



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 5
77 WEST JACKSON BOULEVARD
CHICAGO, IL 60604-3590

SEP 27 2012

REPLY TO THE ATTENTION OF:

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Daniel Hollenbeck
Environmental Engineering Manager
Metal Technologies Auburn
1401 South Grandstaff Drive
Auburn, Indiana 46706

Dear Mr. Hollenbeck:

This is to advise you that the U.S. Environmental Protection Agency has determined that Metal Technologies Auburn (MTA or you) is in violation of the Clean Air Act (CAA) at its gray and ductile iron foundry located at 1537 West Auburn Drive, in Auburn, Indiana (Facility).

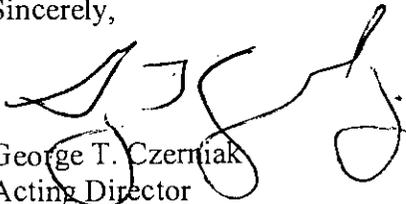
EPA is issuing this Notice of Violation and Finding of Violation (NOV/FOV) under Section 113(a) of the CAA, 42 U.S.C. § 7413(a), to MTA for violating the Prevention of Significant Deterioration requirements under Section 165 of the CAA, 42 U.S.C. § 7475, their implementing regulations at 40 C.F.R. § 52.21, and the Indiana State Implementation Plan; and the requirements of Title V of the CAA, 42 U.S.C. §§ 7661-7661f, their implementing regulations at 40 C.F.R. Part 70 and the corresponding requirements of the Indiana Administrative Code, 326 Ind. Admin. Code 2-7, *et seq.*

Section 113 of the CAA gives us several enforcement options to resolve these violations, including: issuing an administrative compliance order, issuing an administrative penalty order, and bringing a judicial civil action.

EPA is offering you the opportunity to confer with us about the violations cited in the NOV/FOV. At the conference, you may present information on the specific findings in the NOV/FOV and the steps you will take to bring the MTA Facility into compliance. Please plan for your Facility's technical and management personnel to take part in these discussions. You may have an attorney represent you at this conference.

The EPA contact in this matter is Eleanor Kane. You may call her at (312) 353-4840 if you wish to request a conference. You should make the request for a conference no later than 10 calendar days after receipt of this letter, and we should hold any conference within 30 calendar days of your receipt of this letter.

Sincerely,



George T. Czerniak
Acting Director
Air and Radiation Division

cc: Phil Perry, Chief
Air Compliance and Enforcement Branch
Indiana Department of Environmental Management
100 N. Senate Ave. (Mail Code 61-53 IGCN 1003)
Indianapolis, IN 46204-2251

Enclosure

**UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 5**

IN THE MATTER OF:)	
)	
Metal Technologies Auburn Auburn, Indiana)	NOTICE OF VIOLATION AND FINDING OF VIOLATION
)	
Proceedings Pursuant to the Clean Air Act 42 U.S.C. §§ 7401 <i>et seq.</i>)	EPA-5-12-IN-08
)	

NOTICE OF VIOLATION AND FINDING OF VIOLATION

The U.S. Environmental Protection Agency issues this Notice of Violation and Finding of Violation (NOV/FOV) to Metal Technologies Auburn (MTA or you) for violations of the Clean Air Act (CAA or the Act), 42 U.S.C. §§ 7401 *et seq.* and the Indiana State Implementation Plan (SIP) at its gray and ductile iron foundry located in Auburn, Indiana.

EPA is sending this NOV/FOV to notify you that MTA has: (1) improperly conducted its May 28, 2010 particulate matter (PM) performance testing by failing to include both filterable and condensable PM₁₀ in the PM₁₀ emissions measurements in violation of its Title V Permit and the Indiana SIP; (2) emitted PM from its charging, melting, metallurgy, holding, transfer, pouring, and casting operations in excess of the limits specified in the Title V permit and established pursuant to the Indiana SIP; (3) emitted volatile organic compounds (VOC) from its pouring, cooling, and shakeout operations in excess of the limits specified in the Title V permit and established pursuant to the Indiana SIP; and (4) failed to maintain records for visible emissions notations for December 2010, and April, June and July 2011 in violation of its Title V permit. These actions by MTA constitute violations of the CAA.

This NOV/FOV is issued pursuant to Sections 113(a)(1) and (3) of the Clean Air Act, 42 U.S.C. § 7413(a)(1) and (3). The authority to issue this NOV/FOV has been delegated to the Regional Administrator of EPA, Region 5, and re-delegated to the Director of the Air and Radiation Division, Region 5.

