

January 22, 2007



Mike Deters
Engineered Polymer Solutions, Inc. d/b/a Valspar Coatings
546 West Abbott Street
Indianapolis, IN 46225

Certified Mail: 7005 0390 0000 6271 7025

Re: Exempt Construction and Operation Status
097-23814-00040

Dear Mr. Deters:

Engineered Polymer Solutions, Inc. dba Valspar Coatings was issued a Renewal Part 70 permit on May 13, 2004 for a paint manufacturing plant. An application was received October 23, 2006 requesting to add an insignificant activity to the facility consisting of a new Basket Mill. The new Basket Mill will have potential emissions of volatile organic compounds (VOC) of less than 3 pounds per hour and 15 pounds per day (lb/day). The potential emissions of any single hazardous air pollutant (HAP) from operations are less than 5 lb/day and 1 ton per year (ton/yr). The potential emissions of total HAP from the operation are less than 12.5 lb/day and 2.5 ton/yr. Therefore, the new Basket Mill is an exempt emission unit under 326 IAC 2-1.3-3 and an insignificant activity as defined in 326 IAC 2-7-1(21). The new basket mill has no specifically applicable requirements. Insignificant activities are only required to be listed in Title V permits if they are specifically regulated; therefore, no changes have been made to the permit.

Based on the data submitted and the provisions in 326 IAC 2-1.1-3, it has been determined that this new Basket Mill is classified as exempt from air pollution construction permit requirements:

(a) One Basket Mill identified as BM-1 constructed in 2006, and exhausting to general plant ventilation.

An application or notification shall be submitted in accordance with 326 IAC 2 to the Office of Air Quality (OAQ) if the source proposes to construct new emission units, modify existing emission units, or otherwise modify the source. If you have any questions on this matter, please contact Myron Waters at 317-327-2182 and/ or wwaters@indygov.org

Sincerely,

A handwritten signature in black ink, appearing to read "Felicia A. Robinson".

Felicia A. Robinson
Administrator

wmw

cc: Files
Compliance - Matt Mosier
U.S. EPA, Region V
Mindy Hahn, IDEM OAQ
Marion County Health Department

Clean air is in

Air Quality Hotline: 317-327-4AIR | knozone.com

Department of Public Works
Office of Environmental Services

2700 Belmont Avenue | 317-327-2234
Indianapolis, IN 46221 | Fax 327-2274
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| indygov.org/dpw

**Indiana Department of Environmental Management
Office of Air Quality
and
Indianapolis Office of Environmental Services**

Technical Support Document (TSD) for an Exemption

Source Background and Description

Source Name:	Engineered Polymer Solutions, Inc. d/b/a Valspar Coatings
Source Location:	546 West Abbott Street, Indianapolis, Indiana 46225
County:	Marion
SIC Code:	2851
Permit No.:	097-23814-00040
Permit Reviewer:	Warner Myron Waters

The Office of Air Quality (OAQ) and the Office of Environmental Services (OES) have reviewed an application from Engineered Polymer Solutions, Inc. d/b/a Valspar Coatings relating to the addition of an exempt emission unit to the coating manufacturing plant.

Permitted Emission Units and Pollution Control Equipment

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

- (a) One (1) Orr & Sembower boiler, identified as emission unit OSB, located in building 30, constructed in 1960, with a maximum heat input capacity of 14.5 million Btu per hour (MMBtu/hr), using natural gas as the primary fuel and distillate oil as a backup fuel, exhausting to stack OSB-S.
- (b) One (1) York Shipley natural gas fired boiler, identified as emission unit YSB, located in building 30, constructed in 1982, with a maximum heat input capacity of 29 million Btu per hour (MMBtu/hr), exhausting to stack YSB-S.
- (c) One (1) Coating Formulation and Packaging Line, identified as CF-1, constructed before 1980 and modified in 2001, with a maximum production rate of 3.0 tons of paint per hour, where paints, lacquer and enamel are formulated and subsequently packaged in tanker trucks, totes, drums and cans. This line consists of the following:
 - (1) Ninety-two (92) mix tanks.
 - (2) Forty-one (41) variable speed air/hydraulic lift dispensers.
 - (3) Twenty-two (22) paint mills.
 - (4) One hundred and sixty-eight (168) portable kettles/tubs.
 - (5) Two (2) single speed air/hydraulic lift dispensers (UFD).
 - (6) Two (2) 3 horsepower (HP) post mixers.
 - (7) One (1) letdown tank, with a maximum capacity of 5,000 gallons.

