



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: December 1, 2006

RE: Red Spot Paint and Varnish Co., Inc. / 163-21721-00018

FROM: Nisha Sizemore
Chief, Permits Branch
Office of Air Quality

Notice of Decision: Approval – Effective Immediately

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

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

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

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

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

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

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

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

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

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

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

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



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**Part 70 Operating Permit Renewal
OFFICE OF AIR QUALITY
AND THE EVANSVILLE ENVIRONMENTAL
PROTECTION AGENCY**

**Red Spot Paint and Varnish Co., Inc.
1016 East Columbia Street
Evansville, Indiana 47711**

(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.: T163-21721-00018 | |
| Issued by: Original signed by Nisha Sizemore, Branch Chief Office of Air Quality | Issuance Date:December 1, 2006 Expiration Date:December 1, 2006 |

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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) and Evansville EPA. The information describing the source contained in conditions A.1 through A.3 is descriptive information and does not constitute enforceable conditions. However, the Permittee should be aware that a physical change or a change in the method of operation that may render this descriptive information obsolete or inaccurate may trigger requirements for the Permittee to obtain additional permits or seek modification of this permit pursuant to 326 IAC 2, or change other applicable requirements presented in the permit application.

A.1 General Information [326 IAC 2-7-4(c)][326 IAC 2-7-5(15)][326 IAC 2-7-1(22)]

The Permittee owns and operates stationary source relating to the operation of mixing and blending of paint, varnishes, thinners, and lacquers.

| | |
|------------------------------|--|
| Responsible Official: | Joseph Neidig, V.P. Operations |
| Source Address: | 1016 East Columbia Street, Evansville, IN 47711 |
| Mailing Address: | 1016 East Columbia Street, Evansville, IN 47711 |
| General Source Phone Number: | (812) 428-9285 |
| SIC Code: | 2851 |
| County Location: | Vanderburgh |
| Source Location Status: | Nonattainment for PM _{2.5} Attainment for all other criteria pollutants |
| Source Status: | Part 70 Operating Permit Program Minor Source, under PSD and Nonattainment NSR Minor Source, Section 112 of the Clean Air Act Not 1 of 28 Source Categories |

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

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

- (a) One (1) solvent tank farm, identified as tank farm # 1, installed in 1930, exhausting to the atmosphere, and consisting of:
 - (1) two (2) fixed roof dome tanks, identified as TF1-3 and TF1-4, each with a maximum capacity of 4,500 gallons;
 - (2) two (2) fixed roof dome tanks, identified as TF1-5A and TF1-5B, each with a maximum capacity of 4000 gallons; and
 - (3) one (1) fixed roof dome tank, identified as TF1-9, each with a maximum capacity of 10,950 gallons.

- (b) One (1) solvent tank farm, identified as tank farm # 2, installed in 1963, exhausting to the atmosphere, and consisting of:
 - (1) three (3) fixed roof dome tanks, identified as TF2-A1, TF2-A2 and TF2-A3, each with a maximum capacity of 2,610 gallons;
 - (2) eight (8) fixed roof dome tanks, identified as TF2-B1, TF2-B2, TF2-C1, TF2-C2, TF2-D1, TF2-D2, TF2-E1, and TF2-E2, each with a maximum capacity of 4,040 gallons;
 - (3) one (1) fixed roof dome tank, identified as TF2-F1, with a maximum capacity of 8,370 gallons;
 - (4) two (2) fixed roof dome tanks, identified as TF2-F2 and TF2-F3, each with a maximum capacity of 4,180 gallons;
 - (5) two (2) fixed roof dome tanks, identified as TF2-G and TF2-I each with a maximum capacity of 6,050 gallons;
 - (6) one (1) fixed roof dome tank, identified as TF2-H, with a maximum capacity of 6,000 gallons; and

- (7) one (1) fixed roof dome tank, identified as TF2-J, with a maximum capacity of 1,500 gallons.
- (c) One (1) solvent tank farm, identified as tank farm # 4, installed in 1980, exhausting to the atmosphere, and consisting of:
 - (1) three (3) fixed roof dome tanks, identified as TF4-R1, TF4-R2 and TF4-R3, each with a maximum capacity of 2,300 gallons; and
 - (2) four (4) fixed roof dome tanks, identified as TF4-A, TF4-B, TF4-C and TF4-D, each with a maximum capacity of 2,300 gallons.
- (d) One (1) solvent tank farm, identified as tank farm # 3, installed in 1980, exhausting to the atmosphere, and consisting of:
 - (1) one (1) fixed roof dome tank, identified as TF3-S1, with a maximum capacity of 3,500 gallons; and
 - (2) two (2) fixed roof dome tanks, identified as TF3-S2 and TF3-S3, each with a maximum capacity of 2,000 gallons.
- (e) Paint Production operation with maximum production capacity of 2,000,000 gallons per year and consisting of the following:
 - (1) One (1) blending operation, identified as UV/VM production building # 1, installed in the 1930's, exhausting to the stacks SV1-1, SV1-2 and SV1-16, and consisting of various mixing stations with capacities ranging from 700 to 3000 gallons, equipment test drops, and fourteen (14) general exhaust ducts.
 - (2) One (1) blending operation, identified as lacquer production building # 2, installed in 1963, exhausting to the stacks SV2-1, SV2-2, SV2-3, SV2-4, and SV2-5AB, and consisting of various mixing stations with capacities ranging from 500 to 1,221 gallons, five (5) general exhaust ducts, and four (4) manhole exhaust vents.
 - (3) One (1) production operation, identified as main production building # 3, installed in 1967, exhausting to the stacks SV3-1 thru SV3-17, SV3-18ABC, SV3-19, SV3-20, SV3-21ABC, SV3-22, and SV3-23, and consisting of various mixing stations with capacities ranging from 700 to 2500 gallons, milling units, bucket filling machines, tote cleaning units, metal dust collector, tote washing units, twenty (20) general exhaust ducts, and eight (8) manhole exhaust vents.
 - (4) Various portable mix tanks and totes with capacities ranging from 6 to 605 gallons.
 - (5) One (1) waste processing facility, identified as building # 8, installed in 1967, consisting of 5 general exhaust ducts, and exhausting to stack SV8-1.
 - (6) One (1) mixing operation, in building # 14, installed in 1967, exhausting to stack SV14-8, and consisting of various mixing stations with capacity of 700 gallons and three (3) general exhaust ducts.
- (f) One (1) dry material handling operation with maximum capacity of 157 lb/hr, exhausting through one (1) stack.

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) Natural gas-fired combustion sources with heat input equal to or less than ten (10) million Btu per hour:
 - (1) two (2) Cleaver Brooks natural gas fired boilers located in building # 3, identified as boiler # 1 rated at 8.369 mmBtu per hour, installed in 1978, and boiler # 2 rated at 4.185 mmBtu per hour, installed in 1968; [326 IAC 6-2-3]
 - (2) one (1) Cleaver Brooks natural gas fired boiler located in building # 6, identified as western primary boiler, installed in 1998, rated at 4.0 mmBtu per hour; [326 IAC 6-2-4]
 - (3) two (2) Cleaver Brooks natural gas fired boilers located in building # 7, identified as R & D boiler # 1, and R & D boiler # 2, both installed in 1994, and each rated at 5.5 mmBtu per hour; [326 IAC 6-2-4]
 - (4) one (1) Cleaver Brooks natural gas fired boiler located in building # 7, identified as R & D boiler # 3, installed in 1994 and rated at 5.0 mmBtu per hour; [326 IAC 6-2-4] and
 - (5) one (1) natural gas fired boiler located in building # 16, identified as Weil Mclain Co. boiler, installed in 1964, and rated at 1.65 mmBtu per hour. [326 IAC 6-2-3]
- (b) Paved and unpaved roads and parking lots with public access. [326 IAC 6-5]

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

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

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

SECTION B GENERAL CONDITIONS

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

Terms in this permit shall have the definition assigned to such terms in the referenced regulation. In the absence of definitions in the referenced regulation, the applicable definitions found in the statutes or regulations (IC 13-11, 326 IAC 1-2 and 326 IAC 2-7) shall prevail.

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

-
- (a) This permit, T163-21721-00018, is issued for a fixed term of five (5) years from the issuance date of this permit, as determined in accordance with IC 4-21.5-3-5(f) and IC 13-15-5-3. Subsequent revisions, modifications, or amendments of this permit do not affect the expiration date of this permit.
- (b) If IDEM, OAQ, Evansville EPA, upon receiving a timely and complete renewal permit application, fails to issue or deny the permit renewal prior to the expiration date of this permit, this existing permit shall not expire and all terms and conditions shall continue in effect, including any permit shield provided in 326 IAC 2-7-15, until the renewal permit has been issued or denied.

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

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

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

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

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

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

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

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

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

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

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- (a) The Permittee shall furnish to IDEM, OAQ, and Evansville EPA within a reasonable time, any information that IDEM, OAQ, and Evansville EPA may request in writing to determine whether cause exists for modifying, revoking and reissuing, or terminating this permit, or to determine compliance with this permit. The submittal by the Permittee does require the certification by the "responsible official" as defined by 326 IAC 2-7-1(34). Upon request, the Permittee shall also furnish to IDEM, OAQ, and Evansville EPA, copies of records required to be kept by this permit.

