/yr * 1 ton/2,000 lbs * 1/(1-Control Efficiency)

Potential (controlled):

Baghouse (tons/yr) = No. Units * Loading (grains/acf) * Air/Cloth Ratio (acfm/ft²) * Filter Area (ft²) * 1 lb/7,000 grains * 60 min/hr * 8760 hr/yr * 1 ton/2,000 lbs * 1/(1-Control Efficiency)