Florida Department of Environmental Protection

Northwest District
160 W Government Street, Suite 308
Pensacola, Florida 32502-5740

Rick Scott
Governor

Jennifer Carroll
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Herschel T. Vinyard Jr.
Secretary

Sent by Electronic Mail – Received Receipt Requested

PERMITTEE

Eastern Shipbuilding Group, Inc.
13300 Allanton Road
Panama City, Florida 32404

Authorized Representative:
Mr. Rick Antes, EH&S Manager

Air Permit No. 0050074-005-AC
Permit Expires: January 16, 2018

Panama City Yard (Nelson Street Facility)
Minor Source Air Construction Permit
Emissions Increase

This is the final air construction permit, which authorizes emission increases and removal of the painting activities operation rate. The proposed work will be conducted at the Panama City Yard (Nelson Street Facility), which is a steel ship building and repair facility (Standard Industrial Classification No. 3731). The facility is located in Bay County at 2200 Nelson Street in Panama City, Florida. The UTM coordinates are Zone 16, 630.4 km East and 3335.1 km North. As noted in the Final Determination provided with this final permit, only minor changes and clarifications were made to the draft permit.

This final permit is organized by the following sections.

Section 1. General Information

Section 2. Administrative Requirements

Section 3. Emissions Unit Specific Conditions

Section 4. Appendices

Because of the technical nature of the project, the permit contains numerous acronyms and abbreviations, which are defined in Appendix A of Section 4 of this permit.

This air pollution construction permit is issued under the provisions of: Chapter 403 of the Florida Statutes (F.S.) and Chapters 62-4, 62-204, 62-210, 62-212, 62-296 and 62-297 of the Florida Administrative Code (F.A.C.). The permittee is authorized to conduct the proposed work in accordance with the conditions of this permit. This project is subject to the general preconstruction review requirements in Rule 62-212.300, F.A.C., and is not subject to the preconstruction review requirements for major stationary sources in Rule 62-212.400, F.A.C., for the Prevention of Significant Deterioration (PSD) of Air Quality.

Upon issuance of this final permit, any party to this order has the right to seek judicial review of it under Section 120.68 of the Florida Statutes by filing a notice of appeal under Rule 9.110 of the Florida Rules of Appellate Procedure with the clerk of the Department of Environmental Protection in the Office of General Counsel (Mail Station #35, 3900 Commonwealth Boulevard, Tallahassee, Florida, 32399-3000) and by filing a copy of the notice of appeal accompanied by the applicable filing fees with the appropriate District Court of Appeal. The notice must be filed within 30 days after this order is filed with the clerk of the Department.

Executed in Pensacola, Florida

/s/

_____ 1/16/2013

J. Charles Harp (Date)
Program Administrator
Waste Management/Air Resources
Northwest District

CERTIFICATE OF SERVICE

The undersigned duly designated deputy agency clerk hereby certifies that this Final Air Permit package (including the Final Determination and Final Permit) was sent by electronic mail (or a link to these documents made available electronically on a publicly accessible server) with received receipt requested before the close of business on January 16, 2013 to the persons listed below.

Rick Antes, Eastern Shipbuilding Group, Inc.: rantes@easternshipbuilding.com
Veronica Sgro, P.E., Koogler and Associates, Inc.: vsgro@kooglerassociates.com
DEP Northwest District Branch Office, Panama City

Clerk Stamp

FILING AND ACKNOWLEDGMENT FILED, on this date, pursuant to Section 120.52(7), Florida Statutes, with the designated agency clerk, receipt of which is hereby acknowledged.

/s/ 1/16/2013

_____ _____
(Clerk) (Date)

FACILITY AND PROJECT DESCRIPTION

Existing Facility

This facility constructs and repairs steel ships in the 100' to 300' range. Activities associated with this permit are limited to abrasive blasting using one diesel-fired engine and two electrically-driven engines that power the compressors and painting operations. Emissions from open-air blasting and painting are controlled by maintaining good work practices and fugitive emissions controlled by the use of screens.

