



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY  
REGION IX  
75 Hawthorne Street  
San Francisco, CA 94105-3901

January 23, 2013

Todd K. Nishikawa  
Manager, Compliance & Enforcement Section  
Placer County Air Pollution Control District  
110 Maple Street  
Auburn, California 95603

Re: EPA Comments on Proposed Renewal of Title V Operating Permit for Gladding McBean

Dear Mr. Nishikawa:

Thank you for the opportunity to review the Placer County Air Pollution Control District's ("District" or "PCAPCD") proposed title V permit renewal for the Gladding McBean facility in Lincoln, CA, which we received on December 12, 2012. In accordance with PCAPCD Rule 507, we have reviewed the District's proposed permit revision during our 45-day review period.

Our comments focus on the need to add performance testing requirements and certain Compliance Assurance Monitoring ("CAM", i.e., 40 CFR Part 64) requirements to the final permit. We note that several issues we identified during this review are the same or similar to issues we commented on for a proposed Title V permit the District submitted three years ago. We ask that the District apply our comments to all Title V permit actions to ensure these issues are addressed when preparing Title V permits in the future.

Please contact Roger Kohn at (415) 972-3973 or [kohn.roger@epa.gov](mailto:kohn.roger@epa.gov) if you have any questions concerning our comments.

Sincerely,

A handwritten signature in black ink, appearing to read "Gerardo C. Rios".

Gerardo C. Rios  
Chief, Permits Office  
Air Division

**EPA Region 9 Comments**  
**Gladding McBean**  
**Permit No. GM-001**

1. The NSR permits for the source state that emissions of hydrogen chloride (a hazardous air pollutant, or HAP) for the entire facility shall not exceed 9.7 tons per year (tpy). This cap has not been incorporated into the Title V permit. Furthermore it is not practically enforceable because the permits do not require the source to keep records and calculate hydrogen chloride emissions monthly on a 12-month rolling basis.

While actual emissions may be low (1.3 tpy, according to the statement of basis, although it is not clear if this is actual or potential emissions), the emission limit of 9.7 tpy is very close to the HAP major source threshold (10 tpy). In order to ensure that the source does not exceed this limit and possibly trigger applicability of a National Emission Standard for Hazardous Air Pollutants (NESHAP), the District must add an operational limit(s) to ensure that the source's potential to emit hydrogen chloride is below the HAP major source threshold. Alternatively, if an operational limit is not practical based on the characteristics of the emission units, the District must add the 9.7 tpy cap to the Title V permit, along with conditions to make the cap practically enforceable. These conditions should require the source to keep the usage or throughput records needed to calculate hydrogen chloride emissions monthly. The monthly emissions must then be used to determine a 12-month rolling average emission rate.

2. The permit does not contain any opacity monitoring other than the "visual emissions evaluations" mentioned in the source's CAM plan. These evaluations may provide data on the presence of visible emissions, but do not provide data to determine the source's compliance with the 20% opacity limit in the permit. The District must also add Method 9 opacity testing (and associated record-keeping) to the permit. The District must require the facility to conduct Method 9 testing on its largest particulate emission units (GLAD-77-06, Large Pipe Grinder; GLAD-77-08, Ceramic Grinder – Finisher; GLAD-77-09, Clay Preparation Area), on a regular basis, i.e., weekly, monthly, or at a minimum, quarterly.
3. The District evaluation identifies five baghouses used to control particulate emissions from GLAD-77-06 (Large Pipe Grinder) and GLAD-77-09 (Clay Preparation Area) which are subject to CAM. Permit condition 3.14.6 requires the source to "comply with the monitoring provisions contained in the most recent Compliance Assurance Monitoring Plan approved in writing by the District. Once approved, the most recent Compliance Assurance Monitoring Plan shall be affixed to this permit." This language makes it unclear whether the CAM Plan in Attachment IV of the permit has been approved by the District. Assuming the District has already approved this CAM Plan, the District should revise Condition 3.14.6 to simply require the source to comply with the CAM Plan in Attachment IV. (We also note that the plan is erroneously titled "*Continuous Assurance Monitoring Plan*".)
4. Part 64 requires permits for sources subject to CAM to specify which indicators must be monitored, the means or device used to measure the indicator, the performance criteria specified in §64.3(b) or (d), the definition of exceedance or excursion, and the obligation to conduct monitoring, reporting and recordkeeping. See §64.4(c). The only CAM requirement in the proposed permit is condition 3.14.6, which merely incorporates the attachment with the CAM plan into the permit. As we have noted in previous comments on a District title V permit (Sierra Pacific Industries, Lincoln Division), while there is nothing in the CAM regulations that

explicitly prohibits the approach of addressing CAM in title V permits with only one high level permit condition that incorporates the source's CAM plan into the permit, doing so makes it harder for the District to enforce the Part 64 requirements. EPA encourages the District to at least include the basic monitoring elements listed in §64.4(c) within the text of the permit. This would provide clarity to both the permittee and the District, which would help inform inspectors and enable more effective enforcement of the Part 64 requirements.

