



INDIANA DEPARTMENT OF ENVIRONMENTAL MANAGEMENT

We Protect Hoosiers and Our Environment.

Mitchell E. Daniels Jr.
Governor

Thomas W. Easterly
Commissioner

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

TO: Interested Parties / Applicant

DATE: July 17, 2008

RE: Holm Industries, Inc. / 143-26143-00018

FROM: Matthew Stuckey, Branch Chief
Permits Branch
Office of Air Quality

Notice of Decision: Approval - Effective Immediately

Please be advised that on behalf of the Commissioner of the Department of Environmental Management, I have issued a decision regarding the enclosed matter. Pursuant to IC 13-15-5-3, this permit is effective immediately, unless a petition for stay of effectiveness is filed and granted according to IC 13-15-6-3, and may be revoked or modified in accordance with the provisions of IC 13-15-7-1.

If you wish to challenge this decision, IC 4-21.5-3 and IC 13-15-6-1 require that you file a petition for administrative review. This petition may include a request for stay of effectiveness and must be submitted to the Office of Environmental Adjudication, 100 North Senate Avenue, Government Center North, Suite N 501E, Indianapolis, IN 46204, **within eighteen (18) calendar days of the mailing of this notice**. The filing of a petition for administrative review is complete on the earliest of the following dates that apply to the filing:

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

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

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

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

Enclosures
FNPER.dot12/03/07



INDIANA DEPARTMENT OF ENVIRONMENTAL MANAGEMENT

We Protect Hoosiers and Our Environment.

Mitchell E. Daniels Jr.
Governor

Thomas W. Easterly
Commissioner

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

New Source Construction and Federally Enforceable State Operating Permit OFFICE OF AIR QUALITY

**Holm Industries, Inc.
1320 S. Main Street
Scottsburg, Indiana 47170**

(herein known as the Permittee) is hereby authorized to construct and 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. 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 2-8 as required by 42 U.S.C. 7401, et. seq. (Clean Air Act as amended by the 1990 Clean Air Act Amendments), 40 CFR Part 70.6, IC 13-15 and IC 13-17.

Indiana statutes from IC 13 and rules from 326 IAC, quoted in conditions in this permit, are those applicable at the time the permit was issued. The issuance or possession of this permit shall not alone constitute a defense against an alleged violation of any law, regulation or standard, except for the requirement to obtain a FESOP under 326 IAC 2-8.

| | |
|---|--|
| Operation Permit No.: F143-26143-00018 | |
| Issued by: <i>Original document signed by</i> Iryn Calilung, Section Chief Office of Air Quality | Issuance Date: July 17, 2008 Expiration Date: July 17, 2013 |

TABLE OF CONTENTS

| | |
|---|-----------|
| A. SOURCE SUMMARY..... | 5 |
| A.1 General Information [326 IAC 2-8-3(b)] | |
| A.2 Emission Units and Pollution Control Equipment Summary [326 IAC 2-8-3(c)(3)] | |
| A.3 Insignificant Activities [326 IAC 2-7-1(21)][326 IAC 2-8-3(c)(3)(l)] | |
| A.4 FESOP Applicability [326 IAC 2-8-2] | |
| B. GENERAL CONDITIONS | 8 |
| B.1 Definitions [326 IAC 2-8-1] | |
| B.2 Revocation of Permits [326 IAC 2-1.1-9(5)] | |
| B.3 Affidavit of Construction [326 IAC 2-5.1-3(h)] [326 IAC 2-5.1-4][326 IAC 2-8] | |
| B.4 Permit Term [326 IAC 2-8-4(2)][326 IAC 2-1.1-9.5][IC 13-15-3-6(a)] | |
| B.5 Term of Conditions [326 IAC 2-1.1-9.5] | |
| B.6 Enforceability [326 IAC 2-8-6] | |
| B.7 Severability [326 IAC 2-8-4(4)] | |
| B.8 Property Rights or Exclusive Privilege [326 IAC 2-8-4(5)(D)] | |
| B.9 Duty to Provide Information [326 IAC 2-8-4(5)(E)] | |
| B.10 Certification [326 IAC 2-8-3(d)][326 IAC 2-8-4(3)(C)(i)][326 IAC 2-8-5(1)] | |
| B.11 Annual Compliance Certification [326 IAC 2-8-5(a)(1)] | |
| B.12 Compliance Order Issuance [326 IAC 2-8-5(b)] | |
| B.13 Preventive Maintenance Plan [326 IAC 1-6-3][326 IAC 2-8-4(9)] [326 IAC 2-8-5(a)(1)] | |
| B.14 Emergency Provisions [326 IAC 2-8-12] | |
| B.15 Prior Permits Superseded [326 IAC 2-1.1-9.5] | |
| B.16 Termination of Right to Operate [326 IAC 2-8-9][326 IAC 2-8-3(h)] | |
| B.17 Deviations from Permit Requirements and Conditions [326 IAC 2-8-4(3)(C)(ii)] | |
| B.18 Permit Modification, Reopening, Revocation and Reissuance, or Termination [326 IAC 2-8-4(5)(C)][326 IAC 2-8-7(a)][326 IAC 2-8-8] | |
| B.19 Permit Renewal [326 IAC 2-8-3(h)] | |
| B.20 Permit Amendment or Revision [326 IAC 2-8-10][326 IAC 2-8-11.1] | |
| B.21 Operational Flexibility [326 IAC 2-8-15][326 IAC 2-8-11.1] | |
| B.22 Source Modification Requirement [326 IAC 2-8-11.1] | |
| B.23 Inspection and Entry [326 IAC 2-8-5(a)(2)][IC 13-14-2-2][IC 13-17-3-2] [IC 13-30-3-1] | |
| B.24 Transfer of Ownership or Operational Control [326 IAC 2-8-10] | |
| B.25 Annual Fee Payment [326 IAC 2-7-19] [326 IAC 2-8-4(6)] [326 IAC 2-8-16] [326 IAC 2-1.1-7] | |
| B.26 Advanced Source Modification Approval [326 IAC 2-8-4(11)] [326 IAC 2-1.1-9] | |
| B.27 Credible Evidence [326 IAC 2-8-4(3)][326 IAC 2-8-5][62 FR 8314] [326 IAC 1-1-6] | |
| C. SOURCE OPERATION CONDITIONS | 18 |
| Emission Limitations and Standards [326 IAC 2-8-4(1)] | |
| C.1 Particulate Emission Limitations For Processes with Process Weight Rates Less Than One Hundred (100) Pounds per Hour [326 IAC 6-3-2] | |
| C.2 Overall Source Limit [326 IAC 2-8] | |
| C.3 Opacity [326 IAC 5-1] | |
| C.4 Open Burning [326 IAC 4-1] [IC 13-17-9] | |
| C.5 Incineration [326 IAC 4-2] [326 IAC 9-1-2] | |
| C.6 Fugitive Dust Emissions [326 IAC 6-4] | |
| C.7 Fugitive Particulate Matter Emission Limitations [326 IAC 6-5] | |
| C.8 Stack Height [326 IAC 1-7] | |
| C.9 Asbestos Abatement Projects [326 IAC 14-10] [326 IAC 18] [40 CFR 61, Subpart M] | |

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

- C.10 Performance Testing [326 IAC 3-6]

Compliance Requirements [326 IAC 2-1.1-11]

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

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

- C.12 Compliance Monitoring [326 IAC 2-8-4(3)][326 IAC 2-8-5(a)(1)]
- C.13 Monitoring Methods [326 IAC 3] [40 CFR 60] [40 CFR 63]
- C.14 Instrument Specifications [326 IAC 2-1.1-11] [326 IAC 2-8-4(3)]
[326 IAC 2-8-5(1)]

Corrective Actions and Response Steps [326 IAC 2-8-4][326 IAC 2-8-5(a)(1)]

- C.15 Emergency Reduction Plans [326 IAC 1-5-2] [326 IAC 1-5-3]
- C.16 Risk Management Plan [326 IAC 2-8-4] [40 CFR 68]
- C.17 Response to Excursions or Exceedances [326 IAC 2-8-4] [326 IAC 2-8-5]
- C.18 Actions Related to Noncompliance Demonstrated by a Stack Test [326 IAC 2-8-4]
[326 IAC 2-8-5]

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

- C.19 General Record Keeping Requirements [326 IAC 2-8-4(3)] [326 IAC 2-8-5]
- C.20 General Reporting Requirements [326 IAC 2-8-4(3)(C)] [326 IAC 2-1.1-11]

Stratospheric Ozone Protection

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

D.1. EMISSIONS UNIT OPERATION CONDITIONS..... 26

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

- D.1.1 Volatile Organic Compounds (VOC) [326 IAC 8-2-12]
- D.1.1 PM10 Limitations [326 IAC 2-8] [326 IAC 2-2]
- D.1.2 PM Limitations [326 IAC 2-2]
- D.1.3 Particulate Limitations [326 IAC 6-3-2]
- D.1.4 Preventative Maintenance Plant [326 IAC 2-8-4(9)]

Compliance Determination Requirements

- D.1.5 Particulate Control
- D.1.6 Testing Requirements [326 IAC 2 1.1 11]

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

- D.1.7 Visible Emissions Notations
- D.1.8 Parametric Monitoring
- D.1.9 Broken or Failed Bag Detection
- D.1.10 Scrubber Detection

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

- D.1.11 Record Keeping Requirements

D.2. EMISSIONS UNIT OPERATION CONDITIONS..... 31

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

- D.2.1 Particulate Emission

Certification Form 32
Emergency Occurrence Form 33
Quarterly Deviation and Compliance Monitoring Report Form 35

Affidavit of Construction 37

SECTION A SOURCE SUMMARY

This permit is based on information requested by the Indiana Department of Environmental Management (IDEM), Office of Air Quality (OAQ). The information describing the source contained in conditions A.1 through A.3 is descriptive information and does not constitute enforceable conditions. However, the Permittee should be aware that a physical change or a change in the method of operation that may render this descriptive information obsolete or inaccurate may trigger requirements for the Permittee to obtain additional permits or seek modification of this permit pursuant to 326 IAC 2, or change other applicable requirements presented in the permit application.

A.1 General Information [326 IAC 2-8-3(b)]

The Permittee owns and operates a stationary plastics and magnetic plastics manufacturing operation.

| | |
|------------------------------|--|
| Source Address: | 1320 S. Main Street, Scottsburg, Indiana 47170 |
| Mailing Address: | 1320 S. Main Street, Scottsburg, Indiana 47170 |
| General Source Phone Number: | (812) 752-2526 |
| SIC Code: | 3053, 3099 |
| County Location: | Scott |
| Source Location Status: | Attainment for all criteria pollutants |
| Source Status: | Federally Enforceable State Operating Permit Program Minor Source, under PSD Rules 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 2-8-3(c)(3)]

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

- (a) One (1) rotary calcining kiln, approved for construction in 2008, identified as EU-101, with a maximum capacity of 3,000 lbs of iron oxide per hour, using a wet scrubber as control, and exhausting to stack S-101-2.
- (b) One (1) rotary calcining kiln, approved for construction in 2008, identified as EU-102, with a maximum capacity of 3,500 lbs of iron oxide per hour, using a wet scrubber as control, and exhausting to stack S-101-2.
- (c) Two (2) silos, approved for construction in 2008, identified as EU-103 and EU-105, with a maximum throughput capacity of 7,000 tons per year, for the storage of iron oxide powder.
- (d) Two (2) Moritz Mills, approved for construction in 2008, identified as EU-152 and EU-153, with a maximum capacity of 1,700 lbs per hour each, using baghouses for control, identified as C-152 and C-153, and exhausting indoors.
- (e) One (1) Moritz Mill, approved for construction in 2008, identified as EU-154, with a maximum capacity of 2,380 lbs per hour, using a baghouse for control, identified as C-154, and exhausting indoors.
- (f) One (1) weigh hopper, approved for construction in 2008, identified as EU-156, with a maximum capacity of 4,930 lbs per day, using a baghouse for control, identified as C-156.
- (g) One (1) weigh hopper, approved for construction in 2008, identified as EU-157, with a maximum capacity of 870 lbs per hour, using a baghouse for control, identified as C-157.

- (h) Three (3) silos, constructed in 1999, identified as EU-106, EU-107, and EU-108, with a maximum capacity of 7,950 tons per year each, for the storage of calcium carbonate.
- (i) One (1) plastic pellet production line, constructed in 1999, identified as EU-112, with a maximum capacity of 1,000 pounds per hour, exhausting to stack S-112.
- (j) One (1) plastic pellet production line, constructed in 1999, identified as EU-113, with a maximum capacity of 700 pounds per hour, exhausting to stack S-113.
- (k) One (1) plastic pellet production line, constructed in 1999, identified as EU-114, with a maximum capacity of 1,800 pounds per hour, exhausting to stack S-114.
- (l) One (1) plastic pellet production line, constructed in 1999, identified as EU-115, with a maximum capacity of 1,200 pounds per hour, exhausting indoors.
- (m) One (1) plastic pellet production line, constructed in 1999, identified as EU-116, with a maximum capacity of 1,200 pounds per hour, exhausting to stack S-116.
- (n) One (1) plastic pellet production line, constructed in 1999, identified as EU-117, with a maximum capacity of 1,500 pounds per hour, exhausting indoors.
- (o) One (1) plastic pellet production line, constructed in 1999, identified as EU-118, with a maximum capacity of 1,500 pounds per hour, exhausting indoors.
- (p) One (1) Banbury mixer, constructed in 1999, identified as EU-122, with a maximum capacity of 3,700 lbs per hour, using a baghouse for control, identified as C-122, exhausting to stack S-122.

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

This stationary source also includes the following insignificant activities:

- (a) One (1) natural gas-fired air make-up unit, constructed in 1999, identified as EU-119, with a maximum heat input of 1.1 MMBtu per hour, exhausting to stack S-119.
- (b) Four (4) natural gas-fired space heaters, constructed in 1999, identified as EU-136, EU-141, EU-142, and EU-143, with a maximum heat input of 0.14 MMBtu per hour each, exhausting to stacks S-136, S-141, S-142, and S-143.
- (c) Eight (8) natural gas-fired space heaters, constructed in 1999, identified as EU-137, EU-138, EU-139, EU-140, EU-144, EU-145, EU-146, and EU-147, with a maximum heat input of 0.25 MMBtu per hour each, exhausting to stacks S-137, S-138, S-139, S-140, S-144, S-145, S-146, and S-147.
- (d) Two (2) natural gas-fired space heaters, constructed in 1999, identified as EU-149 and EU-149, with a maximum heat input of 0.40 MMBtu per hour each, exhausting to stacks S-148 and S-149.
- (e) One (1) natural gas-fired Cleaver Brooks boiler, constructed in 1999, identified as EU-151, with a maximum heat input of 2.5 MMBtu per hour, exhausting to stack S-151.
- (f) The following equipment related to manufacturing activities not resulting in the emission of HAPs: cutting torches, soldering equipment, and welding equipment.
- (g) Repair activities, including the following: Replacement or repair of electrostatic precipitators, bags in baghouses and filters in other air filtration equipment.