- (b) For information furnished by the Permittee to IDEM, OAQ, and Evansville EPA, the Permittee may include a claim of confidentiality in accordance with 326 IAC 17.1. When furnishing copies of requested records directly to U. S. EPA, the Permittee may assert a claim of confidentiality in accordance with 40 CFR 2, Subpart B.

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

- (a) Where specifically designated by this permit or required by an applicable requirement, any application form, report, or compliance certification submitted shall contain certification by the "responsible official" of truth, accuracy, and completeness. This certification shall state that, based on information and belief formed after reasonable inquiry, the statements and information in the document are true, accurate, and complete.
- (b) One (1) certification shall be included, using the attached Certification Form, with each submittal requiring certification. One (1) certification may cover multiple forms in one (1) submittal.
- (c) The "responsible official" is defined at 326 IAC 2-7-1(34).

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

- (a) The Permittee shall annually submit a compliance certification report which addresses the status of the source's compliance with the terms and conditions contained in this permit, including emission limitations, standards, or work practices. All certifications shall cover the time period from January 1 to December 31 of the previous year, and shall be submitted no later than April 15th of each year to:

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

and

Evansville Environmental Protection Agency
CK Newsome Community Center
100 E. Walnut Street, Suite 100
Evansville, Indiana 47713

and

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

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

- (2) basis of the certification;
The compliance status;
- (3) Whether compliance was continuous or intermittent;
- (4) The methods used for determining the compliance status of the source, currently and over the reporting period consistent with 326 IAC 2-7-5(3); and
- (5) Such other facts, as specified in Sections D of this permit, as IDEM, OAQ, and Evansville EPA may require to determine the compliance status of the source.

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

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

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

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

- (a) An emergency, as defined in 326 IAC 2-7-1(12), is not an affirmative defense for an action brought for noncompliance with a federal or state health-based emission limitation .
- (b) An emergency, as defined in 326 IAC 2-7-1(12), constitutes an affirmative defense to an action brought for noncompliance with a 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, and Evansville EPA, 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 Number: 1-800-451-6027 (ask for Office of Air Quality, Compliance Section), or

Telephone Number: 317-233-0178 (ask for Compliance Section)

Facsimile Number: 317-233-6865

Evansville EPA Telephone Number: 812-435-6145

Evansville EPA Facsimile Number: 812-435-6155

- (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

and

Evansville Environmental Protection Agency
CK Newsome Community Center
100 E. Walnut Street, Suite 100
Evansville, Indiana 47713

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

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

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

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

- (6) The Permittee immediately took all reasonable steps to correct the emergency.
- (c) In any enforcement proceeding, the Permittee seeking to establish the occurrence of an emergency has the burden of proof.
 - (d) This emergency provision supersedes 326 IAC 1-6 (Malfunctions). This permit condition is in addition to any emergency or upset provision contained in any applicable

requirement.

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

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

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

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

- (b) If, after issuance of this permit, it is determined that the permit is in nonconformance with an applicable requirement that applied to the source on the date of permit issuance, IDEM, OAQ, or Evansville EPA, shall immediately take steps to reopen and revise this permit and issue a compliance order to the Permittee to ensure expeditious compliance with the applicable requirement until the permit is reissued. The permit shield shall continue in effect so long as the Permittee is in compliance with the compliance order.
- (c) No permit shield shall apply to any permit term or condition that is determined after issuance of this permit to have been based on erroneous information supplied in the permit application. Erroneous information means information that the Permittee knew to be false, or in the exercise of reasonable care should have been known to be false, at the time the information was submitted.
- (d) Nothing in 326 IAC 2-7-15 or in this permit shall alter or affect the following:
 - (1) The provisions of Section 303 of the Clean Air Act (emergency orders), including the authority of the U.S. EPA under Section 303 of the Clean Air Act;

- (2) The liability of the Permittee for any violation of applicable requirements prior to or at the time of this permit's issuance;
 - (3) The applicable requirements of the acid rain program, consistent with Section 408(a) of the Clean Air Act; and
 - (4) The ability of U.S. EPA to obtain information from the Permittee under Section 114 of the Clean Air Act.
- (e) This permit shield is not applicable to any change made under 326 IAC 2-7-20(b)(2) (Sections 502(b)(10) of the Clean Air Act changes) and 326 IAC 2-7-20(c)(2) (trading based on State Implementation Plan (SIP) provisions).
- (f) This permit shield is not applicable to modifications eligible for group processing until after IDEM, OAQ, and Evansville EPA has issued the modifications. [326 IAC 2-7-12(c)(7)]
- (g) This permit shield is not applicable to minor Part 70 permit modifications until after IDEM, OAQ, and Evansville EPA has issued the modification. [326 IAC 2-7-12(b)(8)]

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

- (a) All terms and conditions of permits established prior to T163-21721-00018 and issued pursuant to permitting programs approved into the state implementation plan have been either:
- (1) incorporated as originally stated,
 - (2) revised under 326 IAC 2-7-10.5, or
 - (3) deleted under 326 IAC 2-7-10.5.
- (b) Provided that all terms and conditions are accurately reflected in this permit, all previous registrations and permits are superseded by this Part 70 operating permit.

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

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

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

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

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

and

Evansville Environmental Protection Agency
CK Newsome Community Center
100 E. Walnut Street, Suite 100
Evansville, Indiana 47713

using the attached Quarterly Deviation and Compliance Monitoring Report, or its equivalent. A deviation required to be reported pursuant to an applicable requirement that exists independent of this permit, shall be reported according to the schedule stated in the applicable requirement and does not need to be included in this report. The Quarterly Deviation and Compliance Monitoring Report does require the certification by the "responsible official" as defined by 326 IAC 2-7-1(34).

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

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

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

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

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

Request for renewal shall be submitted to:

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

and

Evansville Environmental Protection Agency
CK Newsome Community Center
100 E. Walnut Street, Suite 100
Evansville, Indiana 47713

- (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, and Evansville EPA, on or before the date it is due.
- (c) If the Permittee submits a timely and complete application for renewal of this permit, the source's failure to have a permit is not a violation of 326 IAC 2-7 until IDEM, OAQ, and Evansville EPA, 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, and Evansville EPA, any additional information identified as being needed to process the application.

B.18 Permit Amendment or Modification [326 IAC 2-7-11][326 IAC 2-7-12][40 CFR 72]

- (a) Permit amendments and modifications are governed by the requirements of 326 IAC 2-7-11 or 326 IAC 2-7-12 whenever the Permittee seeks to amend or modify this permit.
- (b) Any application requesting an amendment or modification of this permit shall be submitted to:

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

and

Evansville Environmental Protection Agency
CK Newsome Community Center
100 E. Walnut Street, Suite 100
Evansville, Indiana 47713

Any such application shall be certified by the "responsible official" as defined by 326 IAC 2-7-1(34).

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

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

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

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

- (a) The Permittee may make any change or changes at the source that are described in 326 IAC 2-7-20(b),(c), or (e) without a prior permit revision, if each of the following conditions is met:

- (1) The changes are not modifications under any provision of Title I of the Clean Air Act;
- (2) Any preconstruction approval required by 326 IAC 2-7-10.5 has been obtained;
- (3) The changes do not result in emissions which exceed the limitations provided in this permit (whether expressed herein as a rate of emissions or in terms of total emissions);
- (4) The Permittee notifies the:

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

and

Evansville Environmental Protection Agency
CK Newsome Community Center
100 E. Walnut Street, Suite 100
Evansville, Indiana 47713

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 2-7-20(b),(c), or (e). The Permittee shall make such records available, upon reasonable request, for public review.

Such records shall consist of all information required to be submitted to IDEM, OAQ, and Evansville EPA, in the notices specified in 326 IAC 2-7-20(b)(1), (c)(1), and (e)(2).

- (b) The Permittee may make Section 502(b)(10) of the Clean Air Act changes (this term is defined at 326 IAC 2-7-1(36)) without a permit revision, subject to the constraint of 326 IAC 2-7-20(a). For each such Section 502(b)(10) of the Clean Air Act change, the required written notification shall include the following:

- (1) A brief description of the change within the source;
- (2) The date on which the change will occur;
- (3) Any change in emissions; and
- (4) Any permit term or condition that is no longer applicable as a result of the change.

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

- (c) Emission Trades [326 IAC 2-7-20(c)]
The Permittee may trade emissions increases and decreases at the source, where the applicable SIP provides for such emission trades without requiring a permit revision, subject to the constraints of Section (a) of this condition and those in 326 IAC 2-7-20(c).
- (d) Alternative Operating Scenarios [326 IAC 2-7-20(d)]
The Permittee may make changes at the source within the range of alternative operating scenarios that are described in the terms and conditions of this permit in accordance with 326 IAC 2-7-5(9). No prior notification of IDEM, OAQ, or U.S. EPA is required.