5. The CAM plan contains a pressure drop range to be "within the good operating practices range of 2 to 10 inches" of water for all five baghouses, regardless of which system they are used in or their volumetric flow rate rating. This range is very wide and appears to be either the maximum operating ranges of the devices or large subsets of those ranges, and not levels which have been demonstrated to assure that individual Pollutant-Specific Emission Units ("PSEU") will be in compliance with applicable requirements. The District must explain in the statement of basis how operating the baghouses within the pressure drop ranges selected for the final permit assure proper operation of the baghouse, which in turn ensures compliance with the PM-10 emission and opacity limits. The District should consider reducing the allowable pressure drop range, to assure the stated range will ensure compliance, unless the source can provide a justification of why this range is appropriate.
6. Part 64 requires that permits define excursions for PSEUs subject to CAM. The proposed permit conditions, including the attached CAM plan, do not define excursions. Without including a definition of excursions for the baghouses subject to CAM, the District may lack the basis for requiring the source to implement a Quality Improvement Plan pursuant to Part 64 if a pattern of excursions indicates the need to address problems with operation of the baghouses. In addition, since excursions must be reported in the source's annual compliance certifications (see comment #7 below), it is important that the permit define what constitutes an excursion for all control devices subject to CAM.
7. Part 70 was revised when Part 64 was promulgated. One of the changes was to §70.6(c)(5)(iii), which now requires that annual compliance certifications "identify as possible exceptions to compliance any periods during which compliance is required and in which an excursion or exceedance as defined under part 64 of this chapter occurred." The compliance certification condition (7.2) does not include this requirement. The District must add this language to this condition consistent with the requirements of §70.6.
8. The proposed permit contains several conditions marked "District only." The District's statement of basis does not provide any rationale for making these conditions not federally enforceable. EPA's long-standing position is that all provisions contained in an EPA-approved SIP and all terms and conditions issued under a SIP-approved permit program are already federally enforceable (see 40 CFR § 52.23), even if a District is using versions of its new source review rules that are more recent than those approved in the SIP. Exceptions are requirements based on state law requirements not found in federal law, such as public nuisance or some health risk-based provisions. Some conditions in this permit may appropriately be designated as District only based on the exceptions cited above. But some of these conditions derive from District permits issued pursuant to a SIP-approved permitting program, and other SIP-approved rules (e.g., Rule 502 and 207); therefore these conditions are categorically federally enforceable. The District must remove the "District only" label from conditions that are in fact federally enforceable, and document the basis for designating any conditions that will remain "District only" in the statement of basis.

9. The proposed permit has an alternative operating scenario (“AOS”) for “equipment experiencing an unforeseen breakdown that may result in excess emissions for a sort (*sic*) period of time”. Part 70 defines “alternative operating scenario” as:

*a scenario authorized in a part 70 permit that involves a change at the part 70 source for a particular emissions unit, and that either results in the unit being subject to one or more applicable requirements which differ from those applicable to the emissions unit prior to implementation of the change or renders inapplicable one or more requirements previously applicable to the emissions unit prior to implementation of the change.*

The Title V permitting program allows title V permits to contain terms and conditions for “reasonably anticipated” operating scenarios, e.g., fuel switching. A source with an approved alternative operating scenario(s) may, as part of normal operations, make changes in operations in a way that triggers a different set of applicable requirements. If a title V permit properly includes these scenarios, the permit will be a more complete representation of the source and will allow the source operational flexibility to make certain changes without obtaining a permit revision. Alternative operating scenarios are addressed in 40 C.F.R. 70.6(a)(9) and in District Rule 507.

The District’s use of an AOS for periods in which a source has experienced a breakdown and is out of compliance with one or more applicable requirements is an inappropriate application of the AOS provision in the title V program. AOS are intended for use when applicable requirements change based on the way a source operates, not to excuse periods of noncompliance. The District must delete the AOS (condition 5.1) from the permit.

10. The District has included a permit shield (Condition 4.16) that is problematic in several respects. The language of this condition is language typically found in District Title V rules that provides authority for the District to grant permit shields for applicable requirements a source is subject to, provided that District “includes and specifically identifies such requirements in the Title V permit.” The District has not cited any regulation to be shielded in the permit, or ensured that all the applicable requirements from that regulation are included in the permit. The District has merely pasted regulatory Title V rule permit shield language into the permit. But this language does not constitute a permit shield; it merely states the criteria for granting a permit shield. Since the source has not requested a permit shield, and condition 4.16 lacks language necessary to create a permit shield, the District must delete this condition.

We also note that the District’s Title V rule, Rule 507, does not contain a permit shield provision. If the District wants to be able to grant permit shields that could stand up to legal challenge in the future, it should consider revising Rule 507 to add the authority to grant permit shields.

11. The District’s statement of basis states that “A permit renewal application was submitted by Gladding McBean to the District on January 6, 2012, as required by Rule 507. The application serves as a temporary permit until the permit renewal is issued.” This is not correct, since title V permit application renewals are not temporary permits under any circumstances. Rather, assuming that the application was “timely and complete” pursuant to District Rule 507, then the source has an application shield if its permit has expired, and the terms and conditions of the existing permit remain in effect until the renewal permit is issued. The District must revise the statement of basis to correctly present this issue.

12. The permit lists an effective date of July 9, 2012, which is in the past. It appears that the District may be intending to ensure that there is no gap between the expiration of the initial permit and the effective date of the renewal. Assuming the source has an application shield, as noted in comment 11 above, such a gap is permissible because the terms and conditions of the existing permit remain in effect until the renewal permit is issued. The District should issue the permit renewal with a term of five years from the date of renewal permit issuance.