- (h) Conveyors as follows: enclosed systems for conveying plastic raw materials and plastic finished goods.
- (i) Routine maintenance and repair of buildings, structures, or vehicles at the source where air emissions from those activities would not be associated with any production process, including the following: purging of gas lines, purging of vessels.
- (j) Blowdown for a cooling tower.
- (k) Emissions from a laboratory as defined in 326 IAC 2-7-1(21)(D).
- (l) Emissions from research and development activities as defined in 326 IAC 2-7-1(21)(D).

A.4 FESOP Applicability [326 IAC 2-8-2]

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

SECTION B GENERAL CONDITIONS

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

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

B.2 Revocation of Permits [326 IAC 2-1.1-9(5)]

Pursuant to 326 IAC 2-1.1-9(5)(Revocation of Permits), the Commissioner may revoke this permit if construction is not commenced within eighteen (18) months after receipt of this approval or if construction is suspended for a continuous period of one (1) year or more.

B.3 Affidavit of Construction [326 IAC 2-5.1-3(h)] [326 IAC 2-5.1-4][326 IAC 2-8]

This document shall also become the approval to operate pursuant to 326 IAC 2-5.1-4 and [326 IAC 2-8] when prior to the start of operation, the following requirements are met:

- (a) The attached Affidavit of Construction shall be submitted to the Office of Air Quality (OAQ), verifying that the emission units were constructed as proposed in the application or the permit. The emission units covered in this permit may begin operating on the date the Affidavit of Construction is postmarked or hand delivered to IDEM if constructed as proposed.
- (b) If actual construction of the emission units differs from the construction proposed in the application, the source may not begin operation until the permit has been revised pursuant to 326 IAC 2 and an Operation Permit Validation Letter is issued.
- (c) The Permittee shall attach the Operation Permit Validation Letter received from the Office of Air Quality (OAQ) to this permit.

B.4 Permit Term [326 IAC 2-8-4(2)][326 IAC 2-1.1-9.5][IC 13-15-3-6(a)]

- (a) This permit, F143-26143-00018, 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, 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, until the renewal permit has been issued or denied.

B.5 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.6 Enforceability [326 IAC 2-8-6]

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

B.7 Severability [326 IAC 2-8-4(4)]

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

B.8 Property Rights or Exclusive Privilege [326 IAC 2-8-4(5)(D)]

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

B.9 Duty to Provide Information [326 IAC 2-8-4(5)(E)]

- (a) The Permittee shall furnish to IDEM, OAQ, within a reasonable time, any information that IDEM, OAQ may request in writing to determine whether cause exists for modifying, revoking and reissuing, or terminating this permit, or to determine compliance with this permit. The submittal by the Permittee does require the certification by an "authorized individual" as defined by 326 IAC 2-1.1-1(1). Upon request, the Permittee shall also furnish to IDEM, OAQ copies of records required to be kept by this permit.
- (b) For information furnished by the Permittee to IDEM, OAQ, the Permittee may include a claim of confidentiality in accordance with 326 IAC 17.1. When furnishing copies of requested records directly to U. S. EPA, the Permittee may assert a claim of confidentiality in accordance with 40 CFR 2, Subpart B.

B.10 Certification [326 IAC 2-8-3(d)][326 IAC 2-8-4(3)(C)(i)][326 IAC 2-8-5(1)]

- (a) Where specifically designated by this permit or required by an applicable requirement, any application form, report, or compliance certification submitted shall contain certification by an "authorized individual" of truth, accuracy, and completeness. This certification shall state that, based on information and belief formed after reasonable inquiry, the statements and information in the document are true, accurate, and complete.
- (b) One (1) certification shall be included, using the attached Certification Form, with each submittal requiring certification. One (1) certification may cover multiple forms in one (1) submittal.
- (c) An "authorized individual" is defined at 326 IAC 2-1.1-1(1).

B.11 Annual Compliance Certification [326 IAC 2-8-5(a)(1)]

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

Indiana Department of Environmental Management
Compliance Branch, Office of Air Quality
100 North Senate Avenue
MC 61-53 IGCN 1003
Indianapolis, Indiana 46204-2251

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

- (1) The appropriate identification of each term or condition of this permit that is the basis of the certification;
- (2) The compliance status;
- (3) Whether compliance was continuous or intermittent;
- (4) The methods used for determining the compliance status of the source, currently and over the reporting period consistent with 326 IAC 2-8-4(3); and
- (5) Such other facts, as specified in Sections D of this permit, as IDEM, OAQ may require to determine the compliance status of the source.

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

B.12 Compliance Order Issuance [326 IAC 2-8-5(b)]

IDEM, OAQ may issue a compliance order to this Permittee upon discovery that this permit is in nonconformance with an applicable requirement. The order may require immediate compliance or contain a schedule for expeditious compliance with the applicable requirement.

B.13 Preventive Maintenance Plan [326 IAC 1-6-3][326 IAC 2-8-4(9)][326 IAC 2-8-5(a)(1)]

(a) If required by specific condition(s) in Section D of this permit, the Permittee shall prepare and maintain Preventive Maintenance Plans (PMPs) within ninety (90) days after issuance of this permit, including the following information on each facility:

- (1) Identification of the individual(s) responsible for inspecting, maintaining, and repairing emission control devices;
- (2) A description of the items or conditions that will be inspected and the inspection schedule for said items or conditions; and
- (3) Identification and quantification of the replacement parts that will be maintained in inventory for quick replacement.

If, due to circumstances beyond the Permittee's control, the PMPs cannot be prepared and maintained within the above time frame, the Permittee may extend the date an additional ninety (90) days provided the Permittee notifies:

Indiana Department of Environmental Management
Compliance Branch, Office of Air Quality
100 North Senate Avenue
MC 61-53 IGCN 1003
Indianapolis, Indiana 46204-2251

The PMP extension notification does not require the certification by an "authorized individual" as defined by 326 IAC 2-1.1-1(1).

(b) A copy of the PMPs shall be submitted to IDEM, OAQ upon request and within a reasonable time, and shall be subject to review and approval by IDEM, OAQ. IDEM, OAQ may require the Permittee to revise its PMPs whenever lack of proper maintenance causes or is the primary contributor to an exceedance of any limitation on emissions or potential to emit. The PMPs do not require the certification by an "authorized individual" as defined by 326 IAC 2-1.1-1(1).

- (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.14 Emergency Provisions [326 IAC 2-8-12]

- (a) An emergency, as defined in 326 IAC 2-7-1(12), is not an affirmative defense for an action brought for noncompliance with a federal or state health-based emission limitation except as provided in 326 IAC 2-8-12.
- (b) An emergency, as defined in 326 IAC 2-7-1(12), constitutes an affirmative defense to an action brought for noncompliance with a health-based or technology-based emission limitation if the affirmative defense of an emergency is demonstrated through properly signed, contemporaneous operating logs or other relevant evidence that describe the following:
- (1) An emergency occurred and the Permittee can, to the extent possible, identify the causes of the emergency;
 - (2) The permitted facility was at the time being properly operated;
 - (3) During the period of an emergency, the Permittee took all reasonable steps to minimize levels of emissions that exceeded the emission standards or other requirements in this permit;
 - (4) For each emergency lasting one (1) hour or more, the Permittee notified IDEM, OAQ, within four (4) daytime business hours after the beginning of the emergency, or after the emergency was discovered or reasonably should have been discovered;

Telephone 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

- (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
MC 61-53 IGCN 1003
Indianapolis, Indiana 46204-2251

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

The notice fulfills the requirement of 326 IAC 2-8-4(3)(C)(ii) and must contain the following:

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

(C) Corrective actions taken.

The notification which shall be submitted by the Permittee does not require the certification by an "authorized individual" as defined by 326 IAC 2-1.1-1(1).

- (6) The Permittee immediately took all reasonable steps to correct the emergency.
- (c) In any enforcement proceeding, the Permittee seeking to establish the occurrence of an emergency has the burden of proof.
- (d) This emergency provision supersedes 326 IAC 1-6 (Malfunctions). This permit condition is in addition to any emergency or upset provision contained in any applicable requirement.
- (e) The Permittee seeking to establish the occurrence of an emergency shall make records available upon request to ensure that failure to implement a PMP did not cause or contribute to an exceedance of any limitations on emissions. However, IDEM, OAQ may require that the Preventive Maintenance Plans required under 326 IAC 2-8-3(c)(6) be revised in response to an emergency.
- (f) Failure to notify IDEM, OAQ by telephone or facsimile of an emergency lasting more than one (1) hour in accordance with (b)(4) and (5) of this condition shall constitute a violation of 326 IAC 2-8 and any other applicable rules.
- (g) Operations may continue during an emergency only if the following conditions are met:
- (1) If the emergency situation causes a deviation from a technology-based limit, the Permittee may continue to operate the affected emitting facilities during the emergency provided the Permittee immediately takes all reasonable steps to correct the emergency and minimize emissions.
 - (2) If an emergency situation causes a deviation from a health-based limit, the Permittee may not continue to operate the affected emissions facilities unless:
 - (A) The Permittee immediately takes all reasonable steps to correct the emergency situation and to minimize emissions; and
 - (B) Continued operation of the facilities is necessary to prevent imminent injury to persons, severe damage to equipment, substantial loss of capital investment, or loss of product or raw material of substantial economic value.
- Any operations shall continue no longer than the minimum time required to prevent the situations identified in (g)(2)(B) of this condition.
- (h) The Permittee shall include all emergencies in the Quarterly Deviation and Compliance Monitoring Report.

B.15 Prior Permits Superseded [326 IAC 2-1.1-9.5]

- (a) All terms and conditions of permits established prior to F143-26143-00018 and issued pursuant to permitting programs approved into the state implementation plan have been either:
- (1) incorporated as originally stated,

(2) revised, or

(3) deleted.

(b) All previous registrations and permits are superseded by this permit.

B.16 Termination of Right to Operate [326 IAC 2-8-9][326 IAC 2-8-3(h)]

The Permittee's right to operate this source terminates with the expiration of this permit unless a timely and complete renewal application is submitted at least nine (9) months prior to the date of expiration of the source's existing permit, consistent with 326 IAC 2-8-3(h) and 326 IAC 2-8-9.

B.17 Deviations from Permit Requirements and Conditions [326 IAC 2-8-4(3)(C)(ii)]

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

Indiana Department of Environmental Management
Compliance Data Section, Office of Air Quality
100 North Senate Avenue
MC 61-53 IGCN 1003
Indianapolis, Indiana 46204-2251

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

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

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

B.18 Permit Modification, Reopening, Revocation and Reissuance, or Termination [326 IAC 2-8-4(5)(C)][326 IAC 2-8-7(a)][326 IAC 2-8-8]

(a) This permit may be modified, reopened, revoked and reissued, or terminated for cause. The filing of a request by the Permittee for a Federally Enforceable State Operating Permit modification, revocation and reissuance, or termination, or of a notification of planned changes or anticipated noncompliance does not stay any condition of this permit. [326 IAC 2-8-4(5)(C)] The notification by the Permittee does require the certification by an "authorized individual" as defined by 326 IAC 2-1.1-1(1).

(b) This permit shall be reopened and revised under any of the circumstances listed in IC 13-15-7-2 or if IDEM, OAQ determines any of the following:

(1) That this permit contains a material mistake.

(2) That inaccurate statements were made in establishing the emissions standards or other terms or conditions.

(3) That this permit must be revised or revoked to assure compliance with an applicable requirement. [326 IAC 2-8-8(a)]

(c) Proceedings by IDEM, OAQ to reopen and revise this permit shall follow the same procedures as apply to initial permit issuance and shall affect only those parts of this

permit for which cause to reopen exists. Such reopening and revision shall be made as expeditiously as practicable. [326 IAC 2-8-8(b)]

- (d) The reopening and revision of this permit, under 326 IAC 2-8-8(a), shall not be initiated before notice of such intent is provided to the Permittee by IDEM, OAQ at least thirty (30) days in advance of the date this permit is to be reopened, except that IDEM, OAQ may provide a shorter time period in the case of an emergency. [326 IAC 2-8-8(c)]

B.19 Permit Renewal [326 IAC 2-8-3(h)]

- (a) The application for renewal shall be submitted using the application form or forms prescribed by IDEM, OAQ and shall include the information specified in 326 IAC 2-8-3. Such information shall be included in the application for each emission unit at this source, except those emission units included on the trivial or insignificant activities list contained in 326 IAC 2-7-1(21) and 326 IAC 2-7-1(40). The renewal application does require the certification by an "authorized individual" as defined by 326 IAC 2-1.1-1(1).

Request for renewal shall be submitted to:

Indiana Department of Environmental Management
Permits Branch, Office of Air Quality
100 North Senate Avenue
MC 61-53 IGCN 1003
Indianapolis, Indiana 46204-2251

- (b) A timely renewal application is one that is:
- (1) Submitted at least nine (9) months prior to the date of the expiration of this permit; and
 - (2) If the date postmarked on the envelope or certified mail receipt, or affixed by the shipper on the private shipping receipt, is on or before the date it is due. If the document is submitted by any other means, it shall be considered timely if received by IDEM, OAQ on or before the date it is due.
- (c) If the Permittee submits a timely and complete application for renewal of this permit, the source's failure to have a permit is not a violation of 326 IAC 2-8 until IDEM, OAQ takes final action on the renewal application, except that this protection shall cease to apply if, subsequent to the completeness determination, the Permittee fails to submit by the deadline specified in writing by IDEM, OAQ any additional information identified as being needed to process the application.

B.20 Permit Amendment or Revision [326 IAC 2-8-10][326 IAC 2-8-11.1]

- (a) Permit amendments and revisions are governed by the requirements of 326 IAC 2-8-10 or 326 IAC 2-8-11.1 whenever the Permittee seeks to amend or modify this permit.
- (b) Any application requesting an amendment or modification of this permit shall be submitted to:

Indiana Department of Environmental Management
Permits Branch, Office of Air Quality
100 North Senate Avenue
MC 61-53 IGCN 1003
Indianapolis, Indiana 46204-2251

Any such application shall be certified by an "authorized individual" as defined by 326 IAC 2-1.1-1(1).

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

B.21 Operational Flexibility [326 IAC 2-8-15][326 IAC 2-8-11.1]

- (a) The Permittee may make any change or changes at the source that are described in 326 IAC 2-8-15(b) through (d) without a prior permit revision, if each of the following conditions is met:

- (1) The changes are not modifications under any provision of Title I of the Clean Air Act;
- (2) Any approval required by 326 IAC 2-8-11.1 has been obtained;
- (3) The changes do not result in emissions which exceed the limitations provided in this permit (whether expressed herein as a rate of emissions or in terms of total emissions);
- (4) The Permittee notifies the:

Indiana Department of Environmental Management
Permits Branch, Office of Air Quality
100 North Senate Avenue
MC 61-53 IGCN 1003
Indianapolis, Indiana 46204-2251

and

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

in advance of the change by written notification at least ten (10) days in advance of the proposed change. The Permittee shall attach every such notice to the Permittee's copy of this permit; and

- (5) The Permittee maintains records on-site, on a rolling five (5) year basis, which document all such changes and emission trades that are subject to 326 IAC 2-8-15(b) through (d). The Permittee shall make such records available, upon reasonable request, for public review.