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

A modification, construction, or reconstruction is governed by the requirements of 326 IAC 2 and 326 IAC 2-7-10.5.

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

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

- (a) Enter upon the Permittee's premises where a Part 70 source is located, or emissions related activity is conducted, or where records must be kept under the conditions of this permit;
- (b) As authorized by the Clean Air Act, IC 13-14-2-2, IC 13-17-3-2, and IC 13-30-3-1, have access to and copy any records that must be kept under the conditions of this permit;

- (c) As authorized by the Clean Air Act, IC 13-14-2-2, IC 13-17-3-2, and IC 13-30-3-1, inspect any facilities, equipment (including monitoring and air pollution control equipment), practices, or operations regulated or required under this permit;
- (d) As authorized by the Clean Air Act, IC 13-14-2-2, IC 13-17-3-2, and IC 13-30-3-1, sample or monitor 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.23 Transfer of Ownership or Operational Control [326 IAC 2-7-11]

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

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

and

Evansville Environmental Protection Agency
CK Newsome Community Center
100 E. Walnut Street, Suite 100
Evansville, Indiana 47713

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

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

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

- (a) The Permittee shall pay annual fees to IDEM, OAQ, and Evansville EPA, 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, or Evansville EPA, the applicable fee is due April 1 of each year.
- (b) Except as provided in 326 IAC 2-7-19(e), failure to pay may result in administrative enforcement action or revocation of this permit.
- (c) The Permittee may call the following telephone numbers: 1-800-451-6027 or 317-233-4230 (ask for OAQ, Billing, Licensing, and Training Section), to determine the appropriate permit fee.

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

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

SECTION C SOURCE OPERATION CONDITIONS

Entire Source

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

C.1 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 Opacity [326 IAC 5-1]

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

(a) Opacity shall not exceed an average of thirty percent (30%) in any one (1) six (6) minute averaging period as determined in 326 IAC 5-1-4.

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

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

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

C.5 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.6 Asbestos Abatement Projects [326 IAC 14-10] [326 IAC 18] [40 CFR 61, Subpart M]

(a) Notification requirements apply to each owner or operator. If the combined amount of regulated asbestos containing material (RACM) to be stripped, removed or disturbed is at least 260 linear feet on pipes or 160 square feet on other facility components, or at least thirty-five (35) cubic feet on all facility components, then the notification requirements of 326 IAC 14-10-3 are mandatory. All demolition projects require notification whether or not asbestos is present.

(b) The Permittee shall ensure that a written notification is sent on a form provided by the Commissioner at least ten (10) working days before asbestos stripping or removal work or before demolition begins, per 326 IAC 14-10-3, and shall update such notice as necessary, including, but not limited to the following:

- (1) When the amount of affected asbestos containing material increases or decreases by at least twenty percent (20%); or
- (2) If there is a change in the following:
 - (A) Asbestos removal or demolition start date;
 - (B) Removal or demolition contractor; or
 - (C) Waste disposal site.
- (c) The Permittee shall ensure that the notice is postmarked or delivered according to the guidelines set forth in 326 IAC 14-10-3(2).
- (d) The notice to be submitted shall include the information enumerated in 326 IAC 14-10-3(3).

All required notifications shall be submitted to:

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

and

Evansville Environmental Protection Agency
CK Newsome Community Center
100 E. Walnut Street, Suite 100
Evansville, Indiana 47713

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

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

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

C.7 Performance Testing [326 IAC 3-6]

- (a) All testing shall be performed according to the provisions of 326 IAC 3-6 (Source Sampling Procedures), except as provided elsewhere in this permit, utilizing any applicable procedures and analysis methods specified in 40 CFR 51, 40 CFR 60, 40 CFR 61, 40 CFR 63, 40 CFR 75, or other procedures approved by IDEM, OAQ.

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

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

and

Evansville Environmental Protection Agency
CK Newsome Community Center
100 E. Walnut Street, Suite 100
Evansville, Indiana 47713

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

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

Compliance Requirements [326 IAC 2-1.1-11]

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

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

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

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

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

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

and

Evansville Environmental Protection Agency
CK Newsome Community Center
100 E. Walnut Street, Suite 100
Evansville, Indiana 47713

in writing, prior to the end of the initial ninety (90) day compliance schedule, with full justification of the reasons for the inability to meet this date.

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

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

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

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

C.11 Instrument Specifications [326 IAC 2-1.1-11] [326 IAC 2-7-5(3)] [326 IAC 2-7-6(1)]

- (a) When required by any condition of this permit, an analog instrument used to measure a parameter related to the operation of an air pollution control device shall have a scale such that the expected maximum reading for the normal range shall be no less than twenty percent (20%) of full scale.
- (b) The Permittee may request that the IDEM, OAQ approve the use of an instrument that does not meet the above specifications provided the Permittee can demonstrate that an alternative instrument specification will adequately ensure compliance with permit conditions requiring the measurement of the parameters.

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

C.12 Emergency Reduction Plans [326 IAC 1-5-2] [326 IAC 1-5-3]

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

- (a) The Permittee prepared and submitted written emergency reduction plans (ERPs) consistent with safe operating procedures on December 12, 1996.
- (b) Upon direct notification by IDEM, OAQ, and Evansville EPA, that a specific air pollution episode level is in effect, the Permittee shall immediately put into effect the actions stipulated in the approved ERP for the appropriate episode level. [326 IAC 1-5-3]

C.13 Risk Management Plan [326 IAC 2-7-5(12)] [40 CFR 68]

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

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

- (a) When the results of a stack test performed in conformance with Section C - Performance Testing, of this permit exceed the level specified in any condition of this permit, the Permittee shall take appropriate response actions. The Permittee shall submit a description of these response actions to IDEM, OAQ, within thirty (30) days of receipt of the test results. The Permittee shall take appropriate action to minimize excess emissions from the affected facility while the response actions are being implemented.
- (b) A retest to demonstrate compliance shall be performed within one hundred twenty (120) days of receipt of the original test results. Should the Permittee demonstrate to IDEM, OAQ that retesting in one-hundred and twenty (120) days is not practicable, IDEM, OAQ may extend the retesting deadline.
- (c) IDEM, OAQ reserves the authority to take any actions allowed under law in response to noncompliant stack tests.

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

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

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

- (a) Pursuant to 326 IAC 2-6-3(b)(3), starting in 2006 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 46204-2251

and

Evansville Environmental Protection Agency
CK Newsome Community Center
100 E. Walnut Street, Suite 100
Evansville, Indiana 47713

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, and Evansville EPA on or before the date it is due.

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

- (a) Records of all required monitoring data, reports and support information required by this permit shall be retained for a period of at least five (5) years from the date of monitoring sample, measurement, report, or application. These records shall be physically present or electronically accessible at the source location for a minimum of three (3) years. The records may be stored elsewhere for the remaining two (2) years as long as they are available upon request. If the Commissioner or Evansville EPA makes a request for records to the Permittee, the Permittee shall furnish the records to the Commissioner or Evansville EPA within a reasonable time.
- (b) Unless otherwise specified in this permit, all record keeping requirements not already legally required shall be implemented within ninety (90) days of permit issuance.

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

- (a) The Permittee shall submit the attached Quarterly Deviation and Compliance Monitoring Report or its equivalent. Any deviation from permit requirements, the date(s) of each deviation, the cause of the deviation, and the response steps taken must be reported. This report shall be submitted within thirty (30) days of the end of the reporting period. The Quarterly Deviation and Compliance Monitoring Report shall include the certification by the "responsible official" as defined by 326 IAC 2-7-1(34).
- (b) The report required in (a) of this condition and reports required by conditions in Section D of this permit shall be submitted to:

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

and

Evansville Environmental Protection Agency
CK Newsome Community Center
100 E. Walnut Street, Suite 100
Evansville, Indiana 47713
- (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, and Evansville EPA, on or before the date it is due.
- (d) Unless otherwise specified in this permit, all reports required in Section D of this permit shall be submitted within thirty (30) days of the end of the reporting period. All reports do require the certification by the "responsible official" as defined by 326 IAC 2-7-1(34).
- (e) Reporting periods are based on calendar years, unless otherwise specified in this permit. For the purpose of this permit "calendar year" means the twelve (12) month period from January 1 to December 31 inclusive.

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

Stratospheric Ozone Protection

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

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

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

SECTION D.1

FACILITY OPERATION CONDITIONS

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

- (a) One (1) solvent tank farm, identified as tank farm # 1, installed in 1930, exhausting to the atmosphere, and consisting of:
 - (1) two (2) fixed roof dome tanks, identified as TF1-3 and TF1-4, each with a maximum capacity of 4,500 gallons;
 - (2) two (2) fixed roof dome tanks, identified as TF1-5A and TF1-5B, each with a maximum capacity of 4000 gallons; and
 - (3) one (1) fixed roof dome tank, identified as TF1-9, each with a maximum capacity of 10,950 gallons.

