

217/785-1705

FEDERALLY ENFORCEABLE STATE OPERATING PERMIT -- RENEWAL

PERMITTEE

Freight Car Services, Inc.  
Attn: Tom Walters  
2313 Cannon Street  
Danville, Illinois 61832

<u>Application No.:</u> 89090027	<u>I.D. No.:</u> 183020AHH
<u>Applicant's Designation:</u>	<u>Date Received:</u> March 1, 2011
<u>Subject:</u> Railcar Repair Yard	
<u>Date Issued:</u> August 6, 2014	<u>Expiration Date:</u> August 6, 2024
<u>Location:</u> 2313 Cannon Street, Danville, Vermillion County	

This permit is hereby granted to the above-designated Permittee to OPERATE emission unit(s) and/or air pollution control equipment at this railcar manufacturing facility which primarily consisting of exterior spray painting with airless sprayers, interior lining with curing and drying and washing pursuant to the above-referenced application. This Permit is subject to standard conditions attached hereto and the following special condition(s):

- 1a. This federally enforceable state operating permit is issued:
  - i. To limit the emissions of air pollutants from the source to less than major source thresholds (i.e., 100 tons/year for Volatile Organic Material (VOM), 10 tons/year for any single Hazardous Air Pollutant (HAP), and 25 tons/year for any combination of such HAPs). As a result the source is excluded from the requirement to obtain a Clean Air Act Permit Program (CAAPP) permit. The maximum emissions of this source, as limited by the conditions of this permit, are described in Attachment A.
  - ii. To establish federally enforceable production and operating limitations, which restrict the potential to emit to less than 10 tons/year for any individual Hazardous Air Pollutant (HAP) and 25 tons/year of any combination of such HAPs so that the source is not subject to the requirements of the National Emission Standards for Hazardous Air Pollutants (NESHAP) for Miscellaneous Metal Parts and Products, 40 CFR Part 63 Subpart Mmmm.
- b. Prior to issuance, a draft of this permit has undergone a public notice and comment period.
- c. This permit supersedes all operating permit(s) for this location.
- 2a. Pursuant to 35 Ill. Adm. Code 212.123(a), no person shall cause or allow the emission of smoke or other particulate matter, with an opacity greater than 30 percent, into the atmosphere from any emission unit other than those emission units subject to 35 Ill. Adm. Code 212.122.

- b. Pursuant to 35 Ill. Adm. Code 212.123(b), the emission of smoke or other particulate matter from any such emission unit may have an opacity greater than 30 percent but not greater than 60 percent for a period or periods aggregating 8 minutes in any 60 minute period provided that such opaque emissions permitted during any 60 minute period shall occur from only one such emission unit located within a 305 meter (1000 foot) radius from the center point of any other such emission unit owned or operated by such person, and provided further that such opaque emissions permitted from each such emission unit shall be limited to 3 times in any 24 hour period.
- c. Pursuant to 35 Ill. Adm. Code 212.301, no person shall cause or allow the emission of fugitive particulate matter from any process, including any material handling or storage activity, that is visible by an observer looking generally toward the zenith at a point beyond the property line of the source.
- d. Pursuant to 35 Ill. Adm. Code 212.321(a), except as further provided in 35 Ill. Adm. Code Part 212, no person shall cause or allow the emission of particulate matter into the atmosphere in any one hour period from any new process emission unit which, either alone or in combination with the emission of particulate matter from all other similar process emission units for which construction or modification commenced on or after April 14, 1972, at a source or premises, exceeds the allowable emission rates specified in 35 Ill. Adm. Code 212.321(c).
- 3a. Pursuant to 35 Ill. Adm. Code 215.204(k)(2), no owner or operator of a coating line shall cause or allow the emission of volatile organic material to exceed the following limitations on coating materials, excluding water and any compounds which are specifically exempted from the definition of volatile organic material pursuant to 35 Ill. Adm. Code Part 215, delivered to the coating applicator:

