ORIGINAL: Scott
xc: HLR

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 4
ATLANTA FEDERAL CENTER
61 FORSYTH STREET
ATLANTA, GEORGIA 30303-8960

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FEB 15 2002
DIVISION OF AIR RESOURCES MANAGEMENT
Fax received 2/11
xc: Scott

FEB 11 2002

4APT-APB

Howard L. Rhodes, Director
Department of Environmental Protection
Division of Air Resources Management
Mail Station 5500
2600 Blair Stone Road
Tallahassee, Florida 32399-2400

Dear Mr. Rhodes:

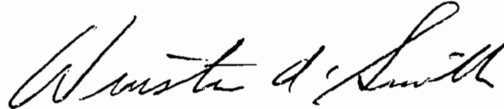
The purpose of this letter is to notify the Florida Department of Environmental Protection (FDEP) that the United States Environmental Protection Agency (EPA) formally objects to the issuance of the proposed title V operating permit for Polystar Industries, Inc., located in Seminole County, Florida. The permit was received by EPA via e-mail notification and FDEP's web site, on December 28, 2001. This letter also provides our general comments on the proposed permit.

Based on EPA's review of the proposed permit and the supporting information received for this facility, EPA objects, under the authority of Section 505(b) of the Clean Air Act (the Act) and 40 Code of Federal Regulations (C.F.R.) 70.8(c) (see also Florida Regulation 62-213.450), to the issuance of the proposed title V permit for this facility. The bases for EPA's objection are that the permit does not contain conditions that assure compliance with all applicable requirements, as required by 70.6(a)(3)(i) and 70.6(c)(1) and may not include all the applicable requirements for the source. Additionally, the permit fails to adequately establish practically enforceable emissions limitations for the facility, as required by 70.6(a), the statement of basis does not meet the requirements of 70.7(a)(5), and the permit does not contain all the necessary periodic monitoring requirements of 70.6(a)(1). Pursuant to 40 C.F.R. 70.8(c), this letter and its enclosure contain a detailed explanation of the objection issues and the changes necessary to make the permit consistent with the requirements of 40 C.F.R. Part 70. The enclosure also contains general comments applicable to the permit.

EPA is required to object to the issuance of a proposed permit in writing within 45 days of receipt of the proposed permit (and all necessary supporting information) if the permit is not in compliance with the applicable requirements under the Act or the requirements of 40 C.F.R. Part 70. Section 70.8(c)(4) of the title V regulations and Section 505(c) of the Act further provide that if the State fails to revise and resubmit a proposed permit within 90 days to satisfy the objection, the authority to issue or deny the permit passes to EPA, and EPA will act accordingly. Because the objection issues must be fully addressed within the 90 days, we suggest that the revised permit be submitted in advance in order that any outstanding issues may be resolved prior to the expiration of the 90-day period.

If you have any questions or wish to discuss this further, please contact Mr. Gregg M. Worley, Chief of the Air Permits Section, at (404) 562-9141. Should your staff need additional information, they may contact Ms. Katy R. Forney, at (404) 562-9119 or Ms. Lynda Crum, Associate Regional Counsel, at (404) 562-9524.

Sincerely,



Winston A. Smith
Director
Air, Pesticides and Toxics
Management Division

Enclosures

cc: Mr. Hershey Friedman, Polystar Industries, Inc.
Mr. Scott Sheplak, P.E., FDEP (via e-mail)
Mr. L. T. Kozlov, P.E., FDEP Central District (via e:mail)

Enclosure

U.S. EPA Region 4 Objection
Proposed Part 70 Operating Permit
Polystar Industries, Inc.
Permit no. 1170040-006-AV

I EPA Objection Issues

1. *Statement of Basis* - Regulatory language at 40 C.F.R. § 70.7(a)(5) and in the May 10, 1991 preamble is clear that a statement of basis must include a discussion of decision-making that went into the development of the title V permit and to provide the permitting authority, the public and the EPA a record of the applicability and technical issues surrounding the issuance of the permit. On January 12, 2002, EPA further defined its interpretation of statement of basis in a letter to Robert F. Hodanbosi of the Ohio Environmental Protection Agency. (See enclosure, dated January 12, 2002).

   Therefore, a statement of basis generally should include, but not be limited to, a description of the facility to be permitted, a discussion of any operational flexibility that will be utilized, the basis for applying a permit shield, any regulatory applicability determinations, and the rationale for the monitoring methods selected. A statement of basis should specifically reference all supporting materials relied upon, including the applicable statutory or regulatory provision. An accurate description of the type and number of emission units necessary for determining the potential to emit of the facility, as well as the applicable requirements, should also be included.