- (b) One (1) solvent tank farm, identified as tank farm # 2, installed in 1963, exhausting to the atmosphere, and consisting of:
 - (1) three (3) fixed roof dome tanks, identified as TF2-A1, TF2-A2 and TF2-A3, each with a maximum capacity of 2,610 gallons;
 - (2) eight (8) fixed roof dome tanks, identified as TF2-B1, TF2-B2, TF2-C1, TF2-C2, TF2-D1, TF2-D2, TF2-E1, and TF2-E2, each with a maximum capacity of 4,040 gallons;
 - (3) one (1) fixed roof dome tank, identified as TF2-F1, with a maximum capacity of 8,370 gallons;
 - (4) two (2) fixed roof dome tanks, identified as TF2-F2 and TF2-F3, each with a maximum capacity of 4,180 gallons;
 - (5) two (2) fixed roof dome tanks, identified as TF2-G and TF2-I each with a maximum capacity of 6,050 gallons;
 - (6) one (1) fixed roof dome tank, identified as TF2-H, with a maximum capacity of 6,000 gallons; and
 - (7) one (1) fixed roof dome tank, identified as TF2-J, with a maximum capacity of 1,500 gallons.

- (c) One (1) solvent tank farm, identified as tank farm # 4, installed in 1980, exhausting to the atmosphere, and consisting of:
 - (1) three (3) fixed roof dome tanks, identified as TF4-R1, TF4-R2 and TF4-R3, each with a maximum capacity of 2,300 gallons; and
 - (2) four (4) fixed roof dome tanks, identified as TF4-A, TF4-B, TF4-C and TF4-D, each with a maximum capacity of 2,300 gallons.

- (d) One (1) solvent tank farm, identified as tank farm # 3, installed in 1980, exhausting to the atmosphere, and consisting of:
 - (1) one (1) fixed roof dome tank, identified as TF3-S1, with a maximum capacity of 3,500 gallons; and
 - (2) two (2) fixed roof dome tanks, identified as TF3-S2 and TF3-S3, each with a maximum capacity of 2,000 gallons.

- (e) Paint Production operation with maximum production capacity of 2,000,000 gallons per year and consisting of the following:
 - (1) One (1) blending operation, identified as UV/VM production building # 1, installed in the 1930's, exhausting to the stacks SV1-1, SV1-2 and SV1-16, and consisting of various mixing stations with capacities ranging from 700 to 3000 gallons, equipment test drops, and fourteen (14) general exhaust ducts.

 - (2) One (1) blending operation, identified as lacquer production building # 2, installed in 1963, exhausting to the stacks SV2-1, SV2-2, SV2-3, SV2-4, and SV2-5AB, and consisting of various mixing stations with capacities ranging from 500 to 1,221 gallons, five (5) general exhaust ducts, and four (4) manhole exhaust vents.

- (3) One (1) production operation, identified as main production building # 3, installed in 1967, exhausting to the stacks SV3-1 thru SV3-17, SV3-18ABC, SV3-19, SV3-20, SV3-21ABC, SV3-22, and SV3-23, and consisting of various mixing stations with capacities ranging from 700 to 2500 gallons, milling units, bucket filling machines, tote cleaning units, metal dust collector, tote washing units, twenty (20) general exhaust ducts, and eight (8) manhole exhaust vents.
- (4) Various portable mix tanks and totes with capacities ranging from 6 to 605 gallons.
- (5) One (1) waste processing facility, identified as building # 8, installed in 1967, consisting of 5 general exhaust ducts, and exhausting to stack SV8-1.
- (6) One (1) mixing operation, in building # 14, installed in 1967, exhausting to stack SV14-8, and consisting of various mixing stations with capacity of 700 gallons and three (3) general exhaust ducts.

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

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

D.1.1 Volatile Organic Compounds (VOC)

- (a) The input of VOC to the paint production operations shall be limited such that the potential to emit (PTE) of VOC shall be less than 249 tons per twelve (12) consecutive month period with compliance determined at the end of each month.
- (b) The VOC loss rate for the paint production operations shall not exceed 0.015 lb/lb of solvent used.

Compliance with the VOC mass input and VOC loss rate shall limit the source-wide VOC emissions to less than 250 tons per twelve (12) consecutive month period, respectively. Therefore, the requirements of 326 IAC 2-2 (PSD) do not apply.

D.1.2 Hazardous Air Pollutants (HAPs) [326 IAC 20] [40 CFR 63]

- (a) The input of any single HAP to the paint production operations shall be limited such that the potential to emit (PTE) of any single HAP shall be less than 9.9 tons per twelve (12) consecutive month period with compliance determined at the end of each month.
- (b) The input of total HAPs to the paint production operations shall be limited such that the potential to emit (PTE) of total HAPs shall be less than 24.9 tons per twelve (12) consecutive month period with compliance determined at the end of each month.
- (c) The HAP loss rate for the paint production operations shall not exceed 0.015 lb/lb of solvent used.
- (d) The Permittee shall not produce any varnish that is considered a bodying oil, oleo resinous material, or alkyd without prior IDEM, OAQ approval.

Compliance with above conditions shall limit the source-wide single HAP and total HAPs emissions to less than 10 and 25 tons per twelve (12) consecutive month period, respectively. Therefore, the requirements of 326 IAC 20 and 40 CFR 63 (NESHAP, Subpart HHHHH) do not apply.

Compliance Determination Requirements

D.1.3 Volatile Organic Compounds (VOC) and Hazard Air Pollutants (HAPs) [326 IAC 8-1-2] [326 IAC 8-1-4]

- (a) Compliance with the VOC and HAPs limitations and solvent usage limitations contained in Conditions D.1.1 and D.1.2 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.
- (b) Compliance with Condition D.1.1 shall be determined using the following equation:

$$E = \sum_{i=1}^{i=n} U_i \times C_i \times 0.015$$

where:

E = VOC emissions in pounds
i = Single component
U = VOC usage
C = VOC content
0.015 lb/lb = VOC loss rate

- (c) Compliance with Condition D.1.2 shall be determined using the following equation:

$$E = \sum_{i=1}^{i=n} U_i \times C_i \times 0.015$$

where:

E = HAP emissions in pounds
i = Single component
U = HAP usage
C = HAP content
0.015 lb/lb = HAP loss rate

D.1.4 Testing Requirements [326 IAC 2-7-6(1),(6)] [326 IAC 2-1.1-11]

Within 180 days after issuance of this Part 70 permit, in order to demonstrate compliance with Conditions D.1.1 and D.1.2, the Permittee shall perform testing to verify the VOC and HAP loss rate utilizing methods as approved by the Commissioner. This test shall be repeated at least once every five (5) years from the date of this valid compliance demonstration. Testing shall be conducted in accordance with Section C- Performance Testing.

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

D.1.5 Record Keeping Requirements

- (a) To document compliance with Conditions D.1.1 and D.1.2, the Permittee shall maintain records in accordance with (1) through (4) below. Records maintained for (1) through (4) shall be taken as stated below and shall be complete and sufficient to establish compliance with the VOC and HAP limits established in Conditions D.1.1 and D.1.2. Records necessary to demonstrate compliance shall be available within 30 days of the end of each compliance period.

- (1) The VOC and HAPs content of each coating material and solvent 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 solvent.
 - (2) The weight of total VOC, single HAP and total HAPs emitted for each month based on the equations utilized in Condition D.1.3(b).
- (b) All records shall be maintained in accordance with Section C - General Record Keeping Requirements, of this permit.

D.1.6 Reporting Requirements

A quarterly summary of the information to document compliance with Conditions D.1.1 and D.1.2 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 require the certification by the "responsible official" as defined by 326 IAC 2-7-1(34).

SECTION D.2

FACILITY OPERATION CONDITIONS

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

- (f) One (1) dry material handling operation with maximum capacity of 157 lb/hr, exhausting through one (1) stack.

(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 Emission Limitations [326 IAC 6-3-2(c)]

Pursuant to 326 IAC 6-3-2 (Particulate Emission Limitations for Manufacturing Processes), the allowable particulate emission rate from the dry material handling shall not exceed 0.75 pounds per hour when operating at a process weight rate of 158 pounds 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

SECTION D.3 FACILITY OPERATION CONDITIONS

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

Insignificant Activities:

- (a) Natural gas-fired combustion sources with heat input equal to or less than ten (10) million Btu per hour:
- (1) two (2) Cleaver Brooks natural gas fired boilers located in building # 3, identified as boiler # 1 rated at 8.369 mmBtu per hour, installed in 1978, and boiler # 2 rated at 4.185 mmBtu per hour, installed in 1968; [326 IAC 6-2-3]
 - (2) one (1) Cleaver Brooks natural gas fired boiler located in building # 6, identified as western primary boiler, installed in 1998, rated at 4.0 mmBtu per hour; [326 IAC 6-2-4]
 - (3) two (2) Cleaver Brooks natural gas fired boilers located in building # 7, identified as R & D boiler # 1, and R & D boiler # 2, both installed in 1994, and each rated at 5.5 mmBtu per hour; [326 IAC 6-2-4]
 - (4) one (1) Cleaver Brooks natural gas fired boiler located in building # 7, identified as R & D boiler # 3, installed in 1994 and rated at 5.0 mmBtu per hour; [326 IAC 6-2-4] and
 - (5) one (1) natural gas fired boiler located in building # 16, identified as Weil Mclain Co. boiler, installed in 1964, and rated at 1.65 mmBtu per hour. [326 IAC 6-2-3]

(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.3.1 Particulate Matter Limitation (PM) [326 IAC 6-2-3]

- (a) Pursuant to 326 IAC 6-2-3(d) (Particulate Matter Emission Limitations for Sources of Indirect Heating), particulate matter (PM) emissions from the two (2) natural gas fired boilers, identified as Cleaver Brooks boilers # 2, and Weil Mclain Co. boiler, both constructed before 1972, and each rated at 4.18 and 1.65 mmBtu/hr, respectively, shall each be limited to 0.8 lbs PM/mmBtu.
- (b) Pursuant to 326 IAC 6-2-3(e) (Particulate Matter Emission Limitations for Sources of Indirect Heating), particulate matter (PM) emissions from the natural gas fired boiler, identified as Cleaver Brooks boiler #1, constructed after 1972, and rated at 8.36 mmBtu/hr, shall be limited to 0.6 lbs PM/mmBtu.