Statutory and Regulatory Background

A. Clean Air Act

1. The CAA is designed to protect and enhance the quality of the nation's air so as to promote the public health and welfare and the productive capacity of its population. *See* Section 101(b)(1) of the CAA, 42 U.S.C. § 7401(b)(1).

2. Section 110 of the CAA, 42 U.S.C. § 7410, requires each state to adopt and submit to EPA for approval a SIP that provides for the implementation, maintenance, and enforcement of the National Ambient Air Quality Standards (NAAQS).
3. Section 113(a)(1) of the CAA, 42 U.S.C. § 7413(a)(1), authorizes the Administrator to initiate an enforcement action whenever, among other things, the Administrator finds that any person has violated or is in violation of a requirement or prohibition of an applicable implementation plan, regulation, or permit.

B. Prevention of Significant Deterioration

4. The Prevention of Significant Deterioration (PSD) provisions of Part C of Title I of the Act, 42 U.S.C. §§ 7470-7492, and their implementing regulations at 40 C.F.R. § 52.21 (collectively “the PSD Program”), establish specific requirements applicable to the construction and modification of “major emitting facilities” located in areas designated as either attainment or unclassifiable for purposes of meeting the NAAQS.
5. The PSD Program prohibits, among other things, the construction of a “major emitting facility” unless it has obtained a PSD permit that applies “Best Available Control Technology” (BACT) to control emissions from the proposed emissions unit, and conducts an analysis to determine the air quality impacts of the unit. Sections 165(a) and 169(2)(C) of the Act, 42 U.S.C. §§ 7475(a) and 7479(2)(C), and 40 C.F.R. § 52.21.
6. Pursuant to Section 169 of the Act, 42 U.S.C. § 7479(1), a “major emitting facility” is defined to include, among others, any secondary metal production facility which emits, or has the potential to emit, 100 tons per year or more of any regulated PSD pollutant.
7. Sections 110(a) and 161 of the Act, 42 U.S.C. §§ 7410(a) and 7471, require each state to adopt a SIP containing regulations implementing the PSD Program.
8. A state may comply with Sections 110(a) and 161 of the Act, 42 U.S.C. §§ 7410(a) and 7471, by having its own PSD regulations approved by EPA as part of its SIP, provided that the state PSD regulations are at least as stringent as those set forth at 40 C.F.R. § 51.166.
9. Pursuant to 40 C.F.R. § 52.23, any person failing to comply with an approved regulatory provision of a SIP is subject to an enforcement action under Section 113 of the Act, 42 U.S.C. § 7413.
10. On May 20, 2004, EPA provided final approval of Indiana’s PSD Program set forth at 326 IAC 2-2 into the Indiana SIP. *See* 69 Fed. Reg. 29071 (effective July 19, 2004). On June 18, 2007, EPA partially approved revisions to 326 IAC 2-2 in the Indiana SIP reflecting revisions to EPA’s PSD regulations. *See* 72 Fed. Reg. 33395 (effective July 18, 2007).
11. The PSD provisions in the Indiana SIP apply to “the construction of any new major stationary source, or the major modification of any existing major stationary source.” 326 IAC 2-2-2. *See also* 40 C.F.R. § 52.21(a)(2)(i).

12. The Indiana SIP at 326 IAC 2-2-1(ss)(1) defines a “regulated NSR pollutant” as any pollutant for which a national ambient air quality standard has been promulgated, including carbon monoxide (CO), PM and VOC.
13. The Indiana SIP at 326 IAC 2-2-1(ff)(1) defines a “major stationary source” in an attainment area to include any listed stationary source, including *inter alia* “secondary metal production plants,” with the potential to emit 100 tons per year or more of a regulated NSR pollutant.
14. The Indiana SIP at 326 IAC 2-2-1(i) defines “BACT” as an emissions limitation based on the maximum degree of reduction for each regulated NSR pollutant that would be emitted from any proposed major modification while taking into account energy, environmental, and economic impacts and other costs.
15. The Indiana SIP at 326 IAC 2-2-3 states that a major stationary source shall apply control technology for each regulated NSR pollutant for which the source has the potential to emit in significant amounts as defined in the Indiana SIP at 326 IAC 2-1.