   However, as it is currently written, neither the statement of basis nor the permit for Polystar Industries includes a clear description of the facility. Therefore, the statement of basis and the permit must be clarified to provide a clear and consistent description of the facility. In addition, the missing information and inconsistencies from the statement of basis listed below must be verified and corrected before the final permit is issued.

   a. The statement of basis indicates that the Polystar facility is a synthetic minor for hazardous air pollutants (HAPs); however, the facility description in Section I of the permit states that this facility is a major source of HAPs. (See also EPA Objection Issue 2)

   b. The statement of basis lists E.U. 003 as an emission unit, but does not provide a description of this emission unit. Since the statement of basis is intended to be a stand alone document, a description of E.U. 003 should be included in the statement of basis.

   c. The facility description in the statement of basis only includes presses No. 1 and No. 2 and a natural gas fired oven. The facility description in Section I,

Subsection A of the permit includes presses No. 1-4, several natural gas-fired dryers and one electric heater. The statement of basis should include a full description of all the emission units at the facility that will be included in the title V operating permit.

d. The statement of basis should include a justification for the periodic monitoring methods for the visible emission standard in condition III.A8 (See also EPA Objection Issue 4)

2. *Missing Applicable Requirements* - The issues identified below are the result of the limited information provided in the statement of basis and the permit.

a. As mentioned above, the statement of basis indicates that this facility is a synthetic minor for hazardous air pollutants (HAPs); however, the facility description in Section I of the permit states that this facility is a major source of HAPs. This inconsistency should be corrected. If the facility is truly a synthetic minor for HAPs, the permit must be revised to include practically enforceable conditions, limiting the emissions of HAPs to less that 10 tons per year for any single HAP, and 25 tons per year for all HAPs combined.

b. Condition II.4 states that the permittee will submit a Risk Management Plan in compliance with Section 112(r) of the Clean Air Act, if and when it becomes applicable. It is not clear from the application, permit, or statement of basis whether or not the facility is subject to the Risk Management Program. Therefore, the applicability of the program needs to be evaluated. If the permittee is subject to the requirements of the Risk Management Program, condition II.4 must be amended to include the compliance date and any other appropriate information in order to clarify the permittee's responsibilities regarding this program.

c. The statement of basis declares the facility is subject to certain recordkeeping requirements of 40 C.F.R. Part 63, Subpart KK *National Emission Standards for the Printing and Publishing Industry* (Subparts 829(d) and 830(b)(1)). If the facility is subject to Subpart KK, these requirements must be included in the permit in addition to the specific applicable requirements of Part 63, Subpart A *General Provisions.*

3. *Practical Enforceability* -

a. It is our understanding that conditions III.A2 and III.A3 included in the section of the permit titled "Essential Potential to Emit (PTE) Parameters" are not emission limitations, but only serve as a guide during testing to indicate the maximum capacity of the emission units. For the capacity restriction to be practically enforceable, the conditions must limit the usage of "HAP containing material" and "VOC containing material" (see also condition III.A11). When trying to restrict

the capacity of an emission unit, it is more appropriate to limit the usage of a material rather than limiting the usage of a pollutant.

Condition III.A7, contained in the "Emission Limitations and Standards" section, limits the "utilization" of VOC for all presses to 249 tons per year. As discussed above, the condition should either limit the usage of "VOC containing material" or the "emission" of VOCs. Additionally, there is no condition limiting either the emission of HAPs or the usage of HAP containing material. If it is the facility's intention to be a synthetic minor for HAPs, the permit must contain practically enforceable conditions to limit the emission of HAPs or the usage of HAP containing material. Furthermore, if the permit intends to limit the usage of HAP and VOC containing material, the permit must contain a detailed description of how the HAP and VOC emissions will be calculated from the usage of the material.

b. Condition III.A14(b) requires that a log be kept of the monthly totals of VOC and HAP material usage rates and the VOC and HAP emission rates. To clarify the recordkeeping requirements, we suggest that the condition require maintaining a log of the usage rates of VOC and HAP containing material (i.e. inks).

4. *Periodic Monitoring* - Condition III.A8 does not contain adequate periodic monitoring for visible emissions from the emission unit. The emission unit is subject to a visible emission standard that must be complied with on a continuous basis. Although the source is required to perform a Method 9 compliance test for the emission unit, the compliance demonstration is only required to be performed prior to the expiration of the permit, which equates to a frequency of once every five years. However, conducting a Method 9 test this infrequently will not be sufficient to assure that the visible emission standard has been complied with continually, during all periods of operation throughout the year. Furthermore, the permit does not contain enough information to provide a reasonable assurance that the emission unit will continually meet the visible emission standard.