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

- (b) Emission Trades [326 IAC 2-8-15(c)]
The Permittee may trade emissions increases and decreases at the source, where the applicable SIP provides for such emission trades without requiring a permit revision, subject to the constraints of Section (a) of this condition and those in 326 IAC 2-8-15(c).

- (c) Alternative Operating Scenarios [326 IAC 2-8-15(d)]
The Permittee may make changes at the source within the range of alternative operating scenarios that are described in the terms and conditions of this permit in accordance with 326 IAC 2-8-4(7). No prior notification of IDEM, OAQ, or U.S. EPA is required.
- (d) Backup fuel switches specifically addressed in, and limited under, Section D of this permit shall not be considered alternative operating scenarios. Therefore, the notification requirements of part (a) of this condition do not apply.

B.22 Source Modification Requirement [326 IAC 2-8-11.1]

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

B.23 Inspection and Entry [326 IAC 2-8-5(a)(2)][IC 13-14-2-2][IC 13-17-3-2][IC 13-30-3-1]

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

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

B.24 Transfer of Ownership or Operational Control [326 IAC 2-8-10]

- (a) The Permittee must comply with the requirements of 326 IAC 2-8-10 whenever the Permittee seeks to change the ownership or operational control of the source and no other change in the permit is necessary.
- (b) Any application requesting a change in the ownership or operational control of the source shall contain a written agreement containing a specific date for transfer of permit responsibility, coverage and liability between the current and new Permittee. The application shall be submitted to:

Indiana Department of Environmental Management
Permits Branch, Office of Air Quality
100 North Senate Avenue

MC 61-53 IGCN 1003
Indianapolis, Indiana 46204-2251

The application which shall be submitted by the Permittee does require the certification by an "authorized individual" as defined by 326 IAC 2-1.1-1(1).

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

B.25 Annual Fee Payment [326 IAC 2-7-19] [326 IAC 2-8-4(6)] [326 IAC 2-8-16][326 IAC 2-1.1-7]

- (a) The Permittee shall pay annual fees to IDEM, OAQ within thirty (30) calendar days of receipt of a billing. Pursuant to 326 IAC 2-7-19(b), if the Permittee does not receive a bill from IDEM, OAQ the applicable fee is due April 1 of each year.
- (b) 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.26 Advanced Source Modification Approval [326 IAC 2-8-4(11)] [326 IAC 2-1.1-9]

- (a) The requirements to obtain a permit modification under 326 IAC 2-8-11.1 are satisfied by this permit for the proposed emission units, control equipment or insignificant activities in Sections A.2 and A.3.
- (b) Pursuant to 326 IAC 2-1.1-9 any permit authorizing construction may be revoked if construction of the emission unit has not commenced within eighteen (18) months from the date of issuance of the permit, or if during the construction, work is suspended for a continuous period of one (1) year or more.

B.27 Credible Evidence [326 IAC 2-8-4(3)][326 IAC 2-8-5][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 2-8-4(1)]

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

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

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

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

(a) Pursuant to 326 IAC 2-8:

- (1) The potential to emit any regulated pollutant, except particulate matter (PM), from the entire source shall be limited to less than one hundred (100) tons per twelve (12) consecutive month period.
- (2) The potential to emit any individual hazardous air pollutant (HAP) from the entire source shall be limited to less than ten (10) tons per twelve (12) consecutive month period; and
- (3) The potential to emit any combination of HAPs from the entire source shall be limited to less than twenty-five (25) tons per twelve (12) consecutive month period.

(b) The potential to emit particulate matter (PM) from the entire source shall be limited to less than two hundred fifty (250) tons per twelve (12) consecutive month period. This limitation shall make the requirements of 326 IAC 2-2 (Prevention of Significant Deterioration (PSD)) not applicable.

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

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

C.3 Opacity [326 IAC 5-1]

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

(a) Opacity shall not exceed an average of forty percent (40%) in any one (1) six (6) minute averaging period as determined in 326 IAC 5-1-4.

(b) Opacity shall not exceed sixty percent (60%) for more than a cumulative total of fifteen (15) minutes (sixty (60) readings as measured according to 40 CFR 60, Appendix A,

Method 9 or fifteen (15) one (1) minute nonoverlapping integrated averages for a continuous opacity monitor) in a six (6) hour period.

C.4 Open Burning [326 IAC 4-1] [IC 13-17-9]

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

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

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.6 Fugitive Dust Emissions [326 IAC 6-4]

The Permittee shall not allow fugitive dust to escape beyond the property line or boundaries of the property, right-of-way, or easement on which the source is located, in a manner that would violate 326 IAC 6-4 (Fugitive Dust Emissions).

C.7 Fugitive Particulate Matter Emission Limitations [326 IAC 6-5]

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

C.8 Stack Height [326 IAC 1-7]

The Permittee shall comply with the applicable provisions of 326 IAC 1-7 (Stack Height Provisions), for all exhaust stacks through which a potential (before controls) of twenty-five (25) tons per year or more of particulate matter or sulfur dioxide is emitted by using ambient air quality modeling pursuant to 326 IAC 1-7-4.

C.9 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
MC 61-52 IGCN 1003
Indianapolis, Indiana 46204-2251

The notice shall include a signed certification from the owner or operator that the information provided in this notification is correct and that only Indiana licensed workers and project supervisors will be used to implement the asbestos removal project. The notifications do not require a certification by an "authorized individual" as defined by 326 IAC 2-1.1-1(1).

- (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 Licensed 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 Licensed Asbestos Inspector to thoroughly inspect the affected portion of the facility for the presence of asbestos.

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

C.10 Performance Testing [326 IAC 3-6]

- (a) Compliance testing on new emissions units shall be conducted within 60 days after achieving maximum production rate, but no later than 180 days after initial start-up, if specified in Section D of this approval. 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
MC 61-53 IGCN 1003
Indianapolis, Indiana 46204-2251

no later than thirty-five (35) days prior to the intended test date. The protocol submitted by the Permittee does not require certification by an "authorized individual" as defined by 326 IAC 2-1.1-1(1).

- (b) The Permittee shall notify IDEM, OAQ of the actual test date at least fourteen (14) days prior to the actual test date. The notification submitted by the Permittee does not require certification by an "authorized individual" as defined by 326 IAC 2-1.1-1(1).
- (c) Pursuant to 326 IAC 3-6-4(b), all test reports must be received by IDEM, OAQ not later than forty-five (45) days after the completion of the testing. An extension may be granted by IDEM, OAQ if the Permittee submits to IDEM, OAQ, a reasonable written explanation not later than five (5) days prior to the end of the initial forty-five (45) day period.

Compliance Requirements [326 IAC 2-1.1-11]

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

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

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

C.12 Compliance Monitoring [326 IAC 2-8-4(3)][326 IAC 2-8-5(a)(1)]

Unless otherwise specified in this permit, all monitoring and record keeping requirements not already legally required shall be implemented 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
MC 61-53 IGCN 1003
Indianapolis, Indiana 46204-2251

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

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

C.13 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.14 Instrument Specifications [326 IAC 2-1.1-11] [326 IAC 2-8-4(3)][326 IAC 2-8-5(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 2-8-4][326 IAC 2-8-5(a)(1)]

C.15 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 shall prepare written emergency reduction plans (ERPs) consistent with safe operating procedures.
- (b) These ERPs shall be submitted for approval to:

Indiana Department of Environmental Management
Compliance Branch, Office of Air Quality
100 North Senate Avenue
MC 61-53 IGCN 1003
Indianapolis, Indiana 46204-2251

within 180 days from the date on which this source commences operation.

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

- (c) If the ERP is disapproved by IDEM, OAQ, the Permittee shall have an additional thirty (30) days to resolve the differences and submit an approvable ERP.
- (d) These ERPs shall state those actions that will be taken, when each episode level is declared, to reduce or eliminate emissions of the appropriate air pollutants.
- (e) Said ERPs shall also identify the sources of air pollutants, the approximate amount of reduction of the pollutants, and a brief description of the manner in which the reduction will be achieved.
- (f) Upon direct notification by IDEM, OAQ that a specific air pollution episode level is in effect, the Permittee shall immediately put into effect the actions stipulated in the approved ERP for the appropriate episode level. [326 IAC 1-5-3]

C.16 Risk Management Plan [326 IAC 2-8-4] [40 CFR 68]

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

C.17 Response to Excursions or Exceedances [326 IAC 2-8-4] [326 IAC 2-8-5]

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

C.18 Actions Related to Noncompliance Demonstrated by a Stack Test [326 IAC 2-8-4][326 IAC 2-8-5]

- (a) When the results of a stack test performed in conformance with Section C - Performance Testing, of this permit exceed the level specified in any condition of this permit, the Permittee shall take appropriate response actions. The Permittee shall submit a description of these response actions to IDEM, OAQ, within thirty (30) days of receipt of the test results. The Permittee shall take appropriate action to minimize excess emissions from the affected facility while the response actions are being implemented.

- (b) A retest to demonstrate compliance shall be performed within one hundred twenty (120) days of receipt of the original test results. Should the Permittee demonstrate to IDEM, OAQ that retesting in one hundred twenty (120) days is not practicable, IDEM, OAQ may extend the retesting deadline.
- (c) IDEM, OAQ reserves the authority to take any actions allowed under law in response to noncompliant stack tests.

The response action documents submitted pursuant to this condition do require the certification by an "authorized individual" as defined by 326 IAC 2-1.1-1(1).

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

C.19 General Record Keeping Requirements [326 IAC 2-8-4(3)] [326 IAC 2-8-5]

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

C.20 General Reporting Requirements [326 IAC 2-8-4(3)(C)] [326 IAC 2-1.1-11]

- (a) The Permittee shall submit the attached Quarterly Deviation and Compliance Monitoring Report or its equivalent. Any deviation from permit requirements, the date(s) of each deviation, the cause of the deviation, and the response steps taken must be reported. This report shall be submitted within thirty (30) days of the end of the reporting period. The Quarterly Deviation and Compliance Monitoring Report shall include the certification by an "authorized individual" as defined by 326 IAC 2-1.1-1(1).
- (b) The report required in (a) of this condition and reports required by conditions in Section D of this permit shall be submitted to:

Indiana Department of Environmental Management
Compliance Data Section, Office of Air Quality
100 North Senate Avenue
MC 61-53 IGCN 1003
Indianapolis, Indiana 46204-2251
- (c) Unless otherwise specified in this permit, any notice, report, or other submission required by this permit shall be considered timely if the date postmarked on the envelope or certified mail receipt, or affixed by the shipper on the private shipping receipt, is on or before the date it is due. If the document is submitted by any other means, it shall be considered timely if received by IDEM, OAQ on or before the date it is due.
- (d) Unless otherwise specified in this permit, all reports required in Section D of this permit shall be submitted within thirty (30) days of the end of the reporting period. All reports do require the certification by an "authorized individual" as defined by 326 IAC 2-1.1-1(1).
- (e) The first report shall cover the period commencing on the date of issuance of this permit and ending on the last day of the reporting period. Reporting periods are based on

calendar years, unless otherwise specified in this permit. For the purpose of this permit "calendar year" means the twelve (12) month period from January 1 to December 31 inclusive.

Stratospheric Ozone Protection

C.21 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 EMISSIONS UNIT OPERATION CONDITIONS

Emissions Unit Description:

- (a) One (1) rotary calcining kiln, approved for construction in 2008, identified as EU-101, with a maximum capacity of 3,000 lbs of iron oxide per hour, using a wet scrubber as control, and exhausting to stack S-101-2.
- (b) One (1) rotary calcining kiln, approved for construction in 2008, identified as EU-102, with a maximum capacity of 3,500 lbs of iron oxide per hour, using a wet scrubber as control, and exhausting to stack S-101-2.
- (c) Two (2) silos, approved for construction in 2008, identified as EU-103 and EU-105, with a maximum throughput capacity of 7,000 tons per year, for the storage of iron oxide powder.
- (d) Two (2) Moritz Mills, approved for construction in 2008, identified as EU-152 and EU-153, with a maximum capacity of 1,700 lbs per hour each, using baghouses for control, identified as C-152 and C-153, and exhausting indoors.
- (e) One (1) Moritz Mill, approved for construction in 2008, identified as EU-154, with a maximum capacity of 2,380 lbs per hour, using a baghouse for control, identified as C-154, and exhausting indoors.
- (f) One (1) weigh hopper, approved for construction in 2008, identified as EU-156, with a maximum capacity of 4,930 lbs per day, using a baghouse for control, identified as C-156.
- (g) One (1) weigh hopper, approved for construction in 2008, identified as EU-157, with a maximum capacity of 870 lbs per hour, using a baghouse for control, identified as C-157.
- (h) Three (3) silos, constructed in 1999, identified as EU-106, EU-107, and EU-108, with a maximum capacity of 7,950 tons per year each, for the storage of calcium carbonate.
- (i) One (1) plastic pellet production line, constructed in 1999, identified as EU-112, with a maximum capacity of 1,000 pounds per hour, exhausting to stack S-112.
- (j) One (1) plastic pellet production line, constructed in 1999, identified as EU-113, with a maximum capacity of 700 pounds per hour, exhausting to stack S-113.
- (k) One (1) plastic pellet production line, constructed in 1999, identified as EU-114, with a maximum capacity of 1,800 pounds per hour, exhausting to stack S-114.
- (l) One (1) plastic pellet production line, constructed in 1999, identified as EU-115, with a maximum capacity of 1,200 pounds per hour, exhausting indoors.
- (m) One (1) plastic pellet production line, constructed in 1999, identified as EU-116, with a maximum capacity of 1,200 pounds per hour, exhausting to stack S-116.
- (n) One (1) plastic pellet production line, constructed in 1999, identified as EU-117, with a maximum capacity of 1,500 pounds per hour, exhausting indoors.
- (o) One (1) plastic pellet production line, constructed in 1999, identified as EU-118, with a maximum capacity of 1,500 pounds per hour, exhausting indoors.
- (p) One (1) Banbury mixer, constructed in 1999, identified as EU-122, with a maximum capacity of

3,700 lbs per hour, using a baghouse for control, identified as C-122, exhausting to stack S-122.