<u>Heavy Off-highway Vehicle Products</u>	<u>kg/l</u>	<u>lb/gal</u>
Extreme performance prime coat	0.42	(3.5)
Extreme performance top coat-air dried	0.52	(4.3)
Final repair coat- air dried	0.58	(4.8)

- b. Pursuant to 35 Ill. Adm. Code 215.301, no person shall cause or allow the discharge of more than 3.6 kg/hour (8 lbs/hour) of organic material into the atmosphere from any emission source, except as provided in 35 Ill. Adm. Code 215.302, 215.303, 215.304 and the following exception: If no odor nuisance exists the limitation of 35 Ill. Adm. Code Part 215 Subpart K (Use of Organic Material) shall apply only to photochemically reactive material.
- 4a. This permit is issued based upon the source not being subject to the requirements of the National Emission Standards for Hazardous Air Pollutants (NESHAP) for Surface Coating of Miscellaneous Metal Parts and Products, 40 CFR 63 Subpart M. This is a result of the federally

enforceable production and operating limitations, which restrict the potential to emit to less than 10 tons/year for any individual Hazardous Air Pollutant (HAP) and 25 tons/year of any combination of such HAPs.

- b. This permit is issued based on the exterior spray painting operation not being subject to the National Emission Standard for Hazardous Air Pollutants (NESHAP) for Paint Stripping And Miscellaneous Surface Coating Operations At Area Sources, 40 CFR 63 Subpart HHHHHH, because the source does not perform the spray application of coatings that contain compounds of chromium (Cr), lead (Pb), manganese (Mn), nickel (Ni), or cadmium (Cd), collectively referred to as the target HAP, as defined in 40 CFR 63.11180.
5. Pursuant to 35 Ill. Adm. Code 212.314, 35 Ill. Adm. Code 212.301 shall not apply and spraying pursuant to 35 Ill. Adm. Code 212.304 through 212.310 and 35 Ill. Adm. Code 212.312 shall not be required when the wind speed is greater than 40.2 km/hour (25 mph). Determination of wind speed for the purposes of this rule shall be by a one-hour average or hourly recorded value at the nearest official station of the U.S. Weather Bureau or by wind speed instruments operated on the site. In cases where the duration of operations subject to this rule is less than one hour, wind speed may be averaged over the duration of the operations on the basis of on-site wind speed instrument measurements.
  - 6a. Pursuant to 35 Ill. Adm. Code 215.206(b), the limitations of 35 Ill. Adm. Code 215 Subpart F shall not apply to touch-up and repair coatings used by a coating source described in 35 Ill. Adm. Code 215.204(b), (d), (f), (g), (i), and (j); provided that the source-wide volume of such coatings does not exceed 0.95 liter (1 quart) per eight-hour period or exceed 209 liters/year (55 gallons/year) for any rolling twelve-month period. Recordkeeping and reporting for touch-up and repair coatings shall be consistent with 35 Ill. Adm. Code 215.206(c).
  - b. Pursuant to 35 Ill. Adm. Code 215.206(d), "touch-up and repair coatings" means, for purposes of 35 Ill. Adm. Code 215.206, any coating used to cover minor scratches and nicks that occur during manufacturing and assembly processes.
  - c. Pursuant to 35 Ill. Adm. Code 215.209, no coating line subject to the limitations of 35 Ill. Adm. Code 215.204 is required to meet 35 Ill. Adm. Code 215.301 or 215.302 after the date by which the coating line is required to meet 35 Ill. Adm. Code 215.204.
- 7a. In the event that the operation of this source results in an odor nuisance, the Permittee shall take appropriate and necessary actions to minimize odors, including but not limited to, changes in raw material or installation of controls, in order to eliminate the odor nuisance.
  - b. This permit is issued based on the coatings used at this source not containing compounds of chromium (Cr), lead (Pb), manganese (Mn), nickel (Ni), or cadmium (Cd), collectively referred to as the target HAP, as defined in 40 CFR 63.11180.