Therefore, either the statement of basis should be amended to include a justification as to why this emission unit should be able to comply with the visible emission standard continually and with the monitoring currently set out in the permit, or the permit must be amended to require the source to periodically (e.g., daily) perform and record the results of a qualitative observation of opacity for each emission unit that is subject to a visible emission standard. The records of these observations should indicate whether or not any abnormal visible emissions are detected and include color, duration, and density of the plume, as well as the cause and corrective action taken for any abnormal visible emissions. If an abnormal visible emission is detected, a Method 9 survey must be conducted within 24 hours of the qualitative survey.

II General Comments

1. *General Comment*- Please note that EPA reserves the right to enforce any noncompliance, including any noncompliance related to issues that have not been specifically raised in these comments. After final issuance, this permit shall be reopened if EPA or the permitting authority determines that it must be revised or revoked to assure compliance with applicable requirements.

2. *Section II.2* - This condition contains general standards for limiting the emissions of objectionable odor. In particular, the condition states:

   > *No person shall not cause, suffer, allow, or permit the discharge of air pollutants which cause or contribute to an objectionable odor.*

   The language for this condition has been extracted from Rule 62-296.320(2), F.A.C., which is part of the federally approved State Implementation Plan (SIP) for Florida. However, the language in condition II.4 is inconsistent with the language from the SIP rule. The language of the condition has altered the language of the SIP rule by adding the word *not* between the words *shall* and *cause*. Inserting the word *not* into this condition changes the entire meaning of the underlying SIP rule. Therefore, the language for condition II.2 should be changed so that it is consistent with the language in the federally approved SIP. This will make the intended meaning of the condition much easier to understand for any reader of the permit.

3. *Section II.10* - This condition describes the federal requirement for all title V sources to submit a title V compliance certification to EPA. The regulations contained in 40 C.F.R. Part 70.6 (c)(5)(iii) list the required elements of a title V compliance certification (also see rule 62-213.440(3)(a).3., F.A.C) and mandates that each statement of compliance include those elements. In this case, a list of the required elements from 40 C.F.R. Part 70.6 (c)(5)(iii), is contained in Appendix TV-3 (title V Conditions). However, the permit itself does not clearly reference the requirements in the appendix. While it is acceptable to include these requirements in an appendix to the permit, in order to be clear and enforceable, the permit condition should also cross reference the requirements in the appendix. Therefore, this condition should be changed so that it either explicitly describes the compliance certification requirements, or cross references those requirements in Appendix TV-3.

December 20, 2001

(AR-18J)

Robert F. Hodanbosi, Chief
Division of Air Pollution Control
Ohio Environmental Protection Agency
122 South Front Street
P. O. Box 1049
Columbus, Ohio 43266-1049

Dear Mr. Hodanbosi:

I am writing this letter to provide guidelines on the content of an adequate statement of basis (SB) as we committed to do in our November 21, 2001, letter. The regulatory basis for a SB is found in 40 C.F.R. § 70.7(a)(5) and Ohio Administrative Code (OAC) 3745-77-08(A)(2) which requires that each draft permit must be accompanied by "a statement that sets forth the legal and factual basis for the draft permit conditions." The May 10, 1991, preamble also suggests the importance of supplementary materials.

> "[United States Environmental Protection Agency (USEPA)]...can object to the issuance of a permit where the materials submitted by the State permitting authority to EPA do not provide enough information to allow a meaningful EPA review of whether the proposed permit is in compliance with the requirements of the Act." (56 FR 21750)

The regulatory language is clear in that a SB must include a discussion of decision-making that went into the development of the Title V permit and to provide the permitting authority, the public, and the USEPA a record of the applicability and technical issues surrounding issuance of the permit. The SB is part of the historical permitting record for the permittee. A SB generally should include, but not be limited to, a description of the facility to be permitted, a discussion of any operational flexibility that will be utilized, the basis for applying a permit shield, any regulatory applicability determinations, and the rationale for the monitoring methods selected. A SB should specifically reference all supporting materials relied upon, including the applicable statutory or regulatory provision.

While not an exhaustive list of what should be in a SB, below are several important areas where the Ohio Environmental Protection Agency's (OEPA) SB could be improved to better meet the intent of Part 70.