- (8) One (1) dry ingredient handling process, controlled by fourteen (14) portable baghouses (identified as DC3 through DC16) and two (2) stationary baghouses (identified as DC1 and DC2), exhausting to stacks DC1 through DC16, respectively.
- (9) Five (5) stationary filling stations, each with a maximum loading rate of 12 gallons per minute.
- (10) Ten (10) portable filling stations, each with a maximum loading rate of 12 gallons per minute.
- (d) One (1) Tote paint spray booth, identified as emission unit SB28, located in building 28, constructed in 1977, using air atomization as the coating application method to coat metal totes, and using a dry filter to control particulate matter emissions, exhausting to stack SB28-S.
- (e) One (1) Latex Paint Production Line, identified as emission unit EU-17, constructed in 2001 and modified in 2002, with a maximum production rate of 20,000 tons of paint per year, consisting of the following:
 - (1) Two (2) raw material storage tanks, constructed in 1999, each with a maximum capacity of 6,000 and 8,000 gallons, respectively.
 - (2) Two (2) emulsion storage tanks, constructed in 2002, each with a maximum capacity of 7,000 gallons.
 - (3) One (1) dispersion mixer, constructed in 2001, with a maximum capacity of 1,800 gallons.
 - (4) One (1) letdown tank, constructed in 2001, with a maximum capacity of 4,500 gallons.
 - (5) One (1) finished goods tank, constructed in 1999, with a maximum capacity of 6,000 gallons.
 - (6) One (1) finished goods tank, constructed in 2001, with a maximum capacity of 8,000 gallons.
 - (7) One (1) raw material loading and dispersion process, controlled by a baghouse, identified as DC17.

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 specifically regulated activities, as defined in 326 IAC 2-7-1(21):

- (a) Degreasing operations that do not exceed 145 gallons per 12 months, except if subject to 326 IAC 20-6, including the following:
 - (1) Cold Cleaning Operations which consist of 30 portable cold cleaning units of various sizes used to clean production and laboratory related tools and small machine parts. These cold cleaning units are charged with reclaim solvent. VOC emissions from these cold cleaning units are emitted to the building. Dirty solvents are sent back to the solvent recovery unit (SRU) and reused. [326 IAC 8-3-5]
- (b) Other insignificant emitting activities with potential emissions less than the emissions level specified in 326 IAC 2-7-1(21)(A) through (C)
 - (1) Seven (7) Quality Assurance Paint Booths, over spray is controlled by a dry filter. These emission units are used to test coatings produced at the source. This emission unit was installed prior to January 1, 1980. [326 IAC 6-3-2]
 - (2) One hundred and seventy-four (174) fixed roof, above ground storage tanks ranging in size from 180 to 9,608 gallons. These tanks are used to store solvents, resins, and other raw materials and intermediates. These emission units were installed prior to January 1, 1980.
 - (3) One Luwa Thin Film Evaporator (Solvent Recovery Unit, or SRU), Model #LN0200, used to reclaim solvent from waste materials. This unit is operated under vacuum, typically 28 in. Hg, pulled at the condenser end of the unit. This emission unit was installed prior to January 1, 1987.
 - (4) Tank Cleaning Operations involves rinsing and cleaning paint formulation equipment (mixing vats, dispersers, mills, etc.) either manually or by machines with reclaimed organic solvents. The dirty reclaimed solvent is sent back to the Luwa Thin Film Evaporator (Solvent Recovery Unit, SRU) for recovery of the solvents. Volatile Organic Compounds which evaporate during this process are emitted into the room air. This emission unit was existing prior to January 1, 1980.
- (c) One Basket Mill which has the potential emissions of volatile organic compounds (VOC) of less than 3 pounds per hour and 15 pounds per day (lb/day); the potential emissions of any single hazardous air pollutant (HAP) less than 5 lb/day and 1 ton per year (ton/yr); and the potential emissions of total HAP less than 12.5 lb/day and 2.5 ton/yr.

Existing Approvals

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

- (a) T097-7789-00040, issued on August 31, 1999;
- (b) First Administrative Amendment, 097-11482-00040, issued on February 16, 2000;
- (c) Second Administrative Amendment, 097-13947-00040, issued on April 20, 2001;

- (d) First Minor Source Modification, 097-14326-00040, issued on May 7, 2001;
- (e) First Minor Permit Modification, 097-14855-00040, issued on August 30, 2001;
- (f) First Part 70 Reopening, 097-13398-00040, issued on March 14, 2002;
- (g) First Significant Permit Modification, 097-15604-00040, issued on January 29, 2003; and
- (h) Third Administrative Amendment, 097-17719-00040, issued on August 13, 2003.

Enforcement Issue

There are no enforcement actions pending.

Recommendation

The staff recommends to the Commissioner that this Exemption 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 exemption application for the purposes of this review was received on October 23, 2006.

Justification for the Exemption

Engineered Polymer Solutions, Inc. dba Valspar Coatings submitted an application requesting the addition of an insignificant activity to the facility consisting of a new Basket Mill. The new Basket Mill will have potential emissions of volatile organic compounds (VOC) of less than 3 pounds per hour and 15 pounds per day (lb/day); the potential emissions of any single hazardous air pollutant (HAP) from operations are less than 5 lb/day and 1 ton per year (ton/yr); and the potential emissions of total HAP from the operation are less than 12.5 lb/day and 2.5 ton/yr. Therefore, the new Basket Mill is an exempt emission unit under 326 IAC 2-1.3-3 (e)(1) and an insignificant activity as defined in 326 IAC 2-7-1(21).