- 8a. Usage of VOM and VOM Emissions from exterior and interior painting, including thinners and cleaning solvents, shall not exceed the following limits:

VOM Usage		VOM Emissions	
<u>(Tons/Month)</u>	<u>(Tons/Year)</u>	<u>(Tons/Month)</u>	<u>(Tons/Year)</u>
11.25	90.00	11.25	90.00

These limits are based on the maximum amount of paints used for processing maximum number of railcars and material balance. The VOM and HAP emissions shall be calculated using the following equation:

$$E = [\sum P_i \times D_i \times C_i] / 2,000$$

Where:

E = VOM or HAP emissions (tons);

P<sub>i</sub> = Coating and solvent usage (gallons);

D<sub>i</sub> = Density of Coatings and Solvents (lbs/gallon); and

C<sub>i</sub> = VOM or HAP content of coating and solvent used (% by weight)

- b. This permit is issued based on negligible emissions of volatile organic material from the railcar washing, curing and drying of interior lining. For this purpose, emissions shall not exceed nominal emission rates of 0.1 lb/hour and 0.44 tons/year.
- c. This permit is issued based on negligible emissions of particulate matter (PM) from the interior and exterior painting. For this purpose, emissions of PM shall not exceed nominal emission rates of 0.1 lb/hour and 0.44 tons/year.
- d. The emissions of Hazardous Air Pollutants (HAPs) as listed in Section 112(b) of the Clean Air Act from this source shall not exceed 0.9 tons/month and 9.0 tons/year of any single HAP and 2.25 tons/month and 22.5 tons/year of any combination of such HAPs. As a result of this condition, this permit is issued based on the emissions of any HAP from this source not triggering the requirement to obtain a CAAPP permit from the Illinois EPA and the NESHAP for Surface Coating of Miscellaneous Metal Parts and Products, 40 CFR 63 Subpart and Mmmm.
- e. Compliance with the annual limits of this permit shall be determined on a monthly basis from the sum of the data for the current month plus the preceding 11 months (running 12 month total).
- 9a. Pursuant to 35 Ill. Adm. Code 201.282, every emission source or air pollution control equipment shall be subject to the following testing requirements for the purpose of determining the nature and quantities

of specified air contaminant emissions and for the purpose of determining ground level and ambient air concentrations of such air contaminants:

- i. Testing by Owner or Operator. The Illinois EPA may require the owner or operator of the emission source or air pollution control equipment to conduct such tests in accordance with procedures adopted by the Illinois EPA, at such reasonable times as may be specified by the Illinois EPA and at the expense of the owner or operator of the emission source or air pollution control equipment. The Illinois EPA may adopt procedures detailing methods of testing and formats for reporting results of testing. Such procedures and revisions thereto, shall not become effective until filed with the Secretary of State, as required by the APA Act. All such tests shall be made by or under the direction of a person qualified by training and/or experience in the field of air pollution testing. The Illinois EPA shall have the right to observe all aspects of such tests.
  - ii. Testing by the Illinois EPA. The Illinois EPA shall have the right to conduct such tests at any time at its own expense. Upon request of the Illinois EPA, the owner or operator of the emission source or air pollution control equipment shall provide, without charge to the Illinois EPA, necessary holes in stacks or ducts and other safe and proper testing facilities, including scaffolding, but excluding instruments and sensing devices, as may be necessary.
- b. Testing required by Condition 10 shall be performed upon a written request from the Illinois EPA by a qualified independent testing service.
- 10a. Pursuant to 35 Ill. Adm. Code 215.208(a), the VOM content of coatings shall be determined by Method 24, 40 CFR Part 60, Appendix A, except for glues and adhesive coatings, two component reactive coatings forming volatile reaction products, coatings requiring energy other than heat to initiate curing, and coatings requiring high temperature catalysis for curing, providing the person proposing testing of the material submits to the Illinois EPA proof that the Method 24 results would not be representative and proof that a proposed alternative test method gives representative, accurate test results. For printing inks, the volatile organic material content shall be determined by Method 24A, 40 CFR Part 60, Appendix A. Any alternate test method must be approved by the Illinois EPA which shall consider data comparing the performance of the proposed alternative to the performance of the approved test method(s). If the Illinois EPA determines that such data demonstrates that the proposed alternative will achieve results equivalent to the approved test method(s), the Illinois EPA shall approve the proposed alternative.
- b. Pursuant to 35 Ill. Adm. Code 215.208(b), transfer efficiency shall be determined by a method, procedure or standard approved by the USEPA,