D.3.2 Particulate Matter Limitation (PM) [326 IAC 6-2-4]

- (a) Pursuant to 326 IAC 6-2-4 (Particulate Matter Emission Limitations for Sources of Indirect Heating), the PM emissions from R & D boilers # 1, # 2, and # 3, all constructed in 1994, and each rated at 5.5, 5.5, and 5.0 mmBtu/hr respectively, shall be limited to 0.45 lbs PM/mmBtu.
- (b) PM emissions from Cleaver Brooks western standby boiler, constructed in 1998, and rated at 4.0 mmBtu/hr, shall be limited to 0.435 lbs PM/mmBtu.

These limitations are based on the following equation:

$$Pt = 1.09/Q^{0.26}$$

where: Pt = maximum allowable particulate matter (PM) emitted per mmBtu heat input
Q = total source max. operation capacity rating (at the time when the boilers were constructed)

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

AND EVANSVILLE EPA

**PART 70 OPERATING PERMIT
CERTIFICATION**

Source Name: Red Spot Paint and Varnish Co., Inc.
Source Address: 1016 East Columbia Street, Evansville, IN 47711
Mailing Address: 1016 East Columbia Street, Evansville, IN 47711
Part 70 Permit No.: T163-21721-00018

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

Please check what document is being certified:

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

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

Signature:

Printed Name:

Title/Position:

Phone:

Date:

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

AND EVANSVILLE EPA

**PART 70 OPERATING PERMIT
EMERGENCY OCCURRENCE REPORT**

Source Name: Red Spot Paint and Varnish Co., Inc.
Source Address: 1016 East Columbia Street, Evansville, IN 47711
Mailing Address: 1016 East Columbia Street, Evansville, IN 47711
Part 70 Permit No.: T163-21721-00018

This form consists of 2 pages

Page 1 of 2

- | |
|--|
| <input type="checkbox"/> This is an emergency as defined in 326 IAC 2-7-1(12) <ul style="list-style-type: none">C The Permittee must notify the Office of Air Quality (OAQ), within four (4) business hours (1-800-451-6027 or 317-233-0178, ask for Compliance Section); andC 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 |
| 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
 AND EVANSVILLE EPA**

Part 70 Quarterly Report

Source Name: Red Spot Paint and Varnish Co., Inc.
 Source Address: 1016 East Columbia Street, Evansville, IN 47711
 Mailing Address: 1016 East Columbia Street, Evansville, IN 47711
 Part 70 Permit No.: T163-21721-00018
 Facility: Paint Production Operation
 Parameter: Total VOC emissions
 Limit: VOC emissions shall be limited to less than 249 tons per twelve (12) consecutive month period with compliance determined at the end of each month, based on the following equation:

$$E = \sum_{i=1}^{i=n} U_i \times C_i \times 0.015$$

where:
 E = VOC emissions in pounds
 i = Single component
 U = VOC input
 C = VOC content
 0.015 lb/lb = VOC loss rate

YEAR: _____

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

- No deviation occurred in this month.
 Deviation/s occurred in this month.
 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
 AND EVANSVILLE EPA**

Part 70 Quarterly Report

Source Name: Red Spot Paint and Varnish Co., Inc.
 Source Address: 1016 East Columbia Street, Evansville, IN 47711
 Mailing Address: 1016 East Columbia Street, Evansville, IN 47711
 Part 70 Permit No.: T163-21721-00018
 Facility: Paint Production Operation
 Limit: Single HAP and total HAPs emissions shall be limited to less than 9.9 and 24.9 tons per twelve (12) consecutive month period, respectively, based on the following equation:

$$E = \sum_{i=1}^{i=n} U_i \times C_i \times 0.015$$

where:
 E = Worst case single HAP/total HAPs emissions in pounds
 i = Single component
 U = HAP input
 C = HAP content
 0.015 lb/lb = HAP loss rate

YEAR: _____

| Month | Total For This Month (tons) | | Total For Previous 11 Months (tons) | | Total For 12 Months (tons) | |
|---------|-----------------------------|---------------|-------------------------------------|---------------|----------------------------|---------------|
| | Single HAP | Combined HAPs | Single HAP | Combined HAPs | Single HAP | Combined HAPs |
| Month 1 | | | | | | |
| Month 2 | | | | | | |
| Month 3 | | | | | | |

- No deviation occurred in this month.
 Deviation/s occurred in this month.
 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**

AND EVANSVILLE EPA

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

Source Name: Red Spot Paint and Varnish Co., Inc.
Source Address: 1016 East Columbia Street, Evansville, IN 47711
Mailing Address: 1016 East Columbia Street, Evansville, IN 47711
Part 70 Permit No.: T163-21721-00018

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
And Evansville EPA**

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

Source Background and Description

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| Source Name: | Red Spot Paint and Varnish Co., Inc. |
| Source Location: | 1016 East Columbia St., Evansville, IN 47711 |
| County: | Vanderburgh |
| SIC Code: | 2851 |
| Operation Permit No.: | 163-7524-00018 |
| Operation Permit Issuance Date: | May 31, 2001 |
| Permit Renewal No.: | 163-21721-00018 |
| Permit Reviewer: | Adeel Yousuf / EVP |

The Office of Air Quality (OAQ) has reviewed a Part 70 Operating Permit Renewal application from Red Spot Paint and Varnish Co., Inc. relating to the operation of mixing and blending of paints, varnishes, thinners and lacquers.

Permitted Emission Units and Pollution Control Equipment

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

- (a) One (1) solvent tank farm, identified as tank farm # 1, installed in 1930, exhausting to the atmosphere, and consisting of:
 - (1) two (2) fixed roof dome tanks, identified as TF1-3 and TF1-4, each with a maximum capacity of 4,500 gallons;
 - (2) two (2) fixed roof dome tanks, identified as TF1-5A and TF1-5B, each with a maximum capacity of 4000 gallons; and
 - (3) one (1) fixed roof dome tank, identified as TF1-9, each with a maximum capacity of 10,950 gallons.

- (b) One (1) solvent tank farm, identified as tank farm # 2, installed in 1963, exhausting to the atmosphere, and consisting of:
 - (1) three (3) fixed roof dome tanks, identified as TF2-A1, TF2-A2 and TF2-A3, each with a maximum capacity of 2,610 gallons;
 - (2) eight (8) fixed roof dome tanks, identified as TF2-B1, TF2-B2, TF2-C1, TF2-C2, TF2-D1, TF2-D2, TF2-E1, and TF2-E2, each with a maximum capacity of 4,040 gallons;
 - (3) one (1) fixed roof dome tank, identified as TF2-F1, with a maximum capacity of 8,370 gallons;
 - (4) two (2) fixed roof dome tanks, identified as TF2-F2 and TF2-F3, each with a maximum capacity of 4,180 gallons;
 - (5) two (2) fixed roof dome tanks, identified as TF2-G and TF2-I each with a maximum capacity of 6,050 gallons;
 - (6) one (1) fixed roof dome tank, identified as TF2-H, with a maximum capacity of 6,000 gallons; and
 - (7) one (1) fixed roof dome tank, identified as TF2-J, with a maximum capacity of 1,500 gallons.

- (c) One (1) solvent tank farm, identified as tank farm # 4, installed in 1980, exhausting to the atmosphere, and consisting of:
 - (1) three (3) fixed roof dome tanks, identified as TF4-R1, TF4-R2 and TF4-R3, each with a maximum capacity of 2,300 gallons; and
 - (2) four (4) fixed roof dome tanks, identified as TF4-A, TF4-B, TF4-C and TF4-D, each with a maximum capacity of 2,300 gallons.

- (d) One (1) solvent tank farm, identified as tank farm # 3, installed in 1980, exhausting to the atmosphere, and consisting of:
 - (1) one (1) fixed roof dome tank, identified as TF3-S1, with a maximum capacity of 3,500 gallons; and
 - (2) two (2) fixed roof dome tanks, identified as TF3-S2 and TF3-S3, each with a maximum capacity of 2,000 gallons.