Emission Calculations

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

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 August 31, 1999. The table below summarizes the potential to emit, reflecting all limits, of the emission units. Any control equipment is considered enforceable only after issuance of the original Part 70 operating Permit and only to the extent that the effect of the control equipment is made practically enforceable in the permit.

Process/emission unit	Potential to Emit (tons/year)						
	PM	PM-10	SO ₂	VOC	CO	NO _x	HAPs
OSB	0.89	0.89	31.10	0.18	2.22	8.89	*
YSB	0.24	0.97	0.08	0.70	10.67	12.70	*
CF-1 and EU-17, combined	74.73	74.73	*	25.70	*	*	18.41
SB-28	0.02	0.02	*	0.03	*	*	*
Tanks	*	*	*	1.10	*	*	0.57
Insignificant Activities	*	*	*	1.46 ¹	*	*	*
Tanks Clean-up	*	*	*	3.27	*	*	2.99
Total PTE	75.87	76.60	31.17	29.83	12.89	21.59	21.96

(1) Includes added Basket Mill VOC emissions

- (a) The potential to emit (as defined in 326 IAC 2-7-1(29)) of any single HAP is equal to or greater than ten (10) tons per year. Therefore, the source is subject to the provisions of 326 IAC 2-7.

Actual Emissions

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

Pollutant	Potential To Emit (tons/year)
PM	0.18
PM-10	0.18
SO ₂	0.01
VOC	28.20
CO	1.32
NO _x	1.57
Single HAP	6.91
Combination of HAPs	15.58

County Attainment Status

The source is located in Marion County.

Pollutant	Status
PM-10	attainment
SO ₂	maintenance attainment
NO ₂	attainment
Ozone	maintenance attainment
CO	attainment
Lead	unclassifiable

- (a) Volatile organic compounds (VOC) are precursors for the formation of ozone. Therefore, VOC emissions are considered when evaluating the rule applicability relating to the ozone standards. Marion County has been designated as attainment or unclassifiable for ozone. Therefore, VOC 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) Marion County has been classified as attainment or unclassifiable for all other 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.
- (c) Marion County has been classified as nonattainment for PM_{2.5} in 70 FR 943 dated January 5, 2005. Until U.S. EPA adopts specific New Source Review rules for PM_{2.5} emissions, it has directed states to regulate PM₁₀ emissions as surrogate for PM_{2.5} emissions, pursuant to the Non-attainment New Source Review requirements. See the State Rule Applicability for the source section.
- (d) On August 7, 2006, a temporary emergency rule took effect revoking the one-hour ozone standard in Indiana. The Indiana Air Pollution Control Board has approved a permanent rule revision to incorporate this change into 326 IAC 1-4-1. A 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 chooses to remain 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 assume that all reasonable information is provided to evaluate continuous compliance with the applicable requirements.

Federal Rule Applicability

- (a) There are no New Source Performance Standards (NSPS) (326 IAC 12 and 40 CFR Part 60) included in the permit for the new basket mill.
- (b) There are no National Emission Standards for Hazardous Air Pollutants (NESHAP)(326 IAC 14, 20 and 40 CFR Part 61, 63) included in the permit for the new basket mill.

State Rule Applicability – Entire Source

326 IAC 1-5-2 (Emergency Reduction Plans)

This regulation applies to sources with the PTE criteria air pollutants (PM, CO, VOC, NO_x, and SO₂) in excess of 100 tons per year. The source wide emissions are less than 100 tons per year for all criteria pollutants. Therefore, 326 IAC 1-5-2 regulation does not apply to the source.

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

This source is included on the list of 28 source categories as a Chemical Process Plant since the first two digits of the Standard Industrial Classification code (SIC) are 28. The potential emissions of all regulated air pollutants are less than the major PSD source levels. Therefore, the requirements of 326 IAC 2-2 are not applicable.

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

This source is not subject to 326 IAC 2-4.1, because it has not been constructed or reconstructed a major source of HAPs after July 27, 1997. In addition, pursuant to SPM 097-15604-00040, the Permittee has chosen to limit the HAPs emissions from the entire source to less than the HAP major source thresholds.

326 IAC 5-1 (Opacity Limitations)

This source is located in Marion County. 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%) any one (1) six (6) minute averaging period as determined in 326 IAC 5-1-4.
- (b) Opacity shall not exceed sixty percent (60%) for more than a cumulative total of fifteen (15) minutes (sixty (60) readings) as measured according to 40 CFR 60, Appendix A, Method 9 or fifteen (15) one (1) minute nonoverlapping integrated averages for a continuous opacity monitor) in a six (6) hour period.

State Rule Applicability – New Basket Mill

326 IAC 8-1-6 (New facilities; general reduction requirements)

The Basket Mill has potential VOC emissions less than 25 tons per year; therefore, this rule does not apply. No other Article 8 requirements apply to the new Basket Mill.

Conclusion

The construction and operation of this new Basket Mill shall be subject to the conditions of this Exemption 097-23814-00040.