under the applicable new source performance standard or until such time as USEPA has approved and published such a method, procedure or standard, by any appropriate method, procedure or standard approved by the Illinois EPA.

11. Pursuant to 40 CFR 63.10(b)(3), if an owner or operator determines that his or her stationary source that emits (or has the potential to emit, without considering controls) one or more hazardous air pollutants regulated by any standard established pursuant to section 112(d) or (f) of the Clean Air Act, and that stationary source is in the source category regulated by the relevant standard, but that source is not subject to the relevant standard (or other requirement established under 40 CFR Part 63) because of limitations on the source's potential to emit or an exclusion, the owner or operator must keep a record of the applicability determination on site at the source for a period of 5 years after the determination, or until the source changes its operations to become an affected source, whichever comes first. The record of the applicability determination must be signed by the person making the determination and include an analysis (or other information) that demonstrates why the owner or operator believes the source is unaffected (e.g., because the source is an area source). The analysis (or other information) must be sufficiently detailed to allow the USEPA and/or Illinois EPA to make a finding about the source's applicability status with regard to the relevant standard or other requirement. If relevant, the analysis must be performed in accordance with requirements established in relevant subparts of 40 CFR Part 63 for this purpose for particular categories of stationary sources. If relevant, the analysis should be performed in accordance with USEPA guidance materials published to assist sources in making applicability determinations under Section 112 of the Clean Air Act, if any. The requirements to determine applicability of a standard under 40 CFR 63.1(b)(3) and to record the results of that determination under 40 CFR 63.10(b)(3) shall not by themselves create an obligation for the owner or operator to obtain a Title V permit.
- 12a. Pursuant to 35 Ill. Adm. Code 215.206(c), the owner or operator of a coating line or a group of coating lines using touch-up and repair coatings that are exempted from the limitations of 35 Ill. Adm. Code 215.204(b), (d), (f), (g), (i), and (j) because of the provisions of 35 Ill. Adm. Code 215.206(b) shall:
  - i. Collect and record the name, identification number, and volume of each touch-up and repair coating, as applied on each coating line, per eight-hour period and per month;
  - ii. Perform calculations on a daily basis, and maintain at the source, records of such calculations of the combined volume of touch-up and repair coatings used source-wide for each eight-hour period;
  - iii. Perform calculations on a monthly basis, and maintain at the source, records of such calculations of the combined volume of

touch-up and repair coatings used source-wide for the month and the rolling twelve-month period;