Facility ID No. 0050074

ID No.	Emissions Unit Description
001	Painting Activities
002	Activities associated with Outdoor Abrasive Blasting
003	Internal Combustion Engine

Proposed Project

This proposed project will modify previously established facility-wide VOC, NOx and HAP emissions limits which will increase facility-wide VOC, HAP and NOx limits to below Title V thresholds. This project will also remove the painting activities operation rate established in Permit 0050074-004-AO.

Pollutant	Maximum Allowable Limit (tons/yr)	
	FROM:	TO:
VOC	53.8	< 99.0
NOx	49.8	<99.0
HAP (individual)	8.5	<10.0
HAP (total)	12.5	<25.0

Facility ID No. 0050074

ID No.	Emissions Unit Description
001	Painting Activities
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FACILITY REGULATORY CLASSIFICATION

- The facility is not a major source of hazardous air pollutants (HAP).
- The facility has no units subject to the acid rain provisions of the Clean Air Act (CAA).
- The facility is not a Title V major source of air pollution in accordance with Chapter 213, F.A.C.
- The facility is not a major stationary source in accordance with Rule 62-212.400(PSD), F.A.C.

SECTION 2. ADMINISTRATIVE REQUIREMENTS

1. Permitting Authority: The permitting authority for this project is the Northwest District Air Resource Management Program, Florida Department of Environmental Protection (Department). The District's mailing address is 160 W Government Street, Suite 308, Pensacola, Florida 32502-5740. All documents related to applications for permits to operate an emissions unit shall be submitted to the District Office.

2. Compliance Authority: All documents related to compliance activities such as reports, tests, and notifications shall be submitted to the District Office at the above address or nwdair@dep.state.fl.us.

3. Appendices: The following Appendices are attached as part of this permit:

    a. Appendix A. Citation Formats and Glossary of Common Terms;

    b. Appendix B. General Conditions;

    c. Appendix C. Common Conditions; and

    d. Appendix D. Common Testing Requirements.

    e. Appendix E. Fugitive Emissions Control Plan [Revision date: January 8, 2013]

4. Applicable Regulations, Forms and Application Procedures: Unless otherwise specified in this permit, the construction and operation of the subject emissions units shall be in accordance with the capacities and specifications stated in the application. The facility is subject to all applicable provisions of: Chapter 403, F.S.; and Chapters 62-4, 62-204, 62-210, 62-212, 62-296 and 62-297, F.A.C. Issuance of this permit does not relieve the permittee from compliance with any applicable federal, state, or local permitting or regulations.

5. Asbestos. This permit does not authorize any demolition or renovation of the facility or its parts or components which involves asbestos removal. This permit does not constitute a waiver of any of the requirements of Chapter 62-257, F.A.C., and 40 CFR 61, Subpart M, National Emission Standard for Asbestos, adopted and incorporated by reference in Rule 62-204.800, F.A.C. Compliance with Chapter 62-257, F.A.C., and 40 CFR 61, Subpart M, Section 61.145, is required for any asbestos demolition or renovation at the source. [40 CFR 61; Rule 62-204.800, F.A.C.; and, Chapter 62-257, F.A.C.]

6. New or Additional Conditions: For good cause shown and after notice and an administrative hearing, if requested, the Department may require the permittee to conform to new or additional conditions. The Department shall allow the permittee a reasonable time to conform to the new or additional conditions, and on application of the permittee, the Department may grant additional time. [Rule 62-4.080, F.A.C.]

7. Modifications: The permittee shall notify the Compliance Authority upon commencement of construction. No new emissions unit shall be constructed and no existing emissions unit shall be modified without obtaining an air construction permit from the Department. Such permit shall be obtained prior to beginning construction or modification. [Rules 62-210.300(1) and 62-212.300(1)(a), F.A.C.]

