

ILLINOIS ENVIRONMENTAL PROTECTION AGENCY

BUREAU OF AIR

DIVISION of AIR POLLUTION CONTROL

PERMIT SECTION

May 7, 2008

PROJECT SUMMARY for the
DRAFT CLEAN AIR ACT PERMIT PROGRAM (CAAPP) PERMIT

K & K Iron Works, Inc.

5100 South Lawndale Avenue
McCook, Illinois 60525

Illinois EPA ID Number: 031174AAW

Application Number: 07020020

Application Type: Initial CAAPP

Start of Public Comment Period: March 19, 2008

Close of Public Comment Period: April 18, 2008

Permit Engineer/Technical Contact: Anatoly Belogorsky, 217/782-2113

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(This document generally describes the source and explains the draft permit. This document has been prepared pursuant to Section 39.5(8)(b) of the Illinois Environmental Protection Act, which requires "a statement that sets forth the legal and factual basis for the draft CAAPP permit conditions.")

I. INTRODUCTION

This source has applied for the new operating permit under the Clean Air Act Permit Program (CAAPP). The CAAPP is the program established in Illinois for operating permits for significant stationary sources as required by Title V of the federal Clean Air Act and Section 39.5 of Illinois' Environmental Protection Act. The conditions in a CAAPP permit are enforceable by the Illinois Environmental Protection Agency (Illinois EPA), the USEPA, and the public. This document is for informational purposes only and does not shield the Permittee from enforcement actions or its responsibility to comply with applicable regulations. This document shall not constitute a defense to a violation of the Act or any rule or regulation.

A CAAPP permit contains conditions identifying the applicable state and federal air pollution control requirements that apply to a source. The permit also establishes emission limits, appropriate compliance procedures, and specific operational flexibility. The appropriate compliance procedures may include monitoring, record keeping, and reporting to show compliance with these requirements. The Permittee must carry out these procedures on an on-going basis to demonstrate that the source is operating in accordance with the requirements of the permit. Further explanations of the specific provisions of the draft CAAPP permit are contained in the attachments to this document, which also identify the various emission units at the source.

II. GENERAL SOURCE DESCRIPTION

K & K Iron Works, Inc is located at 5100 S. Lawndale Avenue in McCook and conducts spray coating of the steel structural components.

III. MAJOR OPERATIONS DESCRIPTION

Coating Operations

The Permittee conducts spray coating of the steel structural components either in a dedicated paint room or on the concrete tarmac outside the shop/paint room areas.

IV. LOCATION DESCRIPTION

a. Ambient air quality status for the area

The source is located in an area that, as of the date of permit issuance, is designated nonattainment for the National Ambient Air Quality Standards for ozone (moderate nonattainment), PM₁₀ (moderate nonattainment) and PM_{2.5}, and attainment or unclassifiable for all other criteria pollutants (CO, lead, NO₂, SO₂).

b. Major source status

The source is subject to a standard, limitation, or other

requirement under Section 112 (HAPs) of the CAA for which USEPA requires a CAAPP permit, pursuant to 40 CFR 70.3(a)(3) [Section 39.5(2)(a)(ii) of the Act]. Specifically, this source is subject to 40 CFR Part 63 Subpart MMMM "National Emission Standards for Hazardous Air Pollutants for Surface Coating of Miscellaneous Metal Parts and Products". Actual emissions from this source stay well below major source thresholds.

V. PUBLIC COMMENTS/COMPLIANCE STATUS

The Illinois EPA has revised the preliminary draft of the CAAPP permit after the public comments were received (see attached Responsiveness Summary for detailed information) and a Violation Notice issued to K & K Iron Works on May 1, 2008. Specifically, subsection 7.1.13 (Compliance Schedule) was added to reflect an ongoing enforcement action and the timeframe for a full compliance with the state and Federal regulations outlined in a VN.

VI. ANNUAL EMISSION REPORT SUMMARY

The following table lists actual annual emissions of criteria pollutants from this source, as reported in the Annual Emission Reports sent to the Illinois EPA.

