



# Florida Department of Environmental Protection

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

Rick Scott  
Governor

Herschel T. Vinyard Jr.  
Secretary

June 7, 2013

*Sent by Electronic Mail – Received Receipt Requested*  
[rantes@easternshipbuilding.com](mailto:rantes@easternshipbuilding.com)

## **PERMITTEE**

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

Authorized Representative:  
Mr. Rick Antes, EHS Manager

Air Permit No. 0050074-006-AC  
Permit Expires: June 7, 2015  
Panama City Yard (Nelson Street Facility)  
Minor Source Air Construction Permit  
New Boat Outfitting Operations Emissions Unit and  
Update to Specific Conditions for CI RICE (EU003)

This is the final air construction permit, which authorizes the addition of the boat outfitting operations at a nearby leased dock site as a new emissions unit (EU). This permit also updates the specific conditions for the existing EU003, the air compressor's 290 Hp Compression Ignition (CI) Reciprocating Internal Combustion Engine (CI) (RICE) because it is not a stationary engine. The proposed work will be conducted at, and adjacent to, 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, no changes 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/

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J. Charles Harp  
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 June 7, 2013 to the persons listed below.

Rick Antes, Eastern Shipbuilding Group, Inc., [rantes@easternshipbuilding.com](mailto:rantes@easternshipbuilding.com)  
Veronica Sgro, P.E., Koogler and Associates, Inc., [vsgro@kooglerassociates.com](mailto:vsgro@kooglerassociates.com)  
Mark Sumner, Panama City District Branch Office, [mark.c.sumner@dep.state.fl.us](mailto:mark.c.sumner@dep.state.fl.us)

**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/ \_\_\_\_\_  
Clerk

June 7, 2013  
Date

## SECTION 1. GENERAL INFORMATION

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### 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 are controlled by the use of screens. The existing facility consists of the following emissions units:

Facility ID No. 0050074	
ID No.	Emission Unit Description
001	Painting Activities
002	Activities associated with Outdoor Abrasive Blasting
003	Internal Combustion Engine (290 Hp CI RICE)

#### Proposed Project

This construction permit will modify the recently issued construction permit 0050074-005-AC to add the boat outfitting operations at a nearby leased dock site as a new emissions unit to Eastern Shipbuilding's Panama City Nelson Street Facility. Steel and aluminum boats will be outfitted. The outfitting operations include roller based surface coating and painting, wiring, installation of electrical controls, attaching pilot houses, installing decking, internal compartments and crews quarters, connecting electrical engines to the propulsion system, and adjustments to the installations. This permit also updates the specific conditions for the existing EU003, the air compressor's 290 Hp Compression Ignition Reciprocating Internal Combustion Engine (CI) (RICE) because it is not a stationary engine. The requirement to maintain records of the fuel oil sulfur content was also removed in this permit. This project will add/modify the following emissions units.

Facility ID No. 0050074	
ID No.	Emission Unit Description
003	Internal Combustion Engine (290 Hp CI RICE) – update to specific conditions
004	Boat Outfitting Operations at Leased Dock Site

### 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

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1. Permitting Authority: The permitting authority for this project is the Northwest District Waste Management/Air Resources 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](mailto: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. 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 Permitting and Compliance Authorities upon commencement of construction. Notification may be submitted by electronic mail to [nwdair@dep.state.fl.us](mailto:nwdair@dep.state.fl.us) and copied to the permitting authority at [epost\\_nwdwasteair@dep.state.fl.us](mailto:epost_nwdwasteair@dep.state.fl.us). 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:

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

## SECTION 2. ADMINISTRATIVE REQUIREMENTS

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

### 10. Recordkeeping and Reporting Requirements.

- a) VOC, NO<sub>x</sub> 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 NO<sub>x</sub> emissions resulting from fuel combustion.
- b) Facility wide fuel oil (including distillate) usage shall be tracked on logs.
- 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 15<sup>th</sup> 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, NO<sub>x</sub> and HAP emissions, and fuel oil and abrasive media usage.

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

*{Permitting Note: Records of the fuel oil sulfur content no longer have to be maintained.}*

### 11. Unconfined Particulate Matter. 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 or 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 Permit 0050074-005-AC]

## SECTION 2. ADMINISTRATIVE REQUIREMENTS

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### 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.]