8. Facility Fuel Limit: Facility-wide fuel oil (including distillate) usage shall not exceed 165,000 gallons per 12-month rolling period and the fuel oil shall not exceed 0.3% sulfur by weight. [Rules 62-4.160(2) and 62-210.200(PTE), F.A.C., and Permit 0050074-001-AC]

9. Facility Emissions Caps: The facility shall not exceed the following emissions limits:

Pollutant	Maximum Allowable Limit, Tons per 12-month rolling total
Volatile Organic Compounds (VOC)	99.0
Nitrogen Oxides (NOx)	99.0
HAP	10.0 (single HAP) or 25.0 (total HAP)

[Rules 62-4.070 and 62-210.200(PTE), F.A.C.; requested by Permittee to avoid Title V permitting in Application 0050074-005-AC]

10. Recordkeeping and Reporting Requirements.
    a) VOC, NOx and HAP emissions shall be tracked on logs with monthly materials usage and emissions calculations based on the VOC content (wt %) of the materials used. As a minimum, the logs shall include:
        i. Identification of the raw materials (solvents, coatings) used
        ii. Quantity and composition of the materials used identifying total VOC and HAP content
        iii. VOC and HAP emissions based on materials usage
        iv. VOC emissions resulting from fuel throughput and combustion.
        v. Total NOx emissions resulting from fuel combustion.
    b) Facility - wide fuel oil (including distillate) usage shall be tracked on logs with records maintained of the sulfur content as determined by ASTM methods ASTM D4057-88 and ASTM D129-91, ASTM D2622-94 or ASTM D4294- 90, adopted and incorporated by reference in Rule 62-297.440(1). Certification from the fuel oil vendor utilizing acceptable methodology is acceptable.
    c) Facility-wide abrasive media usage shall be tracked on logs.
    d) Monthly summaries shall be certified and signed by the responsible company representative to be accurate and truthful calculated representations of actual emissions. Monthly summaries of emissions and abrasive media usage shall be totaled for each consecutive 12-month period. The summaries shall be completed no later than the 15th of each month, and shall be maintained and available for Department inspection for at least five years.
    e) Permittee shall install, use and maintain appropriate systems to gather data necessary to track VOC, NOx and HAP emissions, and fuel oil and abrasive media usage.

[Rules 62-4.070 and 62-210.200(PTE), F.A.C.; Permit 0050074-001-AC and Application 0050074-005-AC]

11. No person shall cause, let, permit, suffer or allow the emissions of unconfined particulate matter from any activity, including vehicular movement; transportation of materials; construction, alteration, demolition or wrecking; or industrially related activities such as loading, unloading, storing or handling; without taking reasonable precautions to prevent such emissions. Reasonable precautions to prevent emissions of unconfined particulate matter at this facility include:

    a) Paving and maintenance of roads, parking areas and yards.
    b) Landscaping or planting of vegetation.
    c) Use of hoods, fans, filters, and similar equipment to contain, capture and/or vent particulate matter.
    d) Confining or screening abrasive blasting or painting where possible.

    These precautions shall also include all measures identified in the applicant's "Fugitive Emissions Control Plan" dated January 8, 2013 attached to and made a part of this permit. These measures include:

    1. The use of tarps of barriers surrounding and extending above the blasting surface, conducting all blasting from the top of a vessel down and blasting with the nozzle directed downward to the extent possible, except when blasting beneath a vessel.
    2. Requiring all blasting operators to be trained in procedures to minimize airborne emissions of blasting materials.
    3. The use of coal slag/black beauty as an abrasive medium.
    4. No new steel plate blasting performed on-site, and any new steel plate blasting will be blasted and primed off site; the remaining blasting will be spot blasting (approximately 50%) and blasting associated with ship repair and repainting (approximately 50%).

    Additionally, facility personnel shall periodically inspect each sand blasting or painting activity to verify use of precautionary measures, and shall maintain records of such inspections.
    [Rule 62-296.320(4)(c), F.A.C.; Revised Fugitive Emissions Control Plan dated January 8, 2013 and Application 0050074-005-AC]

12. Source Obligation:

    (a) At such time that a particular source or modification becomes a major stationary source or major modification (as these terms were defined at the time the source obtained the enforceable limitation) solely by virtue of a relaxation in any enforceable limitation which was established after August 7, 1980, on the capacity of the source or modification otherwise to emit a pollutant, such as a restriction on hours of operation, then the requirements of subsections 62-212.400(4) through (12), F.A.C., shall apply to the source or modification as though construction had not yet commenced on the source or modification.