Pollutant	Annual Emissions (tons)				
	2002	2003	2004	2005	2006
CO	N/A	N/A	N/A	N/A	N/A
NOx	N/A	N/A	N/A	N/A	N/A
PM	N/A	N/A	N/A	N/A	N/A
SO ₂	N/A	N/A	N/A	N/A	N/A
VOM	N/A	N/A	N/A	N/A	N/A

The source does not have a valid operating permit and never submitted annual emission reports data.

VII. SUMMARY OF DRAFT CAAPP PERMIT

a. Equipment Listing (other than insignificant)

Emission Unit	Description	Date Constructed	Emission Control Equipment
Spray Coating	Fabricated Steel Spray Coating	Prior to 2004 (coating operations) 11/2006 (Dry Filter)	Dry Fabric Filter (overspray prevention)

b. Insignificant Activities Listing

Direct combustion units designed and used for comfort heating purposes and fuel combustion emission units and Flux Core Arch Welding

VIII. PROPOSED ILLINOIS EPA ACTION / REQUEST FOR COMMENTS

It is the Illinois EPA's preliminary determination that this source's permit application meets the standards for issuance of a CAAPP permit. The Illinois EPA is therefore proposing to issue a CAAPP permit, subject to the conditions proposed in the draft permit.

Comments are requested by the Illinois EPA for the draft or proposed permit, pursuant to 35 IAC Part 252 and Sections 39.5(8) and (9) of the Illinois Environmental Protection Act. A final decision on the draft or proposed permit will not be made until the public, affected states, and USEPA have had an opportunity to comment. The Illinois EPA is not required to accept recommendations that are not based on applicable requirements. If substantial public interest is shown in this matter, the Illinois EPA will consider holding a public hearing in accordance with 35 IAC Part 166.

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ATTACHMENT 1: Summary of Source-Wide Requirements

- a. The following table indicates the source-wide emissions control programs and planning requirements that are applicable to this source. These programs are addressed in Sections 5 and 6 of the draft permit.

Program/Plan	Applicable
Emissions Reduction Market System (ERMS)	Y
Nitrogen Oxides (NO _x) Trading Program	N/A
Acid Rain Program	N/A
Fugitive Particulate Matter (PM) Operating Program	Y
Risk Management Plan (RMP)	N/A
PM ₁₀ Contingency Measure Plan	N/A

- b. The following table indicates source-wide site-specific requirements addressed in Section 5 of the draft permit.

Non-Applicable Rules and Requirements w/justification
<ul style="list-style-type: none"> • N/A
Title I Conditions and/or Synthetic Minor Limits
<ul style="list-style-type: none"> • N/A
Control Requirements and Work Practices
<ul style="list-style-type: none"> • N/A
Testing, Monitoring, Recordkeeping, and Reporting
<ul style="list-style-type: none"> • Source-wide records of HAP emissions • Reports on the deviations from the conditions of the permit

ATTACHMENT 2: Summary of Requirements for Specific Emission Units

The following tables include information on the requirements that apply to significant emission units at this source. The requirements are found in Section 7 of the draft permit, which is further divided into subsection, i.e., Section 7.1, 7.2, etc., for the different categories of units at the source. A separate table is provided for each subsection in Section 7 of the draft permit. An explanation of acronyms and abbreviations is contained in Section 2 of the draft permit.

Table 1 (Section 7.1 of the draft permit)