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

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

D.1.1 PM10 Limitations [326 IAC 2-8] [326 IAC 2-2]

Pursuant to 326 IAC 2-8 (FESOP), the PM10 emissions from each unit shall not exceed the following:

| Emission Unit | PM10 Limitations (lb/hr) (326 IAC 2-8) |
|------------------------|--|
| Rotary Kiln (EU-101) | 1.03 |
| Rotary Kiln (EU-102) | 1.03 |
| Moritz Mill (EU-152) | 3.68 |
| Moritz Mill (EU-153) | 3.68 |
| Moritz Mill (EU-154) | 4.61 |
| Weigh Hopper (EU-156) | 0.89 |
| Banbury Mixer (EU-122) | 6.19 |

These limits are structured such that, when the potential to emit PM10 from the silos EU-106 through EU-108, the weigh hopper EU-157, the plastic pellet production lines (EU-112 through EU-118) and the insignificant combustion activities are included, the source total emissions of PM10 shall be less than one-hundred (100) tons per year. Compliance with these limitations render the requirements of 326 IAC 2-7 (Part 70 Permit Program) and 326 IAC 2-2 (Prevention of Significant Deterioration) not applicable.

D.1.2 PM Limitations [326 IAC 2-2]

Pursuant to 326 IAC 2-2 (Prevention of Significant Deterioration), the PM emissions from each unit shall not exceed the following:

| Emission Unit | PM Limitations (lb/hr) |
|------------------------|------------------------|
| Rotary Kiln (EU-101) | 5.38 |
| Rotary Kiln (EU-102) | 5.97 |
| Moritz Mill (EU-152) | 3.68 |
| Moritz Mill (EU-153) | 3.68 |
| Moritz Mill (EU-154) | 4.61 |
| Weigh Hopper (EU-156) | 0.89 |
| Banbury Mixer (EU-122) | 6.19 |

These limits are structured such that, when the potential to emit PM from the silos EU-106 through EU-108, the weigh hopper EU-157, the plastic pellet production lines (EU-112 through EU-118) and the insignificant combustion activities are included, the source total emissions of PM shall be less than two-hundred fifty (250) tons per year. Compliance with these limitations render the requirements 326 IAC 2-2 (Prevention of Significant Deterioration) not applicable.

D.1.3 Particulate Limitations [326 IAC 6-3-2]

Pursuant to 326 IAC 6-3-2 (Particulate Limitations from Manufacturing Process), the particulate emissions from each unit shall not exceed the following:

| Emission Unit | PM Limitations (lb/hr) |
|------------------------|------------------------|
| Rotary Kiln (EU-101) | 5.38 |
| Rotary Kiln (EU-102) | 5.97 |
| Moritz Mill (EU-152) | 3.68 |
| Moritz Mill (EU-153) | 3.68 |
| Moritz Mill (EU-154) | 4.61 |
| Weigh Hopper (EU-156) | 0.89 |
| Weigh Hopper (EU-157) | 0.02 |
| Banbury Mixer (EU-122) | 6.19 |

These pound per hour limitations were calculated using the following equation:

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:

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

D.1.4 Preventive Maintenance Plan [326 IAC 2-8-4(9)]

A Preventive Maintenance Plan, in accordance with Section B - Preventive Maintenance Plan, of this permit, is required for these emission units.

Compliance Determination Requirements

D.1.5 Particulate Control

- (a) In order to comply with condition D.1.1 and D.1.2, the wet scrubber for particulate control shall be in operation and control emissions from the rotary calcining kilns, identified as EU-101 and EU-102, at all times that the kilns are in operation.
- (b) In order to comply with condition D.1.1 and D.1.2, the baghouses for particulate control shall be in operation and control emissions from the Moritz Mills, identified as EU-152 through EU-154, the weigh hopper, identified as EU-156, and the Banbury Mixer, identified as EU-122, at all times that these units are in operation.
- (c) In the event that bag failure is observed in a multi-compartment baghouse, if operations will continue for ten (10) days or more after the failure is observed before the failed units will be repaired or replaced, the Permittee shall promptly notify the IDEM, OAQ of the expected date the failed units will be repaired or replaced. The notification shall also include the status of the applicable compliance monitoring parameters with respect to normal, and the results of any response actions taken up to the time of notification.

D.1.6 Testing Requirements [326 IAC 2-1.1-11]

- (a) Within one hundred and eighty (180) days after initial startup, in order to demonstrate compliance with Condition D.1.1 and D.1.2, the Permittee shall perform PM and PM-10 testing for each of the two rotary calcining kilns 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. PM10 includes filterable and condensable

PM10. Testing shall be conducted in accordance with Section C- Performance Testing.

- (b) Within 180 days after initial startup, in order to demonstrate compliance with Condition D.1.1 and D.1.2, the Permittee shall perform PM and PM-10 testing for the Banbury Mixer (EU-122) and each of the Moritz Mills (EU-152, EU-153, and EU-154), 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. PM10 includes filterable and condensable PM10. Testing shall be conducted in accordance with Section C- Performance Testing.

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

D.1.7 Visible Emissions Notations

- (a) Daily visible emission notations of the Rotary Kilns, Moritz Mills, and Banbury mixer stack exhausts (S-101, S-102, CE-152 through CE-154, and S-122) shall be performed during normal daylight operations when exhausting to the atmosphere. A trained employee shall record whether emissions are normal or abnormal.
- (b) For processes operated continuously, "normal" means those conditions prevailing, or expected to prevail, eighty percent (80%) of the time the process is in operation, not counting startup or shut down time.
- (c) In the case of batch or discontinuous operations, readings shall be taken during that part of the operation that would normally be expected to cause the greatest emissions.
- (d) A trained employee is an employee who has worked at the plant at least one (1) month and has been trained in the appearance and characteristics of normal visible emissions for that specific process.
- (e) If abnormal emissions are observed, the Permittee shall take reasonable response steps in accordance with Section C - Response to Excursions or Exceedances. Failure to take response steps in accordance with Section C - Response to Excursions or Exceedances shall be considered a deviation from this permit.

D.1.8 Parametric Monitoring

- (a) The Permittee shall record the pressure drop across the baghouses used in conjunction with the Banbury Mixer (EU-122), the weigh hopper (EU-156), and the Moritz Mills (EU-152, EU-153, and EU-154), at least once per day when the processes are in operation. When for any one reading, the pressure drop across each baghouse is outside the normal range of 3.0 and 6.0 inches of water or a range established during the latest stack test, the Permittee shall take reasonable response steps in accordance with Section C – Response to Excursions and Exceedances. A pressure reading that is outside the above mentioned range is not a deviation from this permit. Failure to take response steps in accordance with Section C - Response to Excursions or Exceedances, shall be considered a deviation from this permit.
- (b) The Permittee shall record the pressure drop across the scrubber used in conjunction with the rotary calcining kilns, at least once per day when the kilns are in operation. When for any one reading, the pressure drop across the scrubber is outside the normal range of 15 and 21 inches of water, or a range established during the latest stack test, the Permittee shall take reasonable response steps in accordance with Section C - Response to Excursions or Exceedances. When for any one reading, the flow rate of any of the scrubbers is less than the minimum of 55 gallons per minute, or a minimum established during the latest stack test, the Permittee shall take reasonable response steps in accordance with Section C - Response to Excursions or Exceedances. A

pressure reading that is outside the above mention range or a flow rate that is below the above mentioned minimum is not a deviation from this permit. Failure to take response steps in accordance with Section C - Response to Excursions or Exceedances shall be considered a deviation from this permit.

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

D.1.9 Broken or Failed Bag Detection

- (a) For a single compartment baghouses controlling emissions from a process operated continuously, a failed unit and the associated process shall be shut down immediately until the failed unit has been repaired or replaced. Operations may continue only if the event qualifies as an emergency and the Permittee satisfies the requirements of the emergency provisions of this permit (Section B - Emergency Provisions).
- (b) For a single compartment baghouse controlling emissions from a batch process, the feed to the process shall be shut down immediately until the failed unit have been repaired or replaced. The emissions unit shall be shut down no later than the completion of the processing of the material in the unit. Operations may continue only if the event qualifies as an emergency and the Permittee satisfies the requirements of the emergency provisions of this permit (Section B - Emergency Provisions).

Bag failure can be indicated by a significant drop in the baghouse=s pressure reading with abnormal visible emissions, by an opacity violation, or by other means such as gas temperature, flow rate, air infiltration, leaks, dust traces or triboflows.

D.1.10 Scrubber Detection

In the event that a scrubber malfunction has been observed:

Failed units and the associated process will be shut down immediately until the failed units have been repaired or replaced. Operations may continue only if the event qualifies as an emergency and the Permittee satisfies the requirements of the emergency provisions of this permit (Section B - Emergency Provisions). Failure to take response steps in accordance with Section C - Response to Excursions or Exceedances shall be considered a deviation from this permit.

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

D.1.11 Record Keeping Requirements

- (a) To document compliance with Condition D.1.7, the Permittee shall maintain records of daily visible emission notations of the Banbury mixer (EU-122), Moritz Mills (EU-152 through EU-154) and Rotary Kilns (EU-101 and EU-102) stack exhausts. The Permittee shall include in its daily record when a visible emission notation is not taken and the reason for the lack of visible emission notation (e.g. the process did not operate that day).
- (b) To document compliance with Condition D.1.8(a), the Permittee shall maintain records of the pressure drop on the baghouses used in conjunction with the Banbury Mixer (EU-122), the weigh hopper (EU-156), and the Moritz Mills (EU-152, EU-153, EU-154) during normal operation. The Permittee shall include in its daily record when a pressure drop or a flow rate reading is not taken and the reason for the lack of a pressure drop or flow rate reading, (e.g. the process did not operate that day).
- (c) To document compliance with Condition D.1.9, the Permittee shall maintain once per day records of the following operational parameters for the scrubber associated with the rotary kilns during normal operation:

- (1) pressure drop; and
- (2) flow rate.

The Permittee shall include in its daily record when a pressure drop or a flow rate reading is not taken and the reason for the lack of a pressure drop or flow rate reading, (i.e. the process did not operate that day).

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

SECTION D.2 EMISSIONS UNIT OPERATION CONDITIONS

Insignificant Activities:

- (a) One (1) natural gas-fired air make-up unit, constructed in 1999, identified as EU-119, with a maximum heat input of 1.1 MMBtu per hour, exhausting to stack S-119.
- (b) Four (4) natural gas-fired space heaters, constructed in 1999, identified as EU-136, EU-141, EU-142, and EU-143, with a maximum heat input of 0.14 MMBtu per hour each, exhausting to stacks S-136, S-141, S-142, and S-143.
- (c) Eight (8) natural gas-fired space heaters, constructed in 1999, identified as EU-137, EU-138, EU-139, EU-140, EU-144, EU-145, EU-146, and EU-147, with a maximum heat input of 0.25 MMBtu per hour each, exhausting to stacks S-137, S-138, S-139, S-140, S-144, S-145, S-146, and S-147.
- (d) Two (2) natural gas-fired space heaters, constructed in 1999, identified as EU-149 and EU-149, with a maximum heat input of 0.40 MMBtu per hour each, exhausting to stacks S-148 and S-149.
- (e) One (1) natural gas-fired Cleaver Brooks boiler, constructed in 1999, identified as EU-151, with a maximum heat input of 2.5 MMBtu per hour, exhausting to stack S-151.

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

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

D.2.1 Particulate Emission Limitations for Sources of Indirect Heating [326 IAC 6-2-4]

Pursuant to 326 IAC 6-2-4 (Particulate Emission Limitations for Sources of Indirect Heating: Emission limitations for facilities specified in 326 IAC 6-2-1(d)), the PM emissions from the Cleaver Brooks boiler shall not exceed 0.6 pound per million Btu heat input (lb/MMBtu).

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

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

Source Name: Holm Industries, Inc.
Source Address: 1320 S. Main Street, Scottsburg, Indiana 47170
Mailing Address: 1320 S. Main Street, Scottsburg, Indiana 47170
FESOP Permit No.: F143-26143-00018

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:

Date:

**INDIANA DEPARTMENT OF ENVIRONMENTAL MANAGEMENT
OFFICE OF AIR QUALITY
COMPLIANCE BRANCH
100 North Senate Avenue
MC 61-53 IGCN 1003
Indianapolis, Indiana 46204-2251
Phone: 317-233-0178
Fax: 317-233-6865**

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

Source Name: Holm Industries, Inc.
Source Address: 1320 S. Main Street, Scottsburg, Indiana 47170
Mailing Address: 1320 S. Main Street, Scottsburg, Indiana 47170
FESOP Permit No.: F143-26143-00018

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">• The Permittee must notify the Office of Air Quality (OAQ), within four (4) business hours (1-800-451-6027 or 317-233-0178, ask for Compliance Section); and• The Permittee must submit notice in writing or by facsimile within two (2) working days (Facsimile Number: 317-233-6865), and follow the other requirements of 326 IAC 2-7-16 |
|---|

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

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

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

Page 2 of 2

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

Form Completed by: _____

Title / Position: _____

Date: _____

Phone: _____

A certification is not required for this report.

**INDIANA DEPARTMENT OF ENVIRONMENTAL MANAGEMENT
 OFFICE OF AIR QUALITY
 COMPLIANCE DATA SECTION
 FEDERALLY ENFORCEABLE STATE OPERATING PERMIT (FESOP)
 QUARTERLY DEVIATION AND COMPLIANCE MONITORING REPORT**

Source Name: Holm Industries, Inc.
 Source Address: 1320 S. Main Street, Scottsburg, Indiana 47170
 Mailing Address: 1320 S. Main Street, Scottsburg, Indiana 47170
 FESOP Permit No.: F143-26143-00018

Months: _____ **to** _____ **Year:** _____

| | |
|---|-------------------------------|
| <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 ΔNo 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.

Mail to: Permit Administration & Development Section
Office of Air Quality
100 North Senate Avenue
MC 61-53 IGCN 1003
Indianapolis, Indiana 46204-2251

Holm Industries, Inc.
1320 S. Main Street
Scottsburg, Indiana 47170

Affidavit of Construction

I, _____, being duly sworn upon my oath, depose and say:
(Name of the Authorized Representative)

1. I live in _____ County, Indiana and being of sound mind and over twenty-one (21) years of age, I am competent to give this affidavit.
2. I hold the position of _____ for _____.
(Title) (Company Name)
3. By virtue of my position with _____, I have personal
(Company Name)
knowledge of the representations contained in this affidavit and am authorized to make these representations on behalf of _____.
(Company Name)
4. I hereby certify that Holm Industries, Inc. 1320 S. Main Street, Scottsburg, Indiana 47170, completed construction of the plastics and magnetic plastics manufacturing operation on _____ in conformity with the requirements and intent of the construction permit application received by the Office of Air Quality on February 21, 2008 and as permitted pursuant to New Source Construction Permit and Federally Enforceable State Operating Permit No. F143-26143-00018, Plant ID No. 143-00018 issued on _____.
5. **Note to the Permittee: Strikethrough this paragraph if it does not apply.** Additional (operations/facilities) were constructed/substituted as described in the attachment to this document and were not made in accordance with the construction permit.

Further Affiant said not.

I affirm under penalties of perjury that the representations contained in this affidavit are true, to the best of my information and belief.

Signature _____

Date _____

STATE OF INDIANA)
)SS

COUNTY OF _____)

Subscribed and sworn to me, a notary public in and for _____ County and State of Indiana
on this _____ day of _____, 20 _____. My Commission expires: _____.