- (e) Paint Production operation with maximum production capacity of 2,000,000 gallons per year and consisting of the following:
 - (1) One (1) blending operation, identified as UV/VM production building # 1, installed in the 1930's, exhausting to the stacks SV1-1, SV1-2 and SV1-16, and consisting of various mixing stations with capacities ranging from 700 to 3000 gallons, equipment test drops, and fourteen (14) general exhaust ducts.
 - (2) One (1) blending operation, identified as lacquer production building # 2, installed in 1963, exhausting to the stacks SV2-1, SV2-2, SV2-3, SV2-4, and SV2-5AB, and consisting of various mixing stations with capacities ranging from 500 to 1,221 gallons, five (5) general exhaust ducts, and four (4) manhole exhaust vents.
 - (3) One (1) production operation, identified as main production building # 3, installed in 1967, exhausting to the stacks SV3-1 thru SV3-17, SV3-18ABC, SV3-19, SV3-20, SV3-21ABC, SV3-22, and SV3-23, and consisting of various mixing stations with capacities ranging from 700 to 2500 gallons, milling units, bucket filling machines, tote cleaning units, metal dust collector, tote washing units, twenty (20) general exhaust ducts, and eight (8) manhole exhaust vents.
 - (4) Various portable mix tanks and totes with capacities ranging from 6 to 605 gallons.
 - (5) One (1) waste processing facility, identified as building # 8, installed in 1967, consisting of 5 general exhaust ducts, and exhausting to stack SV8-1.
 - (6) One (1) mixing operation, in building # 14, installed in 1967, exhausting to stack SV14-8, and consisting of various mixing stations with capacity of 700 gallons and three (3) general exhaust ducts.

- (f) One (1) dry material handling operation with maximum capacity of 157 lb/hr, exhausting through one (1) stack.

Unpermitted Emission Units and Pollution Control Equipment

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

Insignificant Activities

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

- (a) Natural gas-fired combustion sources with heat input equal to or less than ten (10) million Btu per hour:
 - (1) two (2) Cleaver Brooks natural gas fired boilers located in building # 3, identified as boiler # 1 rated at 8.369 mmBtu per hour, installed in 1978, and boiler # 2 rated at 4.185 mmBtu per hour, installed in 1968; [326 IAC 6-2-3]
 - (2) one (1) Cleaver Brooks natural gas fired boiler located in building # 6, identified as western primary boiler, installed in 1998, rated at 4.0 mmBtu per hour; [326 IAC 6-2-4]
 - (3) two (2) Cleaver Brooks natural gas fired boilers located in building # 7, identified as R & D boiler # 1, and R & D boiler # 2, both installed in 1994, and each rated at 5.5 mmBtu per hour; [326 IAC 6-2-4]
 - (4) one (1) Cleaver Brooks natural gas fired boiler located in building # 7, identified as R & D boiler # 3, installed in 1994 and rated at 5.0 mmBtu per hour; [326 IAC 6-2-4] and
 - (5) one (1) natural gas fired boiler located in building # 16, identified as Weil Mclain Co. boiler, installed in 1964, and rated at 1.65 mmBtu per hour. [326 IAC 6-2-3]
- (b) Paved and unpaved roads and parking lots with public access. [326 IAC 6-5]
- (c) Natural gas turbines or reciprocating engines not exceeding 16,000 horsepower.
 - (1) one (1) natural gas fired emergency generator, identified as Onan-Cummins-Genset at 134 horsepower.
- (d) Stationary fire pumps:
 - (1) one (1) emergency diesel powered fire pump, identified as Cummins Engine co., model # 6 BTA 5.9 F1.
- (e) Five (5) laboratory operations as defined in 326 IAC 2-7-1 (20)(C),
 - (1) one (1) laboratory, identified as QAQC lab building # 3, and consisting of:
 - (i) two (2) Devilbiss wash water spray booths, identified as # 1 and 2;
 - (ii) four (4) binks dry filter back spray booths, identified as # 3 and 6;
 - (iii) three (3) milling units, identified as # 34 and 36;
 - (iv) one (1) lab hood;
 - (v) six (6) lab ovens; and
 - (vi) eight (8) general exhaust ducts.
 - (2) one (1) laboratory, identified as building # 3 south, and consisting of:
 - (i) one (1) devilbiss wash water spray booth, identified as # 7;
 - (ii) four (4) lab hoods;
 - (iii) two (2) lab ovens; and
 - (iv) twenty eight (28) general exhaust ducts.
 - (3) one (1) laboratory, identified as UV/VM research, building # 5, and consisting of:
 - (i) one (1) devilbiss wash water spray booth, identified as # 74;
 - (ii) two (2) dry filter back spray booths, identified as # 76 and 88;
 - (iii) one (1) flow coater unit, identified as # 75;
 - (iv) four (4) lab ovens;
 - (v) fifteen (15) test equipment drops; and
 - (vi) three (3) general exhaust ducts.

- (4) one (1) laboratory, identified as R & D facility, building # 7, and consisting of:
 - (i) two (2) devilibiss wash water spray booths, identified as # 14 and 17;
 - (ii) eight (8) binks dry filter back spray booths, identified as # 8 and 16;
 - (iii) four (4) pilot scale milling units;
 - (iv) one (1) tint dispenser, identified as # 101;
 - (v) seventeen (17) lab hoods;
 - (vi) twenty seven (27) lab ovens;
 - (vii) ten (10) test equipment drops; and
 - (viii) thirteen (13) general exhaust ducts.

- (5) one (1) laboratory, identified as nextel manufacturing building # 14, and consisting of:
 - (i) one (1) dry filter back spray booth, identified as # 71;
 - (ii) one (1) nextel dryer unit;
 - (iii) one (1) filter belt;
 - (iv) one (1) centrifuge;
 - (v) one (1) hot room;
 - (vi) three (3) lab hoods; and
 - (vii) three (3) general exhaust ducts.

- (f) One (1) Cleanup solvent operation associated with paint production equipments.

Existing Approvals

The source has constructed or has been operating under the following previous approvals:

- (a) Part 70 operating permit No.: 163-7524-00018, issued on May 1, 2001.
- (b) First Administrative Amendment No.: 163-14576-00018, issued on July 18, 2001.
- (c) Second Administrative Amendment No.: 163-19892-00018, issued on February 1, 2005.
- (d) Third Administrative Amendment No.: 163-20881-00018, issued on March 29, 2005.

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

Enforcement Issue

There are no enforcement actions pending.

Recommendation

The staff recommends to the Commissioner that the Part 70 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 administratively complete Part 70 permit renewal application for the purposes of this review was received on August 31, 2005. Additional information was received on July 10 and September 6, 2006.

Emission Calculations

See Appendix A of this document for detailed emission calculations (pages 1 through 8 of Appendix A).

Potential to Emit of the Source

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

The source was issued a Part 70 Operating Permit on May 1, 2001. The table below summarizes the potential to emit, reflecting all limits, of the emission units. Any control equipment is considered enforceable only after issuance of the original Part 70 operating Permit and only to the extent that the effect of the control equipment is made practically enforceable in the permit.

| Process/emission unit | Potential to Emit (tons/year) | | | | | | | |
|--|----------------------------------|------------------|-----------------|---------------|--------------|-----------------|-------------------|----------------|
| | PM | PM ₁₀ | SO ₂ | VOC | CO | NO _x | HAPs | |
| | | | | | | | Single Worst Case | Combined Total |
| Tank Farms (# 1, # 2, # 3 and # 4) | -- | -- | -- | 1.94 | -- | -- | 0.58 | 0.67 |
| Production Mix & Blend Operations (buildings # 1, # 2, # 3, # 8, and # 14) | -- | -- | -- | 106.80 | -- | -- | 5.67 | 15.00 |
| Solvent Cleaning Emissions * | -- | -- | -- | 3.03 | -- | -- | -- | -- |
| Fugitive Emissions (Inline Emissions) | -- | -- | -- | 28.50 | -- | -- | 1.92 | 3.85 |
| Dry Material Handling | 6.88 | 6.88 | -- | -- | -- | -- | -- | -- |
| Natural Gas Combustion Units * | 0.29 | 1.15 | 0.09 | 0.83 | 12.71 | 15.13 | 0.27 | 0.29 |
| Total PTE | 7.17 | 8.03 | 0.09 | 141.10 | 12.71 | 15.13 | 8.44 | 19.81 |

* Insignificant activity

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

- (c) This source emits Methyl Ethyl Ketone (MEK) which was de-listed as a Hazardous Air Pollutant (HAP) under Federal rules on June 30, 2005. However, this de-listing of MEK has not been incorporated in to the Indiana State rule yet, therefore, this permit will be issued when the final rule has been adopted by the State.