## SECTION 3. EMISSIONS UNIT SPECIFIC CONDITIONS

### A. 290 Hp CI RICE (EU003)

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) 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 drives an air compressor used for sandblasting. The engine is an existing RICE at an area source and was originally permitted as a stationary engine in the previous construction permit 0050074-005-AC. However, since the issuance of the previous construction permit, it has been found that the engine is portable and moved to different areas within the facility. This engine is not subject to 40 CFR 60 subpart IIII or to 40 CFR 63 subpart ZZZZ - NESHAP for Stationary Reciprocating Internal Combustion Engines because it is nonroad, non stationary engine as defined in 40 CFR part 1068.30. The recordkeeping requirement for fuel oil sulfur content was removed.

#### 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.]
2. Existing 290 Hp CI RICE: Except for the change noted below, the existing equipment authorized by this permit shall be subject to the same requirements, such as, but not limited to; emissions standards, recordkeeping, compliance testing and fuels limitations previously established for this emissions unit in all other legally binding air construction and operating permits. [Rules 62-4.070(3) and 62-210.300(1), F.A.C.].
3. 40 CFR 63 subpart ZZZZ Applicability. The existing 290 Hp CI RICE is not subject to 40 CFR 63 subpart ZZZZ - NESHAP for Stationary Reciprocating Internal Combustion Engines as long as the engine meets the definition of a nonroad, non stationary engine as defined in 40 CFR part 1068.30. [40 CFR part 1068.30]

#### PERFORMANCE RESTRICTIONS

4. Authorized Fuel: The unit is limited to the combustion of diesel fuel. The fuel oil usage shall not exceed operational limits established in **Section 2. Administrative Requirements, Facility Fuel Limit**. [Rule 62-210.200(PTE), F.A.C.; permit 0050074-001-AC and permit application 0050074-006-AC]
5. Restricted Operation: The hours of operation are not limited (8760 hours per year). [Rules 62-4.070(3) and 62-210.200(PTE), F.A.C.]

#### RECORDS AND REPORTS

6. Fuel Oil Usage. Fuel oil (including distillate) usage shall be tracked as established in **Section 2. Administrative Requirements, Recordkeeping and Reporting Requirements**. Records of the fuel oil sulfur content no longer have to be maintained. [Rules 62-4.070(3) and 62-210.200(PTE), F.A.C.; Permit 0050074-001-AC and Application No. 0050074-006-AC]

## SECTION 3. EMISSIONS UNIT SPECIFIC CONDITIONS

### B. Boat Outfitting Operations (EU004)

This section of the permit addresses the following emissions unit.

ID No.	Emissions Unit Description
004	Boat Outfitting Operations at Leased Dock Site

This emissions unit is the boat outfitting operations at a leased dock adjacent to the Nelson facility. Steel and aluminum boats will be outfitted. The outfitting operations include roller based surface coating and painting, wiring, installation of electrical controls, attaching pilot houses, installing decking, internal compartments and crews quarters, connecting electrical engines to the propulsion system, and adjustments to the installations.

#### EQUIPMENT

1. Boat Dock Outfitting Operations: The permittee is authorized to conduct outfitting operations on the leased boat dock site adjacent to the Nelson facility as described above. [Application No. 0050074-006-AC]

#### PERFORMANCE RESTRICTIONS

2. Permitted Capacity – Materials Usage: 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 facility-wide emission limits established in Section 2., **Administrative Requirements, Facility Emissions Cap.** [Rules 62-4.160(2) and 62-210.200(PTE), F.A.C., Permit 0050074-005-AC and Application No. 0050074-006-AC]
3. Restricted Operation: The hours of operation are not limited (8760 hours per year). [Rules 62-4.070(3) and 62-210.200(PTE), F.A.C.]

#### EMISSIONS STANDARDS

4. VOC and HAP Emissions: 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 facility-wide limits established in Section 2., **Administrative Requirements, Facility Emissions Cap.** [Rules 62-4.160(2) and 62-210.200(PTE), F.A.C.; Permits 0050074-001-AC and 0050074-005-AC, and Application No. 0050074-006-AC]

#### RECORDS AND REPORTS

5. The permittee shall install, use, and maintain appropriate systems to gather and record data necessary to track materials usage and emissions as specified in this section and established in Section 2., **Administrative Requirements, 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.; Permits 0050074-001-AC and 0050074-005-AC, and Application No. 0050074-006-AC]