C. Indiana SIP and Title V

16. Section 502(d)(1) of the CAA, 42 U.S.C. § 7661a(d)(1) requires each state to develop and submit to EPA an operating permit program which meets the requirements of Title V. Pursuant to Appendix A of 40 C.F.R. Part 70, on December 4, 2001, EPA granted Indiana final approval of its Title V Clean Air Act Permit Program, effective November 30, 2001. *See* 66 Fed. Reg. 62969.
17. Indiana’s Title V operating permit program regulations are codified at 326 IAC 2-7, and are federally enforceable pursuant to Section 113(a)(3) of the CAA, 42 U.S.C. § 7413(a)(3).
18. 326 IAC 2-7-4 requires that a source submit a complete permit application which, among other things, identifies all applicable requirements and certifies compliance with all applicable requirements.
19. 326 IAC 2-7-5 provides that each Title V permit must include, among other things, enforceable emission limitations and standards as are necessary to assure compliance with applicable requirements of the Act and the requirements of the applicable SIP.
20. 326 IAC 2-7-3 provides that it is unlawful to violate any requirement of a permit issued under Title V or to operate a major source except in compliance with a permit issued by a permitting authority under Title V.

Factual Background

21. MTA owns and operates a gray and ductile iron foundry located at 1537 West Auburn Drive, Auburn, Indiana (Facility).

22. MTA acquired the Facility in 2005 as part of the bankruptcy proceedings of the Facility's former owner, Auburn Foundry, Inc.
23. Prior to commencing operations at the Facility, MTA voluntarily disclosed to the Indiana Department of Environmental (IDEM), under IDEM's Self-Disclosure Policy, that when the Facility commenced operations it would be a "major stationary source" of CO under the PSD rules, thereby subjecting the Facility to BACT requirements for PM/PM₁₀ and VOC.
24. The MTA Facility is therefore a "major stationary source," as that term is defined in the Indiana SIP at 326 IAC 2-2-1(ff)(1), because it is a secondary metal production plant that emits or has the potential to emit in excess of 100 tons per year of CO, a regulated NSR pollutant.
25. The MTA Facility is located in DeKalb County, Indiana, which at all times relevant to this Notice was classified as attainment for PM and VOC.
26. IDEM received a PSD application from MTA on September 9, 2005 setting forth proposed BACT emissions limits for PM and VOC.
27. On August 29, 2008, IDEM issued Title V Permit 033-30795-00042 (Permit) incorporating the PSD requirements, including the BACT emissions limits for PM and VOC. The Permit was most recently revised on July 20, 2012.
28. The Facility's Permit Conditions relevant to this NOV/FOV are as follows:
 - a. Condition D.1.6(a) requires performance testing for PM, and specifies that measurements for PM₁₀ include both filterable and condensable PM₁₀. Condition D.1.1(c) in the Facility's Permit limits combined PM/PM₁₀ (filterable and condensable) emissions from stacks S-2 and S-8 to 0.06 pounds per ton iron produced for charging, melting, metallurgy, holding, transfer, pouring, and casting operations. This limit was established pursuant to the BACT requirements under the PSD provisions in the Indiana SIP at 326 IAC 2-2-3.
 - b. Condition D.1.2(b) in the Facility's Permit limits combined VOC emissions from pouring, cooling and shakeout operations to 1.7 pounds of VOC per ton of metal poured when using greensand molds with cores. This limit was established pursuant to the BACT requirements under the PSD provisions in the Indiana SIP at 326 IAC 2-2-3.
 - c. Conditions D.1.7, D.3.8. and D.4.4 in the Facility's Permit require MTA to make daily visible emissions notations. Permit conditions D.1.10(d), D.3.11(b), and D.4.7(a) require MTA keep records of visible emissions notations for five years.
29. On May 25, 2010, MTA conducted a PM performance test for stacks S-2 and S-8 at the Facility. During the performance test, MTA emitted both filterable and condensable PM₁₀. The combined (i.e. stacks S-2 and S-8) PM₁₀ emissions measured during the May 28, 2010 performance test was 0.0602 pounds per ton metal. MTA failed, however, to include

measurements for condensable PM₁₀ as part of this PM₁₀ emissions test. During the test, the units were only operating at 67% of the maximum permitted operating capacity.

30. The most recent performance test for VOC from the Facility's pouring operations occurred on February 5, 2008. The VOC emissions for pouring were 0.45 pounds (measured as pounds of carbon) per ton of metal processed, using greensand molds with cores.
31. The most recent performance test for VOC from the Facility's cooling and shakeout operations occurred on March 23, 25, and 26, 2010. MTA calculated that the combined emissions from these operations were 1.6 pounds (measured as pounds of carbon) per ton of metal, greensand molds with cores. The emissions measurement, however, did not include the VOC emissions from the Facility's pouring operations, and the emission rates were not converted to pounds of VOC per ton of metal. During the test, the emissions units were only operating at 64% of maximum permitted capacity.
32. EPA conducted an inspection of the Facility on May 2, 2012.