Actual Emissions

The following table shows the actual emissions from the source. This information reflects the 2002 OAQ emission data.

| Pollutant | Actual Emissions (tons/year) |
|-----------------|------------------------------|
| PM | no data |
| PM-10 | no data |
| SO ₂ | no data |
| VOC | 44.00 |
| CO | 1.0 |
| NO ₂ | 1.0 |
| HAP (specify) | no data |

County Attainment Status

The source is located in Vanderburgh County.

| Pollutant | Status |
|-----------------|---------------|
| PM2.5 | Nonattainment |
| PM-10 | Attainment |
| SO ₂ | Attainment |
| NO ₂ | Attainment |
| 8-hour Ozone | Attainment |
| CO | Attainment |
| Lead | Attainment |

- (a) Volatile organic compounds (VOC) and Nitrogen Oxides (NO_x) 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 NO_x emissions are considered when evaluating the rule applicability relating to ozone. Vanderburgh County has been designated as attainment or unclassifiable for ozone. Therefore, VOC emissions and NO_x emissions were reviewed pursuant to the requirements for Prevention of Significant Deterioration (PSD), 326 IAC 2-2. See the State Rule Applicability for the source section.
- (b) U.S.EPA in Federal Register Notice 70 FR 943 dated January 5, 2005 has designated Vanderburgh 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 non-attainment 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 a surrogate for PM2.5 emissions pursuant to the Nonattainment New Source Review requirements. See the State Rule Applicability for the source section.

- (c) Vanderburgh County has been classified as attainment in Indiana for all other criteria pollutants. Therefore, these emissions were reviewed pursuant to the requirements for Prevention of Significant Deterioration (PSD), 326 IAC 2-2. See the State Rule Applicability for the source section.
- (d) On August 7, 2006, a temporary emergency rule took effect redesignating Delaware, Greene, Jackson, Vanderburgh, Vigo and Warrick Counties to attainment for the eight-hour ozone standard, redesignating Lake County to attainment for the sulfur dioxide standard, and revoking the one-hour ozone standard in Indiana. The Indiana Air Pollution Control Board has approved a permanent rule revision to incorporate these changes into 326 IAC 1-4-1. The permanent revision to 326 IAC 1-4-1 will take effect prior to the expiration of the emergency rule.

Part 70 Permit Conditions

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

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

Federal Rule Applicability

- (a) This source is not subject to the provisions of 40 CFR 64, Compliance Assurance Monitoring. In order for this rule to apply, a specific emissions unit must meet three criteria for a given pollutant:
 - (1) The unit is subject to an emission limitation or standard for the applicable regulated air pollutant;
 - (2) The unit uses a control device to achieve compliance with any such emission limitation or standard, and
 - (3) The unit has potential pre-control device emissions of the applicable regulated air pollutant that are equal or greater than 100 percent of the amount required for a source to be classified as a major source.
- For this source, no unit has potential pre-control emissions of a regulated air pollutant that are equal or greater than 100 tons per year. Therefore, 40 CFR 64 is not applicable.
- (b) The requirements of New Source Performance Standard, (40 CFR 60.40c, Subpart Dc), Standards of Performance for Small Industrial-Commercial-Institutional Steam Generating Units are not included in the permit for the seven (7) boilers, identified as R & D Boilers #1, #2, and #3, Cleaver Brooks boilers #1 and #2, Cleaver Brooks western primary boiler, and Weil Mclain Co. boiler. New Source Performance Standards (NSPS) (326 IAC 12 and 40 CFR Part 60, Subpart Dc) applies to each steam generating unit for which construction, modification, or reconstruction is commenced after June 9, 1989 and that has a maximum design heat input capacity of 100 million Btu per hour (MMBtu/hr) or less, but greater than or equal to 10 MMBtu/hr. Each of the boilers has a maximum design heat input capacity of less than 10 MMBtu/hr.

- (c) The requirements of New Source Performance Standards (40 CFR 60.110, Subpart K), Standards of Performance for Storage Vessels for Petroleum Liquids for Which Construction, Reconstruction, or Modification Commenced After June 11, 1973, and Prior to May 19, 1978, are not included in the permit for the fixed roof dome storage tanks in tank farms # 1, #2, #3, and #4. Each storage tank in tank farms #1 and #2 was constructed prior to the rule applicability of June 11, 1973. Although, the storage tanks in tank farms #3 and #4 were constructed in 1980 after the rule applicability date, the storage capacity of each storage tanks is less than the rule applicability threshold of 40,000 gallons.
- (d) The requirements of New Source Performance Standards (40 CFR 60.110a, Subpart Ka), Standards of Performance for Storage Vessels for Petroleum Liquids for Which Construction, Reconstruction, or Modification Commenced After May 18, 1978, and Prior to July 23, 1984, are not included in the permit for the fixed roof dome storage tanks in tank farms # 1, #2, #3, and #4. Each storage tank in tank farms #1 and #2 was constructed prior to the rule applicability of May 18, 1978. Although, the storage tanks in tank farms #3 and #4 were constructed in 1980 within the range of rule applicability dates, the storage capacity of each storage tanks is less than the rule applicability threshold of 40,000 gallons.
- (e) The requirements of New Source Performance Standards (40 CFR 60.110b, Subpart Kb), Standards of Performance for Volatile Organic Liquid Storage Vessels (Including Petroleum Liquid Storage Vessels) for Which Construction, Reconstruction, or Modification Commenced After July 23, 1984, are not included in the permit for the fixed roof dome storage tanks in tank farms # 1, #2, #3, and #4. Each storage tank in tank farms #1, #2, #3, and #4 was constructed prior to the rule applicability of July 23, 1984.
- (f) The requirements of National Emission Standards for Hazardous Air Pollutants for Miscellaneous Coating Manufacturing (40 CFR 63, Subpart HHHHH) are not included in the permit for the operations at this source because this source is not a major source of HAPs. This source has elected to take a limit on single HAP and total HAP emissions of less than 10 and 25 tons per year, respectively, therefore, this rule does not apply. The HAP emissions from the paint production operation shall be limited as follows:
- (1) The input of any single HAP to the paint production operations shall be limited such that the potential to emit (PTE) of any single HAP shall be less than 9.9 tons per twelve (12) consecutive month period with compliance determined at the end of each month.
 - (2) The input of total HAPs to the paint production operations shall be limited such that the potential to emit (PTE) of total HAPs shall be less than 24.9 tons per twelve (12) consecutive month period with compliance determined at the end of each month.
 - (3) The HAP loss rate for the paint production operations shall not exceed 0.015 lb/lb of solvent used.
 - (4) The Permittee shall not produce any varnish that is considered a bodying oil, oleo resinous material, or alkyd without prior IDEM, OAQ approval.

Compliance with above conditions shall limit the source-wide single HAP and total HAPs emissions to less than 10 and 25 tons per twelve (12) consecutive month period, respectively. Therefore, the requirements of 326 IAC 20 and 40 CFR 63 (NESHAP, Subpart HHHHH) do not apply.

- (g) The requirements of National Emission Standards for Hazardous Air Pollutants for Miscellaneous Organic Chemical Manufacturing (40 CFR 63, Subpart FFFF) are not included in the permit for the operations at this source because this source does not manufacture the listed organic chemicals. This source only engages in mixing and blending of coatings.

State Rule Applicability – Entire Source

326 IAC 2-2 (Prevention of Significant Deterioration (PSD))

Although the source has an SIC code of 2851, this operation is not considered chemical processing. There is no chemical synthesis or chemical reactions occurring in the processes. The source mixes pigments and solvents to manufacture paints. Therefore, the source, located in Vanderburgh County, is not one of the twenty-eight (28) listed source categories. The source was originally constructed in 1930, the potential to emit of all criteria pollutants is less than two hundred fifty (250) tons per year, and no major modifications have occurred at the source. Therefore, the requirements of Prevention of Significant Deterioration (PSD), 326 IAC 2-2, are not applicable.

The operations at this source shall be subject to the following:

- (1) The input of VOC to the paint production operations shall be limited such that the potential to emit (PTE) of VOC shall be less than 249 tons per twelve (12) consecutive month period with compliance determined at the end of each month.
- (2) The VOC loss rate for the paint production operations shall not exceed 0.015 lb/lb of solvent used.

Compliance with the VOC mass input and VOC loss rate shall limit the source-wide VOC emissions to less than 250 tons per twelve (12) consecutive month period, respectively. Therefore, the requirements of 326 IAC 2-2 (PSD) do not apply.

326 IAC 2-1.1(Nonattainment NSR)

Vanderburgh County has been designated as nonattainment for PM 2.5 in 70 FR 943 dated January 5, 2005. According to the April 5, 2005 EPA memo titled "Implementation of New Source Review Requirements in PM2.5 Nonattainment Areas" authored by Steve Page, Director of OAQPS, until EPA promulgates the PM 2.5 major NSR regulations, states should assume that a major stationary source's PM10 emissions represent 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. Red Spot Paint and Varnish Co., Inc. has a potential to emit of PM10 below 100 tpy. Therefore, assuming that PM10 emissions represent PM2.5 emissions, Nonattainment NSR does 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 2006 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 the permit:

- (a) Opacity shall not exceed an average of thirty percent (30%) in any one (1) six (6) minute averaging period as determined in 326 IAC 5-1-4.
- (a) 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 2-4.1 (Major Sources of Hazardous Air Pollutants (HAP))

This source is not subject to this rule. This rule applies to major sources of hazardous air pollutants (HAP) that were constructed or reconstructed after July 27, 1997. All the facilities at this source were constructed before 1997, therefore, 326 IAC 2-4.1 does not apply.