- iv. Prepare and maintain at the source an annual summary of the information required to be compiled pursuant to 35 Ill. Adm. Code 215.206(b) on or before January 31 of the following year;
  - v. Maintain at the source for a minimum of three years all records required to be kept under this 35 Ill. Adm. Code 215.206(c) and make such records available to the Agency upon request.
- 13a. The Permittee shall maintain records of the following items so as to demonstrate compliance with the Conditions in this permit:
- i. The name, type, and identification number of each coating used, including thinners and cleaning solvents
  - ii. Coating usage (gallons/month and gallons/year);
  - iii. Solvent usage (gallons/month and gallons/year);
  - iv. VOM and HAP contents of coating materials and solvents used (percent by weight);
  - v. The densities of coating materials and solvents used (lbs/gallon); and
  - vi. Monthly and annual PM, VOM, and HAP emissions from the source with supporting calculations (tons/month and tons/year).
- b. All records and logs required by this permit shall be retained at a readily accessible location at the source for at least five (5) years from the date of entry and shall be made available for inspection and copying by the Illinois EPA or USEPA upon request. Any records retained in an electronic format (e.g., computer storage device) shall be capable of being retrieved and printed on paper during normal source office hours so as to be able to respond to an Illinois EPA or USEPA request for records during the course of a source inspection.
14. Pursuant to 35 Ill. Adm. Code 215.206(c)(6), the owner or operator of a coating line or a group of coating lines using touch-up and repair coatings that are exempted from the limitations of 35 Ill. Adm. code 215.204(b), (d), (f), (g), (i), and (j) because of the provisions of 35 Ill. Adm. Code 215.206(b) shall notify the Illinois EPA in writing if the use of touch-up and repair coatings at the source ever exceeds a volume of 0.95 liter (1 quart) per eight-hour period or exceeds 209 liters/year (55 gallons/year) for any rolling twelve-month period within 30 days after any such exceedance. Such notification shall include a copy of any records of such exceedance.
- 15a. If there is an exceedance of or a deviation from the requirements of this permit as determined by the records required by this permit, the

Permittee shall submit a report to the Illinois EPA's Compliance Section in Springfield, Illinois within 30 days after the exceedance or deviation. The report shall include the emissions released in accordance with the recordkeeping requirements, a copy of the relevant records, and a description of the exceedance or deviation and efforts to reduce emissions and future occurrences.

- b. Two (2) copies of required reports and notifications shall be sent to:

Illinois Environmental Protection Agency  
Division of Air Pollution Control  
Compliance Section (#40)  
P.O. Box 19276  
Springfield, Illinois 62794-9276

and one (1) copy shall be sent to the Illinois EPA's regional office at the following address unless otherwise indicated:

Illinois Environmental Protection Agency  
Division of Air Pollution Control  
2009 Mall Street  
Collinsville, Illinois 62234

It should be noted that the natural gas fired heaters and boilers are exempt from permitting pursuant to 35 Ill. Adm. Code 201.146(d).

It should also be noted that the cutting and welding operations are exempt from permitting pursuant to 35 Ill. Adm. Code 201.146(y).

It should further be noted that the interior and exterior shot blasting operations are exempt from permitting pursuant to 35 Ill. Adm. Code 201.146(aa).

If you have any questions on this, please call German Barria at 217/785-1705.

Raymond E. Pilapil  
Acting Manager, Permit Section  
Division of Air Pollution Control

Date Signed: \_\_\_\_\_

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cc: Illinois EPA, FOS Region 3  
Lotus Notes

Attachment A - Emission Summary

This attachment provides a summary of the maximum VOM emissions from railcar repair yard operating in compliance with the requirements of this federally enforceable permit. In preparing this summary, the Illinois EPA used the annual operating scenario which results in maximum emissions from such a plant. The resulting maximum emissions are below the levels (e.g., 100 tons/year for VOM, 10 tons/year for any single HAP, and 25 tons/year for any combination of such HAP) at which this source would be considered a major source for purposes of the Clean Air Act Permit Program. Actual emissions from this source will be less than predicted in this summary to the extent that less material is handled and control measures are more effective than required in this permit.

<u>Emission Unit</u>	E M I S S I O N S (Tons/Year)			
	<u>PM</u>	<u>VOM</u>	<u>Single HAP</u>	<u>Total HAPs</u>
Interior and Exterior Painting Operations	0.44	90.00		
Washing, Curing, and Drying	----	0.44	----	----
Totals	0.44	90.44	9.0	22.5

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