Signature _____

Name _____ (typed or printed)

Indiana Department of Environmental Management Office of Air Quality

Technical Support Document (TSD) for a New Source Review and Federally Enforceable State Operating Permit (FESOP)

Source Description and Location

| | |
|-----------------------|--|
| Source Name: | Holm Industries, Inc. |
| Source Location: | 1320 S. Main Street, Scottsburg, Indiana 47170 |
| County: | Scott |
| SIC Code: | 3053, 3099 |
| Operation Permit No.: | F143-26143-00018 |
| Permit Reviewer: | ERG/TDP |

The OAQ has received an application from Holm Industries, Inc. related to the construction of a new plastic and magnetic plastic operations. The facility currently operates a plastic pellet and magnetic plastic operation, originally constructed in 1999. There are no previous permits for this facility. In addition, the facility proposes to construct a powdered iron metal and magnetic plastics production operation.

Existing Approvals

There have been no previous approvals issued to this source.

County Attainment Status

The source is located in Scott County.

| Pollutant | Status |
|-----------------|---|
| PM10 | Unclassifiable effective November 15, 1990. |
| PM2.5 | Not designated. |
| SO ₂ | Better than national standards. |
| NO ₂ | Cannot be classified or better than national standards. |
| 8-hour Ozone | Unclassifiable or attainment effective June 15, 2004, for the 8-hour ozone standard. ¹ |
| CO | Unclassifiable or attainment effective November 15, 1990. |
| Lead | Not designated. |

¹Unclassifiable or attainment effective October 18, 2000, for the 1-hour ozone standard which was revoked effective June 15, 2005.

- (a) Scott County has been classified as unclassifiable or attainment for PM2.5. U.S. EPA has not yet established the requirements for Prevention of Significant Deterioration (PSD), 326 IAC 2-2 for PM 2.5 emissions. Therefore, until the U.S.EPA adopts specific provisions for PSD review for PM2.5 emissions, it has directed states to regulate PM10 emissions as a surrogate for PM2.5 emissions. See the State Rule Applicability – Entire Source section.
- (b) Volatile organic compounds (VOC) and Nitrogen Oxides (NOx) are regulated under the Clean Air Act (CAA) for the purposes of attaining and maintaining the National Ambient Air Quality Standards (NAAQS) for ozone. Therefore, VOC emissions and NOx emissions are considered when evaluating the rule applicability relating to ozone. Scott County has been designated as attainment or unclassifiable for ozone. Therefore, VOC emissions and NOx emissions were reviewed pursuant to the requirements for Prevention of Significant Deterioration (PSD), 326 IAC 2-2. See the State Rule Applicability – Entire Source section.

- (c) Scott County has been classified as attainment or unclassifiable in Indiana for CO, NO₂, SO₂, Lead, and PM₁₀. Therefore, these emissions were reviewed pursuant to the requirements for Prevention of Significant Deterioration (PSD), 326 IAC 2-2. See the State Rule Applicability – Entire Source section.
- (f) Fugitive Emissions
Since this type of operation is not one of the twenty-eight (28) listed source categories under 326 IAC 2-2 or 326 IAC 2-3 and since there are no applicable New Source Performance Standards that were in effect on August 7, 1980, the fugitive emissions are not counted toward determination of PSD or Emission Offset applicability.

| |
|---|
| Description of New Source Review |
|---|

The Office of Air Quality (OAQ) has reviewed a new source review application, submitted by Holm Industries, Inc. on February 27, 2008, relating to the construction of a powdered iron metal and magnetic plastics production operation. The facility currently operates a plastic pellet and magnetic plastic operation, originally constructed in 1999. The following is a list of the emission units and pollution control devices:

New Emissions Unit and Control Equipment

- (a) One (1) rotary calcining kiln, approved for construction in 2008, identified as EU-101, with a maximum capacity of 3,000 lbs of iron oxide per hour, using a wet scrubber as control, and exhausting to stack S-101-2.
- (b) One (1) rotary calcining kiln, approved for construction in 2008, identified as EU-102, with a maximum capacity of 3,500 lbs of iron oxide per hour, using a wet scrubber as control, and exhausting to stack S-101-2.
- (c) Two (2) silos, approved for construction in 2008, identified as EU-103 and EU-105, with a maximum throughput capacity of 7,000 tons per year, for the storage of iron oxide powder.
- (d) Two (2) Moritz Mills, approved for construction in 2008, identified as EU-152 and EU-153, with a maximum capacity of 1,700 lbs per hour each, using baghouses for control, identified as C-152 and C-153, and exhausting indoors.
- (e) One (1) Moritz Mill, approved for construction in 2008, identified as EU-154, with a maximum capacity of 2,380 lbs per hour, using a baghouse for control, identified as C-154, and exhausting indoors.
- (f) One (1) weigh hopper, approved for construction in 2008, identified as EU-156, with a maximum capacity of 4,930 lbs per day, using a baghouse for control, identified as C-156.
- (g) One (1) weigh hopper, approved for construction in 2008, identified as EU-157, with a maximum capacity of 870 lbs per hour, using a baghouse for control, identified as C-157.
- (h) Three (3) silos, constructed in 1999, identified as EU-106, EU-107, and EU-108, with a maximum capacity of 7,950 tons per year each, for the storage of calcium carbonate.
- (i) One (1) plastic pellet production line, constructed in 1999, identified as EU-112, with a maximum capacity of 1,000 pounds per hour, exhausting to stack S-112.
- (j) One (1) plastic pellet production line, constructed in 1999, identified as EU-113, with a maximum capacity of 700 pounds per hour, exhausting to stack S-113.
- (k) One (1) plastic pellet production line, constructed in 1999, identified as EU-114, with a maximum capacity of 1,800 pounds per hour, exhausting to stack S-114.

- (l) One (1) plastic pellet production line, constructed in 1999, identified as EU-115, with a maximum capacity of 1,200 pounds per hour, exhausting indoors.
- (m) One (1) plastic pellet production line, constructed in 1999, identified as EU-116, with a maximum capacity of 1,200 pounds per hour, exhausting to stack S-116.
- (n) One (1) plastic pellet production line, constructed in 1999, identified as EU-117, with a maximum capacity of 1,500 pounds per hour, exhausting indoors.
- (o) One (1) plastic pellet production line, constructed in 1999, identified as EU-118, with a maximum capacity of 1,500 pounds per hour, exhausting indoors.
- (p) One (1) Banbury mixer, constructed in 1999, identified as EU-122, with a maximum capacity of 3,700 lbs per hour, using a baghouse for control, identified as C-122, exhausting to stack S-122.

Insignificant Activities

- (a) One (1) natural gas-fired air make-up unit, constructed in 1999, identified as EU-119, with a maximum heat input of 1.1 MMBtu per hour, exhausting to stack S-119.
- (b) Four (4) natural gas-fired space heaters, constructed in 1999, identified as EU-136, EU-141, EU-142, and EU-143, with a maximum heat input of 0.14 MMBtu per hour each, exhausting to stacks S-136, S-141, S-142, and S-143.
- (c) Eight (8) natural gas-fired space heaters, constructed in 1999, identified as EU-137, EU-138, EU-139, EU-140, EU-144, EU-145, EU-146, and EU-147, with a maximum heat input of 0.25 MMBtu per hour each, exhausting to stacks S-137, S-138, S-139, S-140, S-144, S-145, S-146, and S-147.
- (d) Two (2) natural gas-fired space heaters, constructed in 1999, identified as EU-149 and EU-149, with a maximum heat input of 0.40 MMBtu per hour each, exhausting to stacks S-148 and S-149.
- (e) One (1) natural gas-fired Cleaver Brooks boiler, constructed in 1999, identified as EU-151, with a maximum heat input of 2.5 MMBtu per hour, exhausting to stack S-151.
- (f) The following equipment related to manufacturing activities not resulting in the emission of HAPs: cutting torches, soldering equipment, and welding equipment.
- (g) Repair activities, including the following: Replacement or repair of electrostatic precipitators, bags in baghouses and filters in other air filtration equipment.
- (h) Conveyors as follows: enclosed systems for conveying plastic raw materials and plastic finished goods.
- (i) Routine maintenance and repair of buildings, structures, or vehicles at the source where air emissions from those activities would not be associated with any production process, including the following: purging of gas lines, purging of vessels.
- (j) Blowdown for a cooling tower.
- (k) Emissions from a laboratory as defined in 326 IAC 2-7-1(21)(D).
- (l) Emissions from research and development activities as defined in 326 IAC 2-7-1(21)(D).

Enforcement Issues

IDEM is aware that the equipment has been constructed and operated prior to receipt of the proper permit. See "Emission Units Constructed Without a Permit". IDEM is reviewing this matter and will take the appropriate action. This proposed approval is intended to satisfy the requirements of the construction and operating permit rules.

Stack Summary

| Stack ID | Operation | Height (feet) | Diameter (feet) | Flow Rate (acfm) | Temperature (°F) |
|----------|---|---------------|-----------------|------------------|------------------|
| S-101-2 | Rotary Calcinating Furnaces (EU-101 and EU-102) | 40.0 | 2.0 | 6,564 | 128.0 |
| S-112 | Plastic Production (EU-112) | 20.0 | 1.25 | 0.00 | ambient |
| S-113 | Plastic Production (EU-113) | 20.0 | 1.00 | 0.00 | ambient |
| S-114 | Plastic Production (EU-114) | 30.0 | 1.50 | 0.00 | ambient |
| S-116 | Plastic Production (EU-116) | 30.0 | 1.50 | 0.00 | ambient |
| S-119 | Air Make-Up Unit (EU-119) | 30.0 | 2.00 | 0.00 | ambient |
| S-122 | Banbury Mixer (EU-122) | 30.0 | 0.50 | 0.00 | 130.0 |
| S-136 | Space Heater (EU-136) | 30.0 | 0.70 | 0.00 | 130.0 |
| S-137 | Space Heater (EU-137) | 30.0 | 0.70 | 0.00 | 130.0 |
| S-138 | Space Heater (EU-138) | 30.0 | 0.70 | 0.00 | 130.0 |
| S-139 | Space Heater (EU-139) | 30.0 | 0.70 | 0.00 | 130.0 |
| S-140 | Space Heater (EU-140) | 30.0 | 0.70 | 0.00 | 130.0 |
| S-141 | Space Heater (EU-141) | 30.0 | 0.50 | 0.00 | 130.0 |
| S-142 | Space Heater (EU-142) | 30.0 | 0.50 | 0.00 | 130.0 |
| S-143 | Space Heater (EU-143) | 30.0 | 0.50 | 0.00 | 130.0 |
| S-144 | Space Heater (EU-144) | 30.0 | 0.70 | 0.00 | 130.0 |
| S-145 | Space Heater (EU-145) | 30.0 | 0.70 | 0.00 | 130.0 |
| S-146 | Space Heater (EU-146) | 30.0 | 0.70 | 0.00 | 130.0 |
| S-147 | Space Heater (EU-147) | 30.0 | 0.70 | 0.00 | 130.0 |

Emission Calculations

See Appendix A of this document for detailed emission calculations (pages 1 through 11).

Unrestricted Potential Emissions

This table reflects the unrestricted potential emissions of the source, prior to the proposed modification.

| Pollutant | PTE of revision (tons/year) |
|-----------------|-----------------------------|
| PM | 116 |
| PM10 | 116 |
| SO ₂ | 0.02 |
| VOC | 0.17 |
| CO | 2.56 |
| NO _x | 3.05 |
| HAPs | 0.06 |

Permit Level Determination – FESOP

Pursuant to 326 IAC 2-7-1(29), Potential to Emit is defined as “the maximum capacity of a stationary source or emission unit 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, IDEM, or the appropriate local air pollution control agency.”

The following table reflects the PTE before controls. Control equipment is not considered federally enforceable until it has been required in a federally enforceable permit.

| Pollutant | PTE of revision (tons/year) |
|-----------------|-----------------------------|
| PM | 2,358 |
| PM10 | 949 |
| SO ₂ | 0.05 |
| VOC | 0.48 |
| CO | 7.36 |
| NO _x | 8.76 |
| HAPs | 1.54 |

- (a) The potential to emit (as defined in 326 IAC 2-7-1(29)) of PM10 is equal to or greater than 100 tons per year. The source is subject to the provisions of 326 IAC 2-7. However, the source has agreed to limit their PM10 emissions to less than Title V levels. This source is also subject to the construction permit provisions of 326 IAC 2-5-1-3. Therefore, the source will be issued a New Source Review/FESOP.
- (b) The potential to emit (as defined in 326 IAC 2-7-1(29)) of all other criteria pollutants are less than 100 tons per year.
- (c) The potential to emit (as defined in 326 IAC 2-7-1(29)) of any single HAP is less than ten (10) tons per year and the potential to emit (as defined in 326 IAC 2-7-1(29)) of a combination of HAPs is less than twenty-five (25) tons per year.

Potential to Emit After Issuance

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 this FESOP 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 | HAP |
| Rotary Kilns-Process Emissions | 23.6 | 9.11 | 0.00 | 0.0 | 0.00 | 0.00 | 0.00 |
| Banbury Mixer | 27.1 | 27.1 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Moritz Mills | 52.4 | 52.4 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Plastic Pellet Lines | 0.62 | 0.62 | 0.00 | 0.0 | 0.00 | 0.00 | 0.00 |
| Silos | 0.95 | 0.95 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Weigh Hopper EU-156 | 3.90 | 3.90 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Weigh Hopper EU-157 | 3.98 | 3.98 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |

| Process/ Emission Unit | Potential to Emit (tons/year) | | | | | | HAP |
|-------------------------------|-------------------------------|------------------|-----------------|------------|------------|-----------------|---|
| | PM | PM ₁₀ | SO ₂ | VOC | CO | NO _x | |
| Rotary Kilns - Combustion | 0.17 | 0.67 | 0.05 | 0.48 | 7.36 | 8.76 | 0.17 |
| Insignificant Activities | 0.06 | 0.23 | 0.02 | 0.17 | 2.56 | 3.05 | 0.06 |
| Total Emissions | 112.8 | 99.0 | 0.07 | 0.65 | 9.92 | 11.8 | 0.22 |
| Major Source Threshold | NA | 100 | 100 | 100 | 100 | 100 | 10 tpy single HAP/25 tpy for total HAP |
| PSD Threshold | 250 | 250 | 250 | 250 | 250 | 250 | NA |

NA – not applicable.

- (a) This new stationary source is not major for PSD because the emissions of each criteria pollutant are less than two hundred fifty (<250) tons per year, and it is not one of the twenty-eight (28) listed source categories.
- (b) Fugitive Emissions
 This type of operation is not one of the twenty-eight (28) listed source categories under 326 IAC 2-2 or 326 IAC 2-3, however, there is an applicable New Source Performance Standard that was in effect on August 7, 1980, therefore fugitive emissions are counted toward the determination of PSD and Emission Offset applicability.