Emission Unit	
Name	Spray Coating
Description	The Permittee conducts spray coating of the steel structural components either in a dedicated paint room or on the concrete tarmac outside the shop/paint room areas.
Date Constructed	Prior to 2004 (coating operations); Modified 11/2006 by adding dry filter for overspray prevention
Emission Control Equipment	Dry Filter
Applicable Rules and Requirements	
Emission Standards	<ul style="list-style-type: none"> • IAC 212.321(a): Process weight rule • 35 IAC 218.204(j)(2)(A):VOM content 3.5 lb/gal • 40 CFR 63.3890(b)(1): HAP content 2.6 lb/gal coating solids • 35 IAC 212.324(b): 68.7 mg/scm (0.03 gr/scf) of PM₁₀
Streamlining	<ul style="list-style-type: none"> • N/A
Title I Conditions	<ul style="list-style-type: none"> • N/A
Non-applicability	<ul style="list-style-type: none"> • CAM Rules (40 CFR Part 64): the affected coating operations are subject to a NESHAP proposed after November 15, 1990, pursuant to 40 CFR 64.2(b)(1)(i) • 35 IAC Part 218 Subpart G Use of Organic Material: the affected coating operations are excluded from applicability pursuant to 35 IAC 218.209
Periodic Monitoring (other than basic regulatory requirements)	
Testing	<ul style="list-style-type: none"> • VOM content of coatings (Methods 24 and 24A) • The mass fraction of organic HAP for each material used (Method 311) • Those testing shall be performed once in five years at the time of the CAAPP permit renewal and on as needed basis (upon IEPA request).
Emissions Monitoring	<ul style="list-style-type: none"> • N/A

Inspections	<ul style="list-style-type: none"> • N/A
Recordkeeping	<ul style="list-style-type: none"> • Records required by 40 CFR 63.3930 and 63.3931 • Coating/solvent usage • Density • VOM content • Monthly and annual production rates • Maintenance and repair logs • Calculations and records of emissions being released
Reporting	
Prompt Reporting	<ul style="list-style-type: none"> • See also Attachment 3 for Prompt Reporting of Deviations
Other Reporting	<ul style="list-style-type: none"> • Exceedance of applicable emission standards to be reported within 30 days • Semiannual compliance reports required by 40 CFR 63.3920(a)

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ATTACHMENT 3: Prompt Reporting of Deviations

Prompt reporting of deviations is critical in order to have timely notice of deviations and the opportunity to respond, if necessary. The effectiveness of the permit depends upon, among other important elements, timely and accurate reporting. The Illinois EPA, USEPA and the public rely on timely and accurate reports submitted by the permittee to measure compliance and to direct investigation and follow-up activities. Prompt reporting is evidence of a permittee's good faith in disclosing deviations and describing the steps taken to return to compliance and prevent similar incidents.

Any occurrence that results in an excursion from any emission limitation, operating condition, or work practice standard as specified in this CAAPP permit is a deviation subject to prompt reporting. Additionally, any failure to comply with any permit term or condition is a deviation of that permit term or condition and must be reported to the Illinois EPA as a permit deviation. The deviation may or may not be a violation of an emission limitation or standard. A permit deviation can exist even though other indicators of compliance suggest that no emissions violation or exceedance has occurred. Reporting permit deviations does not necessarily result in enforcement action. The Illinois EPA has the discretion to take enforcement action for permit deviations that may or may not constitute an emission limitation or standard or the like, as necessary and appropriate.

Section 39.5(7)(f)(ii) of the Illinois Environmental Protection Act, which mirrors 40 CFR 70.6(a)(3)(iii)(B), requires prompt reporting of deviations from the permit requirements. The permitting authority (in this case, Illinois EPA) has the discretion to define "prompt" in relation to the degree and type of deviation likely to occur. Furthermore, Section 39.5(7)(f)(i) of the Illinois Environmental Protection Act, which mirrors 40 CFR 70.6(a)(3)(iii)(A) requires that monitoring reports must be submitted at least every 6 months. Therefore, USEPA generally considers anything less than 6 months to be "prompt" as long as the selected time frame is justified appropriately (60 Fed. Reg. 36083, 36086 (July 13, 1995)).

The USEPA has stated that, for purposes of administrative efficiency and clarity, it is acceptable to define prompt in each individual permit. *Id.* The Illinois EPA has elected to follow this approach and defines prompt reporting on a permit by permit basis. In instances where the underlying applicable requirement contains "prompt" reporting, this frequency or a shorter frequency of reporting is the required timeframe used in this permit. Where the underlying applicable requirement fails to explicitly set forth the timeframe for reporting deviations, the Illinois EPA has developed a structured manner to determine the reporting approach used in this permit.