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 rule applies to sources located in a Nonattainment county for Particulate Matter and sources having significant quantity of fugitive emissions. This source is located in a county classified as attainment for Particulate Matter and it emits insignificant quantity of fugitive emissions. Therefore, this rule is not applicable to the source.

State Rule Applicability – Individual Facilities

326 IAC 6-3-2 (Particulate emission limitations, work practices, and control technologies)

Pursuant to 326 IAC 6-3-2(e) (Particulate Emissions Limitations for manufacturing Process), the allowable PM emission rate from the handling of dry materials when operating at a process weight rate of 0.079 tons per hour 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:

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

$$E = 4.10 (0.079 \text{ TPH})^{0.67} = 0.75 \text{ lbs PM/hr}$$

Based on the above equation, particulate matter emissions from the handling of dry material shall be limited to 0.75 pounds PM per hour.

The source can comply with the 0.75 lb/hr limit since the potential emissions from the dry material handling operation are equal to 0.00078 lb/hr.

326 IAC 6-2-3 (Particulate Emission Limitations for Sources of Indirect Heating)

The three (3) natural gas fired boilers identified as Cleaver Brooks boilers #1 and #2, and Weil Mclain Co. boiler (all constructed before 1983), each rated at 8.36, 4.18, and 1.65 mmBtu/hr, respectively, are subject to the particulate matter limitations of 326 IAC 6-2. Pursuant to this rule, particulate emissions from indirect heating facilities constructed prior to September 21, 1983, shall be limited by the following equation:

$$P_t = \frac{C \times a \times h}{76.5 \times Q^{0.75} \times N^{0.25}}$$

where

C = 50 μ /m³
Pt = emission rate limit (lbs/mmBtu)
Q = total source heat input capacity (mmBtu/hr)
N = number of stacks
a = plume rise factor (0.67)
h = stack height in feet. If a number of stacks of different heights exist, average stack height to represent "N" stacks shall be calculated by weighing each stack height with its particulate matter emission rate as follows:

$$h = \frac{\sum_{i=1}^N H_i \times p a_i \times Q}{\sum_{i=1}^N p a_i \times Q}$$

where: Pa = the actual controlled emissions rate in lb/mmBtu using the emission factor form AP-42 or stack test data. Stacks constructed after January 1, 1971, shall be credited with GEP stack height only. GEP stack height shall be calculated as specified in 326 IAC 1-7.

For Cleaver Brooks boiler #2, and Weil Mclain co. boiler, both constructed before 1972 (Q = 4.185 + 1.65 = 5.835 mmBtu/hr)

$$Pt = (50 \times 0.67 \times 34) / (76.5 \times 5.835^{0.75} \times 2^{0.25}) = 3.33 \text{ lbs PM/mmBtu}$$

However, per 326 IAC 6-2-3(d), Pt for indirect heating facilities constructed before 1972 shall not exceed 0.8 lbs PM/mmBtu, therefore the two (2) boilers identified as Cleaver Brooks boiler # 2, and Weil Mclain Co. boiler are limited to 0.8 lbs PM/mmBtu.

Potential PM emissions for two (2) boilers = 1.9 lb PM/mmCF * (1/1000) (mmCF/mmBtu) = 0.0019 lbs PM/mmBtu.

Potential PM emissions for Cleaver Brooks boiler # 2, and Weil Mclain Co. boiler (0.0019 lbs PM/mmBtu) are less than the allowable 0.8 lbs PM/mmBtu, therefore the boilers can comply with the requirements of 326 IAC 6-2-3.

For Cleaver Brooks boiler #1, constructed in 1978 (Q = 5.835 + 8.369 = 14.204 mmBtu/hr)

$$Pt = (50 \times 0.67 \times 34) / (76.5 \times 14.204^{0.75} \times 1^{0.25}) = 2.03 \text{ lbs PM/mmBtu}$$

However, pursuant to 326 IAC 6-2-3(e), Pt for indirect heating facilities constructed after 1972 shall not exceed 0.6 lbs PM/mmBtu, therefore the Cleaver Brooks boiler # 1 is limited to 0.6 lbs PM/mmBtu.

Compliance calculation:

Potential PM emissions for the Cleaver Brooks boiler # 1 = 1.9 lb PM/mmCF * (1/1000) (mmCF/mmBtu) = 0.0019 lbs PM/mmBtu.

Potential PM emissions for Cleaver Brooks boiler #1, are less than the allowable 0.6 lbs PM/mmBtu, therefore the boiler will be able to comply with the requirements of 326 IAC 6-2-3.

326 IAC 6-2-4 (Particulate Emission Limitations for Sources of Indirect Heating)

The four (4) natural gas fired boilers, identified as Cleaver Brooks western standby boiler, R & D boiler #1, R & D boiler #2 and R & D boiler # 3 (all constructed after 1983), each rated at 4.0, 5.5, 5.5 and 5.0 MMBtu per hour, respectively, are subject to the particulate matter limitations of 326 IAC 6-2-4. Pursuant to this rule, particulate emissions from indirect heating facilities constructed after September 21, 1983, shall be limited by the following equation:

$$Pt = 1.09/Q^{0.26}$$

where: Pt = maximum allowable particulate matter (PM) emitted per mmBtu heat input
Q = total source max. operation capacity rating (at the time when the boilers were constructed)

For R&D boiler #1, #2 and #3, all three constructed in 1994 (Q = 14.204 + 5.5 + 5.5 + 5.0 = 30.204)

$$Pt = 1.09/30.204^{0.26} = 0.45 \text{ lbs PM/mmBtu}$$

For Cleaver Brooks western standby boiler, constructed in 1998 (Q = 30.204 + 4.0 = 34.204)

$$Pt = 1.09/34.204^{0.26} = 0.435 \text{ lbs PM/mmBtu}$$

Compliance calculation:

Potential PM emissions for all four boilers = 1.9 lb PM/mmCF * (1/1000) (mmCF/mmBtu) = 0.0019 lbs PM/mmBtu.

Potential PM emissions for western standby boiler, R & D boiler #1, #2 and #3 (0.0019 lbs PM/mmBtu) are less than allowable 0.45 lbs PM/mmBtu, therefore, the boilers can comply with the requirements of 326 IAC 6-2-4.

Potential PM emissions for Cleaver Brooks western standby boiler (0.0019 lb/mmBtu) are less than allowable 0.435 lb/mmBtu, therefore the boiler will be able to comply with the requirements of 326 IAC 6-2-4.

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

Provisions of 326 IAC 8-1-6 applies to facilities located in any county constructed after January 1, 1980, which are not otherwise regulated by any other provisions of 326 IAC 8, and have potential emissions of 25 tons/yr or greater. All the effected facilities at the source were constructed prior to January 1, 1980, except the tank farms # 3 and # 4. The tank farms constructed in 1980, have potential VOC emissions less than 25 tons/yr and are therefore not subject to the requirements of 326 IAC 8-1-6.

326 8-4 (Petroleum Sources)

This Organic liquid storage operation is not subject to the provisions of this rule. The tank farms # 3 and # 4 constructed in 1980, are not used to store petroleum liquid. Also, the source is located in Vanderburgh County and therefore not subject to the requirements of 326 IAC 8-4

326 IAC 8-6 (Organic Solvent Emission Limitations)

This rule applies to sources commencing operation after October 7, 1974 and prior to January 1, 1980, located anywhere in the state, with potential VOC emissions of 100 tons per year or more, and not regulated by any other provision of Article 8. All the effected facilities at the source were constructed prior to October 7, 1974, except the tank farms # 3 and # 4. The tank farms constructed in 1980, have potential VOC emissions less than 100 tons/yr and are therefore not subject to the requirements of 326 IAC 8-6.

326 IAC 8-9-1 (Volatile Organic Liquid Storage Vessels)

Pursuant to 326 IAC 8-9-1, on and after October 1, 1995 stationary vessels used to store volatile organic liquids (VOL) must comply with the requirements of the rule if located in Clark, Floyd, Lake or Porter Counties. The source is located in Vanderburgh County and therefore not subject to the requirements of 326 IAC 8-9-1.

Testing Requirements

The Permittee shall conduct mass balance testing for the paint production operations to demonstrate that the VOC/HAP loss rate is less than or equal to 0.015 lb/lb. Testing shall be conducted in accordance with Section C - Performance Testing.

Compliance Requirements

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

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

There are no compliance monitoring requirements for the source.

Conclusion

The operation of this mixing and blending of paints, varnishes, thinners and lacquers shall be subject to the conditions of the attached proposed Part 70 Permit Renewal No. T163-21721-00018.