Federal Rule Applicability Determination

- (a) The Cleaver Brooks natural gas-fired boiler is not subject to the requirements of the New Source Performance Standard for Small Industrial-Commercial-Institutional Steam Generating Units, 40 CFR 60.40c, Subpart Dc), because the heat input of the boiler is less than 10 MMBtu per hour.
- (b) The two rotary calciner dryers are not subject to the requirements of the New Source Performance Standard for Calciners and Dryers in Mineral Industries, 40 CFR 60.730, Subpart UUU), because this facility does not meet the definition of a mineral processing plant as defined under 40 CFR 60.731.
- (c) There are no National Emission Standards for Hazardous Air Pollutants (NESHAP) (326 IAC 14, 326 IAC 20 and 40 CFR Part 63) included in this permit.

State Rule Applicability Determination

The following state rules are applicable to the source:

326 IAC 2-2 (PSD)

Since the unrestricted potential to emit of this source is greater than two hundred fifty (250) tons of PM and PM10 per year, the Permittee has elected to limit the potential to emit of this source as follows:

| Emission Unit | PM10 Limitations (lb/hr) | PM Limitations (lb/hr) |
|------------------------|--------------------------|------------------------|
| Rotary Kiln (EU-101) | 1.03 | 5.38 |
| Rotary Kiln (EU-102) | 1.03 | 5.97 |
| Moritz Mill (EU-152) | 3.68 | 3.68 |
| Moritz Mill (EU-153) | 3.68 | 3.68 |
| Moritz Mill (EU-154) | 4.61 | 4.61 |
| Weigh Hopper (EU-156) | 0.89 | 0.89 |
| Banbury Mixer (EU-122) | 6.19 | 6.19 |

These limits are structured such that, when PM and PM10 emissions from the silos EU-106 through EU-108, the weigh hopper EU-157, the plastic pellet production lines (EU-112 through EU-118) and the insignificant combustion activities are included, the source total emissions of PM remain less than two-hundred fifty (250) tons per year and PM10. Compliance with these limitations render the requirements of 326 IAC 2-2 (Prevention of Significant Deterioration) not applicable.

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

The operation of this magnetic plastics production facility will emit less than ten (10) tons per year for a single HAP and less than twenty-five (25) tons per year for a combination of HAPs. Therefore, 326 IAC 2-4.1 does not apply.

326 IAC 2-8 (FESOP)

The potential to emit of PM10 from this facility is greater than one hundred (100) tons per year. The Permittee has elected to limit the potential to emit of this source as follows:

Pursuant to 326 IAC 2-8, the facilities shall not exceed the following pound per hour limitations.

| Emission Unit | PM10 Limitations (lb/hr) (326 IAC 2-8) |
|---------------------------|--|
| Rotary Kiln (EU-101) | 1.03 |
| Rotary Kiln (EU-102) | 1.03 |
| Moritz Mill (EU-152) | 3.68 |
| Moritz Mill (EU-153) | 3.68 |
| Moritz Mill (EU-154) | 4.61 |
| Weigh Hopper (EU-156) | 0.89 |
| Banbury Mixer (EU-122) | 6.19 |

These limits are structured such that, when PM10 emissions are included from the silos EU-106 through EU-108, the weigh hopper EU-157, the plastic pellet production lines (EU-112 through EU-118) and the insignificant combustion activities, the source total emissions of PM10 remain less than one-hundred (100) tons per year. Compliance with these limitations render the requirements of 326 IAC 2-7 (Part 70 Permit Program) not applicable.

Based on controlled PM10 emissions using the wet scrubber, the kilns can meet the PM10 limitations.

326 IAC 2-6 (Emission Reporting)

Pursuant to 326 IAC 2-6-1, this source is not required to have an operating permit under 326 IAC 2-7 (Part 70), it is not located in Lake or Porter Counties, and it does not emit lead into the ambient air at levels equal to or greater than 5 tons per year. Therefore, this source is subject to only the additional information requests in 326 IAC 2-6-5.

State Rule Applicability Determination - Individual Facilities

Rotary Calcining Kilns

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

Pursuant to 326 IAC 6-3-2, the particulate emissions from the one (1) rotary calcining kiln, identified as EU-101, shall not exceed 5.38 pounds per hour when operating at a process weight rate of 1.5 tons per hour.

Pursuant to 326 IAC 6-3-2, the particulate emissions from the one (1) rotary calcining kiln, identified as EU-102, shall not exceed 5.97 pounds per hour when operating at a process weight rate of 1.75 tons per hour.

The pound per hour limitations were calculated with the following equation:

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:

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

The wet scrubber (C-101-2) shall be in operation at all times the rotary calcining kilns (EU-101 and EU-102) are in operation, in order to comply with this limit.

Moritz Mills

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

Pursuant to 326 IAC 6-3-2, the particulate emissions from the Moritz Mills, identified as EU-152 and EU-153, shall each not exceed 3.68 pounds per hour when operating at a process weight rate of 0.85 tons per hour.

Pursuant to 326 IAC 6-3-2, the particulate emissions from the Moritz Mill, identified as EU-154, shall not exceed 4.61 pounds per hour when operating at a process weight rate of 1.19 tons per hour.

The pound per hour limitations were calculated with the following equation:

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:

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

The baghouses, identified as C-152, C-153, and C-154 shall be in operation at all times the three (3) Moritz Mills, identified as EU-152, EU-153, and EU-154 are in operation, in order to comply with this limit.

Banbury Mixer

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

Pursuant to 326 IAC 6-3-2, the particulate emissions from the Banbury Mixer, identified as EU-122, shall not exceed 6.19 pounds per hour when operating at a process weight rate of 1.85 tons per hour. The pound per hour limitation was calculated with the following equation:

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:

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

The baghouse, identified as C-122, shall be in operation at all times the Banbury Mixer, identified as EU-122 is in operation, in order to comply with this limit.

Plastic Pellet Production

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

The plastic pellet production lines, identified as EU-112 through EU-116, are not subject to 326 IAC 6-3-2 (Particulate Emission Limitations for Manufacturing Processes), because the potential to emit particulate from each unit is less than five-hundred fifty thousandths (0.551) pound per hour. Therefore, these units are exempt under 326 IAC 6-3-1(b)(14).

Materials Handling

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

Pursuant to 326 IAC 6-3-2, the particulate emissions from the weigh hopper, identified as EU-156, shall not exceed 0.89 pounds per hour when operating at a process weight rate of 205.4 pounds per hour.

Pursuant to 326 IAC 6-3-2, the particulate emissions from the weigh hopper, identified as EU-157, shall not exceed 2.35 pounds per hour when operating at a process weight rate of 870 pounds per hour.

The pound per hour limitations were calculated with the following equation:

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:

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

The baghouses, identified as C-156 and C-157, shall be in operation at all times the weigh hoppers, identified as EU-156 and EU-157 are in operation, in order to comply with these limits.

Natural Gas Combustion

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

The natural gas-fired air make-up unit, identified as unit EU-119, and the fourteen (14) natural-gas fired heaters, identified as units EU-136 through EU-149, are not subject to 326 IAC 6-3-2 (Particulate Emission Limitations for Manufacturing Processes), because the potential to emit particulates from these units is less than five-hundred fifty thousandths (0.551) pound per hour each. Therefore, these units are exempt per 326 IAC 6-3-1(b)(14). The Cleaver Brooks boilers (identified as unit EU-151) is not subject to 326 IAC 6-3 because combustion for indirect heating is exempt under 326 IAC 6-3-1(b)(1).

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

The two (2) rotary calcining kilns, identified as EU-101 and EU-102, are not subject to 326 IAC 6-2 (Particulate Emission Limitations for Sources of Indirect Heating), because these units are not sources of indirect heating.

The natural gas-fired Cleaver Brooks boiler, identified as EU-151, is subject to 326 IAC 6-2-4 (Emission limitations for facilities specified in 326 IAC 6-2-1(d)), because the boiler was constructed after September 21, 1983 and is a source of indirect heating. Pursuant to 326 IAC 6-2-4, the PM emissions from EU-151 shall not exceed pound per million Btu heat input (lb/MMBtu). This limitation was calculated using the following equation:

$$P_t = \frac{1.09}{Q^{0.26}} \quad \text{Where } Q = \text{total source capacity (MMBtu/hr)}$$

For these units, $Q = 2.5$ MMBtu/hr. Therefore,

$$P_t = \frac{1.09}{(2.5)^{0.26}} = 0.86 \text{ lb/MMBtu}$$

Based on emission calculations, the natural gas-fired boiler can meet this limit without control.

Insignificant Activities

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

The insignificant cutting torches, soldering, and welding equipment are not subject to 326 IAC 6-3-2 (Particulate Emission Limitations for Manufacturing Processes), because the potential to emit of particulate from these units is less than five-hundred fifty thousandths (0.551) pound per hour each. Therefore, these units are exempt under 326 IAC 6-3-1(b)(14).

Compliance Determination and Monitoring Requirements

Permits issued under 326 IAC 2-8 are required to ensure that sources can demonstrate compliance with all applicable state and federal rules on a continuous basis. All state and federal rules contain compliance provisions, however, these provisions do not always fulfill the requirement for a continuous demonstration. When this occurs IDEM, OAQ, in conjunction with the source, must develop specific conditions to satisfy 326 IAC 2-8-4. As a result, Compliance Determination Requirements are included in the permit. The Compliance Determination Requirements in Section D of the permit are those conditions that are found directly within state and federal rules and the violation of which serves as grounds for enforcement action.

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

The Compliance Determination Requirements applicable to this modification are as follows:

- (a) The rotary calcining kilns (EU-101 and EU-102) have applicable compliance determination conditions as specified below:

| Emission Unit | Control Device | Timeframe for Testing | Pollutant | Frequency of Testing | Limit or Requirement |
|----------------------|-----------------------|----------------------------------|------------------|-----------------------------|--|
| EU-101 | wet scrubber | 180 days from startup | PM | once every 5 years | 5.38 lb/hr (326 IAC 2-2 and 326 IAC 6-3) |
| EU-101 | wet scrubber | 180 days from startup | PM10 | once every 5 years | 1.03 lb/hr (326 IAC 2-8 and 326 IAC 2-2) |
| EU-102 | wet scrubber | 180 days from startup | PM | once every 5 years | 5.97 lb/hr (326 IAC 2-2 and 326 IAC 6-3) |
| EU-102 | wet scrubber | 180 days from startup | PM10 | once every 5 years | 1.04 lb/hr (326 IAC 2-8 and 326 IAC 2-2) |
| EU-122 | Baghouse CE-122 | 180 days from issuance of permit | PM | Once every 5 years | 6.19 lb/hr (326 IAC 2-2) and (326 IAC 6-3) |
| EU-122 | Baghouse CE-122 | 180 days from issuance of permit | PM10 | Once every 5 years | 6.19 lb/hr (326 IAC 2-8) and (326 IAC 2-2) |
| EU-152 | Baghouse CE-152 | 180 days from issuance of permit | PM | Once every 5 years | 3.68 lb/hr (326 IAC 2-2) and (326 IAC 6-3) |
| EU-152 | Baghouse CE-152 | 180 days from startup | PM10 | Once every 5 years | 3.68 lb/hr (326 IAC 2-8) and (326 IAC 2-2) |
| EU-153 | Baghouse CE-153 | 180 days from startup | PM | Once every 5 years | 3.68 lb/hr (326 IAC 2-2) and (326 IAC 6-3) |
| EU-153 | Baghouse CE-153 | 180 days from startup | PM10 | Once every 5 years | 3.68 lb/hr (326 IAC 2-8) and (326 IAC 2-2) |
| EU-154 | Baghouse CE-154 | 180 days from startup | PM | Once every 5 years | 4.61 lb/hr (326 IAC 2-2) and (326 IAC 6-3) |
| EU-154 | Baghouse CE-154 | 180 days from startup | PM10 | Once every 5 years | 4.61 lb/hr (326 IAC 2-8) and |

| | | | | | |
|---------------|-----------------|-----------------------|---------|--------------------|--|
| | | | | | (326 IAC 2-2) |
| EU-156 | Baghouse CE-156 | 180 days from startup | PM/PM10 | Once every 5 years | 0.89 lb/hr (326 IAC 2-2) and (326 IAC 2-8) |

The two rotary calcining kilns are controlled by one baghouse, designated as CE-101-2. The PM and PM10 emissions from rotary kiln EU-101 are limited to 5.38 pounds per hour and 1.04 pounds per hour, respectively, and the PM and PM10 emissions from rotary kiln EU-102 are limited to 5.97 pounds per hour and 1.04 pounds per hour, respectively. To demonstrate compliance with these combined limits, the kilns must be operated separately during the testing period.

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

- (a) The rotary calcining kilns (EU-101 and EU-102) have applicable compliance monitoring conditions as specified below:
 - (1) The wet scrubber for particulate control shall be in operation and control emissions from the rotary calcining kilns, identified as EU-101 and EU-102, at all times that the kilns are in operation.
 - (2) The Permittee shall record the pressure drop across the scrubber used in conjunction with the rotary calcining kilns, at least once per day when the rotary calcining kilns are in operation. When for any one reading, the pressure drop across the scrubber is outside the normal range of 15 and 21 inches of water, or a range established during the latest stack test, the Permittee shall take reasonable response steps in accordance with Section C - Response to Excursions or Exceedances. When for any one reading, the flow rate of any of the scrubbers is less than the minimum of 55 gallons per minute, or a minimum established during the latest stack test, the Permittee shall take reasonable response steps in accordance with Section C - Response to Excursions or Exceedances. A pressure reading that is outside the above mention range or a flow rate that is below the above mentioned minimum is not a deviation from this permit. Failure to take response steps in accordance with Section C - Response to Excursions or Exceedances shall be considered a deviation from this permit.
 - (3) In the event that a scrubber malfunction has been observed, failed units and the associated process will be shut down immediately until the failed units have been repaired or replaced. Operations may continue only if the event qualifies as an emergency and the Permittee satisfies the requirements of the emergency provisions of this permit (Section B - Emergency Provisions). Failure to take response steps in accordance with Section C - Response to Excursions or Exceedances shall be considered a deviation from this permit.

These monitoring conditions are necessary because the wet scrubber for the rotary calcining kilns (EU-101 and EU-102) must operate properly to ensure compliance with 326 IAC 2-2 (Prevention of Significant Deterioration, 326 IAC 2-8 (FESOP), and 326 IAC 6-3 (Particulate Emission Limitations for Manufacturing Processes).

- (b) The Banbury Mixer (EU-122) has applicable compliance monitoring conditions as specified below:
 - (1) Daily visible emission notations of the Banbury mixer stack exhausts (S-122) shall be performed during normal daylight operations when exhausting to the atmosphere. A trained employee shall record whether emissions are normal or abnormal. For processes operated continuously, "normal" means those conditions prevailing, or expected to prevail, eighty percent (80%) of the time the process is in operation, not counting startup or shut down time. In the case of batch or discontinuous operations, readings shall be taken during that part of the operation that would normally be expected to cause the greatest emissions. A trained employee is an employee who has worked at the plant at least one (1)

month and has been trained in the appearance and characteristics of normal visible emissions for that specific process. If abnormal emissions are observed, the Permittee shall take reasonable response steps in accordance with Section C - Response to Excursions or Exceedances. Failure to take response steps in accordance with Section C - Response to Excursions or Exceedances shall be considered a deviation from this permit.