The Illinois EPA generally uses a time frame of 30 days to define prompt reporting of most deviations. Also, for certain permit conditions in individual permits, the Illinois EPA may require an alternate timeframe that is less than 30 days if the permit requirement justifies a shorter reporting time period. Under certain circumstances, EPA may establish a deviation reporting

period longer than 30 days, but, in no event exceeding 6 months. Where it has established a deviation reporting period other than 30 days in an individual permit (specifically Section 7.x.10), the Illinois EPA has explained the reason for the alternative timeframe. (See Attachment 2 of this Project Summary.)

The timing for certain deviation reporting may be different when a source or emission unit at a source warrants reporting to address operation, independent of the occurrence of any deviations. This is the case for a source that is required to perform continuous monitoring for the emission unit, for which quarterly or semi-annual "monitoring" reports are appropriate. Where appropriate, reporting of deviations has generally been combined in, or coordinated with these quarterly or semi-annual reports, so that the overall performance of the plant can be reviewed in a comprehensive fashion. This will allow a more effective and efficient review of the overall performance of the source by the Illinois EPA and other interested parties, as well as by the source itself.

At the same time, there are certain deviations for which quicker reporting is appropriate. These are deviations for which individual attention or concern may be warranted by the Illinois EPA, USEPA, and other interested parties. Under this scenario, emphasis has been placed primarily on deviations that could represent substantial violations of applicable emission standards or lapses in control measures at the source. For these purposes, depending on the deviation, immediate notification may be required and preceded by a follow-up report submitted within 15 days, during which time the source may further assess the deviation and prepare its detailed plan of corrective action.

In determining the timeframe for prompt reporting, the Illinois EPA assesses a variety of criteria such as:

- historical ability to remain in continued compliance,
- level of public interest in a specific pollutant and/or source,
- seriousness of the deviation and potential to cause harm,
- importance of applicable requirement to achieving environmental goals,
- designation of the area (i.e., non-attainment or attainment),
- consistency among industry type and category,
- frequency of required continuous monitoring reports (i.e., quarterly),
- type of monitoring (inspection, emissions, operational, etc.), and
- air pollution control device type and operation

These prompt reporting decisions reflect the Illinois EPA's consideration of the possible nature of deviations by different emission units and the responses that might be required or taken for those different types of deviations. As a consequence, the conditions for different emission units may identify types of deviations which include but are not limited to: 1) Immediate (or very quick) notification; 2) Notification within 30 days as the standard; or 3) Notification with regular quarterly or semi-annual monitoring reports.

The Illinois EPA's decision to use the above stated prompt reporting approach

for deviations as it pertains to establishing a shorter timeframe in certain circumstances reflects the criteria discussed as well as USEPA guidance on the topic.

- 40 CFR 71.6(a)(3)(iii)(B) specifies that certain potentially serious deviations must be reported within 24 or 48 hours, but provides for semi-annual reporting of other deviations. (Serious or severe consequences)
- FR Vol. 60, No. 134, July 13, 1995, pg. 36086 states that prompt should generally be defined as requiring reporting within two to ten days of the deviation, but longer time periods may be acceptable for a source with a low level of excess emissions. (intermediate consequences)
- Policy Statement typically referred to as the "Audit Policy" published by the USEPA defines prompt disclosure to be within 21 days of discovery. (Standard for most "pollutant limiting" related conditions)
- Responses to various States by USEPA regarding other States' definition of prompt.

As a result, the Illinois EPA's approach to prompt reporting for deviations as discussed herein is consistent with the requirements of 39.5(7)(f)(ii) of the Act as well as 40 CFR part 70 and the CAA. This reporting arrangement is designed so that the source will appropriately notify the Illinois EPA of those events that might warrant individual attention. The timing for these event-specific notifications is necessary and appropriate as it gives the source enough time to conduct a thorough investigation into the causes of an event, collecting any necessary data, and to develop preventative measures, to reduce the likelihood of similar events, all of which must be addressed in the notification for the deviation.