Discussion of the Monitoring and Operational Requirements
OEPA's SB must contain a discussion on the monitoring and operational restriction provisions that are included for each emission unit. 40 C.F.R. §70.6(a) and OAC 3745-77-07(A) require that monitoring and operational requirements and limitations be included in the permit to assure compliance with all applicable requirements at the time of permit issuance. OEPA's selection of the specific monitoring, including parametric monitoring and recordkeeping, and operational requirements must be explained in the SB. For example, if the permitted compliance method for a grain-loading standard is maintaining the baghouse pressure drop within a specific range, the SB must contain sufficient information to support the conclusion that maintaining the pressure drop within the permitted range demonstrates compliance with the grain-loading standard.

The USEPA Administrator's decision in response to the Fort James Camas Mill Title V petition further supports this position. The decision is available on the web at
http://www.epa.gov/region07/programs/artd/air/title5/petitiondb/petitions/fort_james_decision1999.pdf. The Administrator stated that the rationale for the selected monitoring method must be clear and documented in the permit record.

Discussion of Applicability and Exemptions
The SB should include a discussion of any complex applicability determinations and address any non-applicability determinations. This discussion could include a reference to a determination letter that is relevant or pertains to the source. If no separate determination letter was issued, the SB should include a detailed analysis of the relevant statutory and regulatory provisions and why the requirement may or may not be applicable. At a minimum, the SB should provide sufficient information for the reader to understand OEPA's conclusion about the applicability of the source to a specific rule. Similarly, the SB should discuss the purpose of any limits on potential to emit that are created in the Title V permit and the basis for exemptions from requirements, such as exemptions from the opacity standard granted to emissions units under OAC rule 3745-17-07(A). If the permit shield is granted for such an exemption or non-applicability determination, the permit shield must also provide the determination or summary of the determination. See CAA Section 504(f)(2) and 70.6(f)(1)(ii).

Explanation of any conditions from previously issued permits that are not being transferred to the Title V permit
In the course of developing a Title V permit, OEPA may decide that an applicable requirement no longer applies to a facility or otherwise not federally enforceable and, therefore, not necessary in the Title V permit in accordance with USEPA's "White Paper for Streamlined Development of the Part 70 Permit Applications" (July 10, 1995). The SB should include the rationale for such a determination and reference any supporting materials relied upon in the determination.

I will also note that for situations that not addressed in the July 10, 1995, White Paper, applicable New Source Review requirements can not be dropped from the Title V permit without first revising the permit to install.

Discussion of Streamlining Requirements
The SB should include a discussion of streamlining determinations. When applicable requirements overlap or conflict, the permitting authority may choose to include in the permit the requirement that is determined to be most stringent or protective as detailed in USEPA's "White Paper Number 2 for Improved Implementation of the Part 70 Operating Permits Program" (March 5, 1996). The SB should explain why OEPA concluded that compliance with the streamlined permit condition assures compliance with all the overlapping requirements.

Other factual information
The SB should also include factual information that is important for the public to be aware of. Examples include:

1. A listing of any Title V permits issued to the same applicant at the plant site, if any. In some cases it may be important to include the rationale for determining that sources are support facilities.
2. Attainment status.
3. Construction and permitting history of the source.
4. Compliance history including inspections, any violations noted, a listing of consent decrees into which the permittee has entered and corrective action(s) taken to address noncompliance.

I do understand the burden that the increased attention to the SB will cause especially during this time when OEPA has been working so hard to complete the first round of Title V permit issuance. I do hope that you will agree with me that including the information listed above in OEPA's SB will only improve the Title V process. If you would like examples of other permitting authorities' SB, please contact us. We would be happy to provide you with some. I would also mention here that this additional information should easily fit in the format OEPA currently uses for its SB. We look forward to continued cooperation between our offices on this issue. If you have any questions, please contact Genevieve Damico, of my staff, at (312) 353-4761.

Sincerely yours,

/s/

Stephen Rothblatt, Chief
Air Programs Branch

FAX Cover Sheet

USEPA - Region 4
61 Forsyth St., SW
Atlanta, Georgia 30303

Scott - I'm just reviewing this, we apparently have some Q/A problems. Let's discuss. ~~Th~~ from: Howard 2/11

TO: Howard L. Rhodes, director
FDEP

FAX #: 850-922-6979

RE: Title V Objection Letter
Polystar Industries, Inc.

FROM: Katy Forney
Air Permits Section, Region 4 USEPA

Phone #: 404-562-9130

Date: 2-11-02

# of Pages (including cover): 10

COMMENTS:

If this FAX is poorly received, please call
Katy Forney: 404-562-9130