- (2) The Permittee shall record the pressure drop across the baghouse used in conjunction with the Banbury Mixer (EU-122), at least once per day when the processes are in operation. When for any one reading, the pressure drop across each baghouse is outside the normal range of 3.0 and 6.0 inches of water or a range established during the latest stack test, the Permittee shall take reasonable response steps in accordance with Section C – Response to Excursions and Exceedances. A pressure reading that is outside the above mentioned range is not a deviation from this permit. Failure to take response steps in accordance with Section C - Response to Excursions or Exceedances, shall be considered a deviation from this permit. The instrument used for determining the pressure shall comply with Section C - Instrument Specifications, of this permit, shall be subject to approval by IDEM, OAQ, and shall be calibrated at least once every six (6) months.
- (3) For a single compartment baghouses controlling emissions from a process operated continuously, a failed unit and the associated process shall be shut down immediately until the failed unit has been repaired or replaced. Operations may continue only if the event qualifies as an emergency and the Permittee satisfies the requirements of the emergency provisions of this permit (Section B - Emergency Provisions). For a single compartment baghouse controlling emissions from a batch process, the feed to the process shall be shut down immediately until the failed unit have been repaired or replaced. The emissions unit shall be shut down no later than the completion of the processing of the material in the unit. Operations may continue only if the event qualifies as an emergency and the Permittee satisfies the requirements of the emergency provisions of this permit (Section B - Emergency Provisions). Bag failure can be indicated by a significant drop in the baghouse=s pressure reading with abnormal visible emissions, by an opacity violation, or by other means such as gas temperature, flow rate, air infiltration, leaks, dust traces or triboflows.

These monitoring conditions are necessary because the baghouse for the Banbury Mixer (EU-122) must operate properly to ensure compliance with 326 IAC 2-2 (Prevention of Significant Deterioration, 326 IAC 2-8 (FESOP), and 326 IAC 6-3 (Particulate Emission Limitations for Manufacturing Processes).

- (c) The Mortiz Mills (EU-152, EU-153, and EU-154) have applicable compliance monitoring conditions as specified below:
 - (1) Daily visible emission notations of the Moritz Mill stack exhausts (EU-152, EU-153, and EU-154) shall be performed during normal daylight operations when exhausting to the atmosphere. A trained employee shall record whether emissions are normal or abnormal. For processes operated continuously, "normal" means those conditions prevailing, or expected to prevail, eighty percent (80%) of the time the process is in operation, not counting startup or shut down time. In the case of batch or discontinuous operations, readings shall be taken during that part of the operation that would normally be expected to cause the greatest emissions. A trained employee is an employee who has worked at the plant at least one (1) month and has been trained in the appearance and characteristics of normal visible emissions for that specific process. If abnormal emissions are observed, the Permittee shall take reasonable response steps in accordance with Section C - Response to Excursions or Exceedances. Failure to take response steps in accordance with Section C - Response to Excursions or Exceedances shall be considered a deviation from this permit.

- (2) The Permittee shall record the pressure drop across the baghouse used in conjunction with the Moritz Mills (EU-152, EU-153, EU-154), at least once per day when the processes are in operation. When for any one reading, the pressure drop across each baghouse is outside the normal range of 3.0 and 6.0 inches of water or a range established during the latest stack test, the Permittee shall take reasonable response steps in accordance with Section C – Response to Excursions and Exceedances. A pressure reading that is outside the above mentioned range is not a deviation from this permit. Failure to take response steps in accordance with Section C - Response to Excursions or Exceedances, shall be considered a deviation from this permit. The instrument used for determining the pressure shall comply with Section C - Instrument Specifications, of this permit, shall be subject to approval by IDEM, OAQ, and shall be calibrated at least once every six (6) months.
- (3) For a single compartment baghouses controlling emissions from a process operated continuously, a failed unit and the associated process shall be shut down immediately until the failed unit has been repaired or replaced. Operations may continue only if the event qualifies as an emergency and the Permittee satisfies the requirements of the emergency provisions of this permit (Section B - Emergency Provisions). For a single compartment baghouse controlling emissions from a batch process, the feed to the process shall be shut down immediately until the failed unit have been repaired or replaced. The emissions unit shall be shut down no later than the completion of the processing of the material in the unit. Operations may continue only if the event qualifies as an emergency and the Permittee satisfies the requirements of the emergency provisions of this permit (Section B - Emergency Provisions). Bag failure can be indicated by a significant drop in the baghouse=s pressure reading with abnormal visible emissions, by an opacity violation, or by other means such as gas temperature, flow rate, air infiltration, leaks, dust traces or triboflows.

These monitoring conditions are necessary because the baghouses for the Moritz Mills (EU-152, EU-153, EU-154) must operate properly to ensure compliance with 326 IAC 2-2 (Prevention of Significant Deterioration, 326 IAC 2-8 (FESOP), and 326 IAC 6-3 (Particulate Emission Limitations for Manufacturing Processes).

- (d) The weigh hopper (EU-156) has applicable compliance monitoring conditions as specified below:
 - (1) Daily visible emission notations of the weigh hopper stack exhausts (CE-156), shall be performed during normal daylight operations when exhausting to the atmosphere. A trained employee shall record whether emissions are normal or abnormal. For processes operated continuously, "normal" means those conditions prevailing, or expected to prevail, eighty percent (80%) of the time the process is in operation, not counting startup or shut down time. In the case of batch or discontinuous operations, readings shall be taken during that part of the operation that would normally be expected to cause the greatest emissions. A trained employee is an employee who has worked at the plant at least one (1) month and has been trained in the appearance and characteristics of normal visible emissions for that specific process. If abnormal emissions are observed, the Permittee shall take reasonable response steps in accordance with Section C - Response to Excursions or Exceedances. Failure to take response steps in accordance with Section C - Response to Excursions or Exceedances shall be considered a deviation from this permit.
 - (2) The Permittee shall record the pressure drop across the baghouse used in conjunction with the weigh hopper (EU-156) at least once per day when the process is in operation. When for any one reading, the pressure drop across each baghouse is outside the normal range of 3.0 and 6.0 inches of water or a range established during the latest stack test, the Permittee shall take reasonable

response steps in accordance with Section C – Response to Excursions and Exceedances. A pressure reading that is outside the above mentioned range is not a deviation from this permit. Failure to take response steps in accordance with Section C - Response to Excursions or Exceedances, shall be considered a deviation from this permit. The instrument used for determining the pressure shall comply with Section C - Instrument Specifications, of this permit, shall be subject to approval by IDEM, OAQ, and shall be calibrated at least once every six (6) months.

- (3) For a single compartment baghouses controlling emissions from a process operated continuously, a failed unit and the associated process shall be shut down immediately until the failed unit has been repaired or replaced. Operations may continue only if the event qualifies as an emergency and the Permittee satisfies the requirements of the emergency provisions of this permit (Section B - Emergency Provisions). For a single compartment baghouse controlling emissions from a batch process, the feed to the process shall be shut down immediately until the failed unit have been repaired or replaced. The emissions unit shall be shut down no later than the completion of the processing of the material in the unit. Operations may continue only if the event qualifies as an emergency and the Permittee satisfies the requirements of the emergency provisions of this permit (Section B - Emergency Provisions). Bag failure can be indicated by a significant drop in the baghouse=s pressure reading with abnormal visible emissions, by an opacity violation, or by other means such as gas temperature, flow rate, air infiltration, leaks, dust traces or triboflows.

These monitoring conditions are necessary because the baghouse for the weigh hopper (EU-156) must operate properly to ensure compliance with 326 IAC 2-2 (Prevention of Significant Deterioration, 326 IAC 2-8 (FESOP), and 326 IAC 6-3 (Particulate Emission Limitations for Manufacturing Processes).

Conclusion and Recommendation

The construction and operation of this facility shall be subject to the conditions of the attached proposed New Source Review and FESOP No.143-26143-00018. The staff recommend to the Commissioner that this New Source Review and FESOP be approved.

**Appendix A: Emissions Calculations
Process Emissions
Two (2) rotary calcining kilns**

Source Name: Holm Industries, Inc.
Source Location: 1320 S. Main Street, Scottsburg, Indiana 47170
Permit Number: F143-26143-00018
Permit Reviewer: ERG/TDP
Date: March 26, 2008

Kiln #1 (EU-101)

Maximum Capacity
lb/hr

Annual Throughput
ton/yr

3,000

13,140

| | | |
|------------------------------------|--------------------------|-------------------------|
| Particulate Control Efficiency (%) | HCl Control Efficiency % | Cl Control Efficiency % |
| 99.1% | 80.0% | 95.00% |

| Emission Factor in lb/ton | PM | PM10 | HCl (stack test, lb/hr) | Cl (stack test, lb/hr) | Controlled PM | Controlled PM10 | Controlled HCl | Controlled Cl |
|-------------------------------|-------|------|-------------------------|------------------------|---------------|-----------------|----------------|---------------|
| | 130.0 | 31.0 | 0.13 | 0.01 | | | | |
| Potential Emission in tons/yr | 854 | 204 | 0.71 | 0.05 | 1.83 | 0.02 | 0.14 | 0.01 |

Kiln#2 (EU-102)

Maximum Capacity
lb/hr

Annual Throughput
ton/yr

Particulate Control Efficiency (%)

3,500

15,330

99.1%

| Emission Factor in lb/ton | PM | PM10 | HCl (stack test, lb/hr) | Cl (stack test, lb/hr) | Controlled PM | Controlled PM10 | Controlled HCl | Controlled Cl |
|-------------------------------|-------|------|-------------------------|------------------------|---------------|-----------------|----------------|---------------|
| | 130.0 | 31.0 | 0.15 | 0.01 | | | | |
| Potential Emission in tons/yr | 996 | 238 | 0.82 | 0.05 | 8.97 | 2.14 | 0.16 | 0.45 |

*Emission factors for PM and PM10 are from AP-42, Chapter 11.6, Table 11.6.2. HCl and Cl emission factors are based from stack test data from the equipment in use at its previous facility.

Methodology

Potential to Emit PM/PM10(tons/yr) = Annual Throughput (ton/yr) x Emission Factor (lb/ton) x 1 ton /2,000 lb

Potential to Emit HCl (tons/yr) = Collected by Scrubber (tons/yr) / Control Efficiency (%)

**Appendix A: Emissions Calculations
Process Emissions
Three (3) Moritz Mills**

Source Name: Holm Industries, Inc.
Source Location: 1320 S. Main Street, Scottsburg, Indiana 47170
Permit Number: F143-26143-00018
Permit Reviewer: ERG/TDP
Date: March 26, 2008

Moritz Mills (EU-152 & EU-153)

| Maximum Capacity lb/hr | Annual Throughput ton/yr | Control Efficiency (%) |
|---------------------------|-----------------------------|------------------------|
| 3,400 | 14,892 | 99.0% |

| Emission Factor in lb/hr | PM | PM10 | Controlled PM/PM10 |
|---|------------|------------|--------------------|
| | 25.0 | 25.0 | |
| Potential Emission in tons/yr | 110 | 110 | 1.10 |
| Potential Emission for 2 Mills (tons/yr): | 219 | 219 | 2.19 |

Moritz Mills (EU-154)

| Maximum Capacity lb/hr | Annual Throughput ton/yr | Control Efficiency (%) |
|---------------------------|-----------------------------|------------------------|
| 2,380 | 10,424 | 99.0% |

| Emission Factor in lb/hr | PM | PM10 | Controlled PM/PM10 |
|-------------------------------|------------|------------|--------------------|
| | 35.0 | 35.0 | |
| Potential Emission in tons/yr | 153 | 153 | 1.53 |

*Emission factors are based on baghouse collections and their efficiencies and the production run on each mill.

Methodology

Potential to Emit PM and PM10 (tons/yr) = Emission Factor (lb/hr) x (8760 hr/year) x 1 ton/2,000 lb

Controlled PM/PM10 (tons/yr) = PTE PM/PM10 x (1 - Control Efficiency %)

Appendix A: Emissions Calculations
VOC and Particulate Emissions from Pellet Production (EU-112 through EU-118)

Source Name: Holm Industries, Inc.
Source Location: 1320 S. Main Street, Scottsburg, Indiana 47170
Permit Number: F143-26143-00018
Permit Reviewer: ERG/TDP
Date: March 26, 2008

| Unit ID | Material Processed | Process Weight (lb/hr) | Process Weight (tons/yr) | PM Emission Factor (lb/ton) | PTE PM (tons/year) | PM10 Emission Factor (lb/ton) | PTE PM10 (tons/year) | VOC Emission Factor (lb/ton) | PTE VOC (tons/year) |
|---------|--------------------|------------------------|--------------------------|-----------------------------|--------------------|-------------------------------|----------------------|------------------------------|---------------------|
| EU-112 | Plastic Pellets | 1,000 | 4,380 | 0.032 | 0.07 | 0.032 | 0.07 | 0.00 | 0.00 |
| EU-113 | Plastic Pellets | 700 | 3,066 | 0.032 | 0.05 | 0.032 | 0.05 | 0.00 | 0.00 |
| EU-114 | Plastic Pellets | 1,800 | 7,884 | 0.032 | 0.13 | 0.032 | 0.13 | 0.00 | 0.00 |
| EU-115 | Plastic Pellets | 1,200 | 5,256 | 0.032 | 0.08 | 0.032 | 0.08 | 0.00 | 0.00 |
| EU-116 | Plastic Pellets | 1,200 | 5,256 | 0.032 | 0.08 | 0.032 | 0.08 | 0.00 | 0.00 |
| EU-117 | Plastic Pellets | 1,500 | 6,570 | 0.032 | 0.11 | 0.032 | 0.11 | 0.00 | 0.00 |
| EU-118 | Plastic Pellets | 1,500 | 6,570 | 0.032 | 0.11 | 0.032 | 0.11 | 0.00 | 0.00 |
| | | | | | 0.62 | | | 0.62 | 0.00 |

Notes: The PM, PM, and VOC emission factors are based on emission factors for a similar facility (Chemtrusion, FESOP 019-9668-00091).

Methodology:

Potential to emit PM, PM10, and VOC (tons/year) = Maximum Process Weight (tons/yr) x Emission Factor (lb/ton) x 1 ton/2000 lbs

Appendix A: Emissions Calculations
VOC and Particulate Emissions from one (1) Banbury Mixer (EU-122)

Source Name: Holm Industries, Inc.
Source Location: 1320 S. Main Street, Scottsburg, Indiana 47170
Permit Number: F143-26143-00018
Permit Reviewer: ERG/TDP
Date: March 26, 2008

| Unit ID | Process | Process Weight (lb/hr) | Process Weight (tons/yr) | PM Emission Factor (lb/hr) | PTE PM (tons/year) | PM10 Emission Factor (lb/ton) | PTE PM10 (tons/year) | Control Efficiency (%) | Controlled PTE PM/PM (tons/year) |
|---------|---------------|------------------------|--------------------------|----------------------------|--------------------|-------------------------------|----------------------|------------------------|----------------------------------|
| EU-122 | Banbury Mixer | 3,700 | 16,206 | 26.0 | 115 | 26.0 | 115 | 99.00% | 1.15 |

Notes: The PM/PM10 emission factors are based on baghouse collection information.
 Stack testing will be required in this FESOP to verify the emission factors.