    (b) At such time that a particular source or modification becomes a major stationary source or major modification (as these terms were defined at the time the source obtained the enforceable limitation) solely by exceeding its projected actual emissions, then the requirements of subsections 62-212.400(4) through (12), F.A.C., shall apply to the source or modification as though construction had not yet commenced on the source or modification.

    [Rule 62-212.400(12), F.A.C.]

A. Painting Activities

This section of the permit addresses the following emissions unit.

ID No.	Emissions Unit Description
001	Painting Activities

This emissions unit includes shipyard painting activities. These activities have no source-specific emission limits or criteria, but are subject to general emission limits, standards and other requirements of this subsection and the Facility-wide conditions (Section II) of this permit.

The following specific conditions apply to the emissions unit listed above:

1. Previous Permits: This permit supplements all previously issued air construction and operation permits for this emissions unit. Except for the change noted below, the unit remains subject to the conditions of all other legally binding air construction and operating permits. [Rules 62-4.070(3) and 62-210.300(1), F.A.C.]

PERFORMANCE RESTRICTIONS

1. Permitted Capacity: The 12-month rolling total usage of paints, primers and solvents shall not exceed the amounts, which based on the VOC and HAP contents and in combination with other VOC and HAP emitting units, violates the VOC and HAP emission limits established in **Facility-Wide Conditions**, Facility Emissions Cap. [Rules 62-4.160(2) and 62-210.200(PTE), F.A.C., Application 0050074-005-AC]
2. Restricted Operation: The hours of operation of are not limited (8760 hours per year). [Rules 62-4.070(3) and 62-210.200(PTE), F.A.C.]

EMISSIONS STANDARDS

3. The 12-month rolling total VOC and HAP emissions from this emissions unit, in combination with emissions from other VOC and HAP emitting units, shall not exceed limits established in **Facility Wide Conditions,** Facility Emissions Cap. [Rules 62-4.160(2) and 62-210.200(PTE), F.A.C.; Permit 0050074-001-AC and Application 0050074-005-AC]

RECORDS AND REPORTS

4. The permittee shall install, use, and maintain appropriate systems to gather data necessary to track emissions as specified in this section and established in **Facility-Wide Conditions, Recordkeeping and Reporting Requirements**. Supporting documentation including, but not limited to, Material Safety Data Sheets, and purchase orders, shall be kept to provide sufficient information to verify the emission summaries and to determine compliance. [Rules 62-4.070(3) and 62-210.200 (PTE), F.A.C.; Permit 0050074-001-AC and Application 0050074-005-AC]

B. Internal Combustion Engine (290 Hp CI RICE)

This section of the permit addresses the following emissions unit.

ID No.	Emissions Unit Description
003	Internal Combustion Engine (290 Hp CI RICE)

This emissions unit consists of a 290 Hp Cummins LTA10-C (290) stationary compression ignition internal combustion engine, with a displacement of 1.7 liters per cylinder. The six-cylinder, 10 L displacement engine was manufactured February 14, 1995. The engine is used to drive an air compressor used for sandblasting. The engine is an existing stationary RICE at an area source. This engine is not subject to 40 CFR 60 subpart IIII because the manufacturer's date was prior to April 1, 2006. However, this engine is subject to 40 CFR 63 subpart ZZZZ - NESHAP for Stationary Reciprocating Internal Combustion Engines, adopted and incorporated by reference in Rule 62-204.800(11)(b)82, F.A.C., with a compliance date of May 3, 2013

The following specific conditions apply to the emissions unit listed above:

1. Previous Permits: This permit supplements all previously issued air construction and operation permits for this emissions unit. Except for the change in the description, the unit remains subject to the conditions of all other legally binding air construction and operating permits. [Rules 62-4.070(3) and 62-210.300(1), F.A.C.]