Methodology:

Potential to emit PM/PM10 (tons/year) = Emission Factor (lb/hr) x 8,760 hr/year x 1 ton/2000 lbs

Appendix A: Emissions Calculations
Particulate Emissions from Weigh Hopper (EU-157)

Source Name: Holm Industries, Inc.
Source Location: 1320 S. Main Street, Scottsburg, Indiana 47170
Permit Number: F143-26143-00018
Permit Reviewer: ERG/TDP
Date: March 26, 2008

| Control Device | Controlled Units | Amount PM Collected (lb/hr)* | Uncontrolled Particulate Emissions (ton/yr) | Control Efficiency (%) | Controlled Particulate Emissions (ton/yr) |
|----------------|------------------|------------------------------|---|------------------------|---|
| C-157 | EU-157 | 0.90 | 3.98 | 99.00% | 0.04 |

Methodology

Uncontrolled PM/PM10 Emissions (ton/yr) = Amount Collected (lb/hr) / (Control Efficiency %) * 8760 hr/yr * 1 ton/2000 lbs
 Controlled PM/PM10 Emissions (ton/yr) = Uncontrolled Emissions (ton/yr) * (1 - Control Efficiency %)

Appendix A: Emissions Calculations
Particulate Emissions from two (2) Weigh Hoppers (EU-156 and Eu-157)

Source Name: Holm Industries, Inc.
Source Location: 1320 S. Main Street, Scottsburg, Indiana 47170
Permit Number: F143-26143-00018
Permit Reviewer: ERG/TDP
Date: March 26, 2008

| Unit ID | Process | Amount PM/PM10 Collected (lb/hr)* | Uncontrolled Particulate Emissions (ton/yr) | Control Efficiency (%) | Controlled Particulate Emissions (ton/yr) |
|---------|------------|-----------------------------------|---|------------------------|---|
| EU-103 | Iron Oxide | 14.7 | 65.0 | 99.00% | 0.65 |
| EU-105 | Iron Oxide | 14.7 | 65.0 | 99.00% | 0.65 |
| | | | 130 | | 1.30 |

*These units directly vent to Weigh Hopper EU-156, and all units are controlled by baghouse C-156.

Methodology

Uncontrolled PM/PM10 Emissions (ton/yr) = Amount Collected (lb/hr) / (Control Efficiency %) * 8760 hr/yr * 1 ton/2000 lbs

Controlled PM/PM10 Emissions (ton/yr) = Uncontrolled Emissions (ton/yr) * (1 - Control Efficiency %)

| Unit ID | Process | Maximum Throughput (tons/year) | PM/PM10 Emission Factor (lb/ton) | PTE PM/PM10 (tons/yr) |
|---------|--------------------|--------------------------------|----------------------------------|-----------------------|
| EU-106 | Polyvinyl Chloride | 5565.00 | 0.1 | 0.28 |
| EU-107 | Polyvinyl Chloride | 5565.00 | 0.1 | 0.28 |
| EU-108 | Calcium Carbonate | 7950.00 | 0.1 | 0.40 |

0.95

*Emission factors are from Fire 6.25, for SCC 3-05-007-07, cement manufacturing, unloading raw materials.

Methodology

PTE PM/PM10 (tons/yr) = Maximum Throughput (tons/yr) x Emission factor (lb/ton) x 1 ton/2000 lbs

**Appendix A: Emissions Calculations
Natural Gas Combustion Only
From two (2) rotary calcinating kilns (EU-101 and EU-102)**

Source Name: Holm Industries, Inc.
Source Location: 1320 S. Main Street, Scottsburg, Indiana 47170
Permit Number: F143-26143-00018
Permit Reviewer: ERG/TDP
Date: March 26, 2008

Heat Input Capacity
MMBtu/hr

20.00

Potential Throughput
MMCF/yr

175.2

| Emission Factor in lb/MMCF | Pollutant | | | | | |
|-------------------------------|-----------|-------|------|-----------------------------|------|------|
| | PM* | PM10* | SO2 | NOx 100.0 **see below | VOC | CO |
| Potential Emission in tons/yr | 0.17 | 0.67 | 0.05 | 8.76 | 0.48 | 7.36 |

*PM emission factor is filterable PM only. PM10 emission factor is filterable and condensable PM10 combined.

**Emission Factors for NOx: Uncontrolled = 100 lb/MMSCF.

Emission Factors are from AP 42, Chapter 1.4, Tables 1.4-1, 1.4-2, 1.4-3, SCC #1-02-006-02, 1-01-006-02, 1-03-006-02, and 1-03-006-03 (SUPPLEMENT D 3/98). All emission

MMBtu = 1,000,000 Btu

MMCF = 1,000,000 Cubic Feet of Gas

Methodology

Potential Throughput (MMCF) = Heat Input Capacity (MMBtu/hr) x 8,760 hrs/yr x 1 MMCF/1,000 MMBtu

Emission (tons/yr) = Throughput (MMCF/yr) x Emission Factor (lb/MMCF)/2,000 lb/ton

See page 20 for HAPs emissions calculations.

**Appendix A: Emissions Calculations
Natural Gas Combustion Only
MM BTU/HR <100
Combustion Units
HAPs Emissions**

Source Name: Holm Industries, Inc.
Source Location: 1320 S. Main Street, Scottsburg, Indiana 47170
Permit Number: F143-26143-00018
Permit Reviewer: ERG/TDP
Date: March 26, 2008

| HAPs - Organics | | | | | |
|-------------------------------|--------------------|----------------------------|-------------------------|-------------------|--------------------|
| Emission Factor in lb/MMcf | Benzene 2.1E-03 | Dichlorobenzene 1.2E-03 | Formaldehyde 7.5E-02 | Hexane 1.8E+00 | Toluene 3.4E-03 |
| Potential Emission in tons/yr | 1.840E-04 | 1.051E-04 | 6.570E-03 | 1.577E-01 | 2.978E-04 |

| HAPs - Metals | | | | | |
|-------------------------------|-----------------|--------------------|---------------------|----------------------|-------------------|
| Emission Factor in lb/MMcf | Lead 5.0E-04 | Cadmium 1.1E-03 | Chromium 1.4E-03 | Manganese 3.8E-04 | Nickel 2.1E-03 |
| Potential Emission in tons/yr | 4.380E-05 | 9.636E-05 | 1.226E-04 | 3.329E-05 | 1.840E-04 |

Methodology is the same as page 7.

The five highest organic and metal HAPs emission factors are provided above.
 Additional HAPs emission factors are available in AP-42, Chapter 1.4.

**Appendix A: Emissions Calculations
Natural Gas Combustion Only
From one (1) Cleaver Brooks boiler, fourteen (14) space heaters,
and one (1) air make-up unit**

Source Name: Holm Industries, Inc.
Source Location: 1320 S. Main Street, Scottsburg, Indiana 47170
Permit Number: F143-26143-00018
Permit Reviewer: ERG/TDP
Date: March 26, 2008

Heat Input Capacity
MMBtu/hr

6.96

Potential Throughput
MMCF/yr

61.0

| Emission Factor in lb/MMCF | Pollutant | | | | | |
|-------------------------------|-----------|-------|------|----------------------|------|------|
| | PM* | PM10* | SO2 | NOx | VOC | CO |
| | 1.9 | 7.6 | 0.6 | 100.0 **see below | 5.5 | 84.0 |
| Potential Emission in tons/yr | 0.06 | 0.23 | 0.02 | 3.05 | 0.17 | 2.56 |

Notes: Natural Gas Combustion from Units EU-119, EU-136, EU-137, EU-138, EU-139, EU-140, EU-141, EU-142, EU-143, EU-144, EU-145, EU-146, EU-147, EU-148, EU-149, and EU-151.

*PM emission factor is filterable PM only. PM10 emission factor is filterable and condensable PM10 combined.

**Emission Factors for NOx: Uncontrolled = 100 lb/MMSCF.

Emission Factors are from AP 42, Chapter 1.4, Tables 1.4-1, 1.4-2, 1.4-3, SCC #1-02-006-02, 1-01-006-02, 1-03-006-02, and 1-03-006-03 (SUPPLEMENT D 3/98). All emission

MMBtu = 1,000,000 Btu

MMCF = 1,000,000 Cubic Feet of Gas

Methodology

Potential Throughput (MMCF) = Heat Input Capacity (MMBtu/hr) x 8,760 hrs/yr x 1 MMCF/1,000 MMBtu

Emission (tons/yr) = Throughput (MMCF/yr) x Emission Factor (lb/MMCF)/2,000 lb/ton

See page 20 for HAPs emissions calculations.

Appendix A: Emissions Calculations
Natural Gas Combustion Only
MM BTU/HR <100
Combustion Units
HAPs Emissions

Source Name: Holm Industries, Inc.
Source Location: 1320 S. Main Street, Scottsburg, Indiana 47170
Permit Number: F143-26143-00018
Permit Reviewer: ERG/TDP
Date: March 26, 2008

| HAPs - Organics | | | | | |
|-------------------------------|--------------------|----------------------------|-------------------------|-------------------|--------------------|
| Emission Factor in lb/MMcf | Benzene 2.1E-03 | Dichlorobenzene 1.2E-03 | Formaldehyde 7.5E-02 | Hexane 1.8E+00 | Toluene 3.4E-03 |
| Potential Emission in tons/yr | 6.402E-05 | 3.658E-05 | 2.286E-03 | 5.487E-02 | 1.036E-04 |

| HAPs - Metals | | | | | |
|-------------------------------|-----------------|--------------------|---------------------|----------------------|-------------------|
| Emission Factor in lb/MMcf | Lead 5.0E-04 | Cadmium 1.1E-03 | Chromium 1.4E-03 | Manganese 3.8E-04 | Nickel 2.1E-03 |
| Potential Emission in tons/yr | 1.524E-05 | 3.353E-05 | 4.268E-05 | 1.158E-05 | 6.402E-05 |

Methodology is the same as page 7.

The five highest organic and metal HAPs emission factors are provided above.
 Additional HAPs emission factors are available in AP-42, Chapter 1.4.

**Appendix A: Emissions Calculations
Summary**

Source Name: Holm Industries, Inc.
Source Location: 1320 S. Main Street, Scottsburg, Indiana 47170
Permit Number: F143-26143-00018
Permit Reviewer: ERG/TDP
Date: March 26, 2008

Unlimited PTE

| | PM (tons/yr) | PM ₁₀ (tons/yr) | SO ₂ (tons/yr) | VOC (tons/yr) | CO (tons/yr) | NOx (tons/yr) | HAPs (tons/yr) |
|--------------------------------|--------------|----------------------------|---------------------------|---------------|--------------|---------------|----------------|
| Emission Unit | | | | | | | |
| Rotary Kilns-Process Emissions | 1851 | 441 | 0.00 | 0.0 | 0.00 | 0.00 | 1.37 |
| Banbury Mixer | 115 | 115 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Moritz Mills | 372 | 372 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Plastic Pellet Lines | 0.6 | 0.6 | 0.00 | 0.0 | 0.00 | 0.00 | 0.00 |
| Silos | 0.95 | 0.95 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Weigh Hopper EU-156 | 130 | 130 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Weigh Hopper EU-157 | 3.98 | 3.98 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Rotary Kilns - Combustion | 0.17 | 0.67 | 0.05 | 0.48 | 7.36 | 8.76 | 0.17 |
| Natural Gas Combustion | 0.06 | 0.23 | 0.02 | 0.17 | 2.56 | 3.05 | 0.06 |
| Total Emissions | 2,474 | 1,065 | 0.07 | 0.65 | 9.92 | 11.8 | 1.59 |

Controlled PTE

| | PM (tons/yr) | PM ₁₀ (tons/yr) | SO ₂ (tons/yr) | VOC (tons/yr) | CO (tons/yr) | NOx (tons/yr) | HAPs (tons/yr) |
|--------------------------------|--------------|----------------------------|---------------------------|---------------|--------------|---------------|----------------|
| Emission Unit | | | | | | | |
| Rotary Kilns-Process Emissions | 10.8 | 2.16 | 0.00 | 0.0 | 0.00 | 0.00 | 0.76 |
| Banbury Mixer | 1.15 | 1.15 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Moritz Mills | 3.72 | 3.72 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Plastic Pellet Lines | 0.62 | 0.62 | 0.00 | 0.0 | 0.00 | 0.00 | 0.00 |
| Silos | 0.95 | 0.95 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Weigh Hopper EU-156 | 1.30 | 1.30 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Weigh Hopper EU-157 | 0.04 | 0.04 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Rotary Kilns - Combustion | 0.17 | 0.67 | 0.05 | 0.48 | 7.36 | 8.76 | 0.17 |
| Natural Gas Combustion | 0.06 | 0.23 | 0.02 | 0.17 | 2.56 | 3.05 | 0.06 |
| Total Emissions | 18.8 | 10.8 | 0.07 | 0.65 | 9.92 | 11.8 | 0.99 |

Controlled PTE includes the potential to emit following the use of pollution control devices, including the baghouses and wet scrubber associated with these operations.

Limited PTE

| | PM (tons/yr) | PM ₁₀ (tons/yr) | SO ₂ (tons/yr) | VOC (tons/yr) | CO (tons/yr) | NOx (tons/yr) | HAPs (tons/yr) |
|--------------------------------|--------------|----------------------------|---------------------------|---------------|--------------|---------------|----------------|
| Emission Unit | | | | | | | |
| Rotary Kilns-Process Emissions | 23.6 | 9.11 | 0.00 | 0.0 | 0.00 | 0.00 | 0.76 |
| Banbury Mixer | 27.1 | 27.1 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Moritz Mills | 52.4 | 52.4 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Plastic Pellet Lines | 0.62 | 0.62 | 0.00 | 0.0 | 0.00 | 0.00 | 0.00 |
| Silos | 0.95 | 0.95 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Weigh Hopper EU-156 | 3.90 | 3.90 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Weigh Hopper EU-157 | 3.98 | 3.98 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Rotary Kilns - Combustion | 0.17 | 0.67 | 0.05 | 0.48 | 7.36 | 8.76 | 0.17 |
| Natural Gas Combustion | 0.06 | 0.23 | 0.02 | 0.17 | 2.56 | 3.05 | 0.06 |
| Total Emissions | 112.8 | 99.0 | 0.07 | 0.65 | 9.92 | 11.8 | 0.99 |

Limited PTE is the potential to emit of each unit based on the limits provided in this FESOP under 326 IAC 2-8 and 326 IAC 2-2.