Violations

A. Particulate Matter

1. Improper PM₁₀ Measurement in May 2010 Performance Test

33. As set forth in Paragraph 28, at all times relevant to this NOV/FOV, Permit Condition D.1.6(a) required MTA to conduct performance testing for PM, and specified that the measurements for PM₁₀ must include both filterable and condensable PM₁₀.
34. MTA used only filterable PM₁₀ emissions measurements in calculating the PM₁₀ emissions during its May 2010 performance test for PM for stacks S-2 and S-8.
35. MTA violated Condition D.1.6(a) in the Facility's Permit and the Title V provisions at 326 IAC 2-7-3 during its May 28, 2010 performance testing for PM, by failing to include emissions measurements for both filterable and condensable PM₁₀ emissions in its PM₁₀ emissions calculations.

2. PM₁₀ Emissions Limit Exceedance

36. As set forth in Paragraph 28, at all times relevant to this NOV/FOV, Permit Condition D.1.1(c) required the Facility's charging, melting, metallurgy, holding, transfer, pouring, and casting operations to meet a combined PM/PM₁₀ (filterable and condensable) emissions limit for stacks S-2 and S-8 of 0.06 pounds per ton iron produced.
37. Because MTA emitted unmeasured condensable PM₁₀ during the May 2010 performance test, and the measured emissions of filterable PM₁₀ were at the limit for total PM emissions, MTA violated and continues to violate the total PM emissions limit established in Permit

Condition D.1.1(c) and the Title V provisions at 326 IAC 2-7-3. Because the total PM emissions limit was established as a BACT limit for PM, MTA also violated the Indiana SIP at 326 IAC 2-2-3.

B. VOCs

- 38. As set forth in Paragraph 28, at all times relevant to this NOV/FOV, Permit Condition D.1.2(b) required the Facility's VOC emissions from pouring, cooling and shakeout operations to meet a combined emissions rate of 1.7 pounds of VOC per ton of metal poured when using greensand molds with cores.
- 39. Because the combined VOC emissions rate from: (1) the cooling and shakeout operations during the Facility's March 2010 performance test; and (2) the February 2008 performance test for pouring was approximately 2.05 pounds (measured as pounds of carbon) per ton of iron processed, MTA violated and continues to violate the VOC emissions rate in Permit Condition D.1.2(b) and the Title V provisions at 326 IAC 2-7-3.¹ Because the total VOC emissions limit was established as a BACT limit for VOC, MTA also violated the Indiana SIP at 326 IAC 2-2-3.

C. Visible Emissions

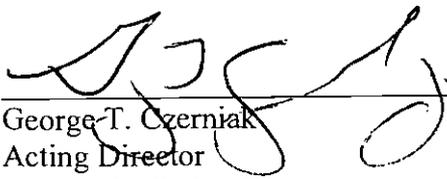
- 40. EPA determined during the May 2, 2012 inspection that MTA failed to maintain records for visible emissions notations for December 2010, and April, June and July 2011 in violation of Permit Conditions D.1.7, D.3.8 and D.4.4 and the Title V provisions at 326 IAC 2-7-3.

Environmental Impact of Violations

- 21. Violation of the PM emissions limits increases public exposure to unhealthy particulate matter. Particulate matter, especially fine particulate, contributes to respiratory problems, lung damage and premature deaths.
- 41. VOC emissions contribute to the production of ozone and smog, which aggravate bronchitis, emphysema and asthma. Some VOCs also cause other health effects including eye, nose, and throat irritation; headaches; loss of coordination; nausea; and damage to liver, kidney, and the central nervous system.

9/27/12

Date



George T. Czerniak
Acting Director
Air and Radiation Division

¹ Using a 1.2 conversion factor generates a conservative emissions estimate of 2.46 pounds VOC (measured as pounds of propane) per ton metal poured for the Facility's combined pouring, cooling and shakeout operations.

CERTIFICATE OF MAILING

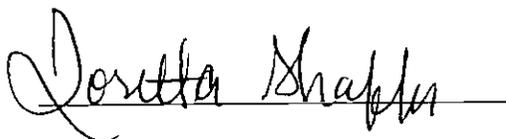
I, Loretta Shaffin, certify that I sent a Notice of Violation and Finding of Violation, No. EPA-5-12-IN-08, by Certified Mail, Return Receipt Requested, to:

Mr. Daniel Hollenbeck
Environmental Engineering Manager
Metal Technologies Auburn
1401 South Grandstaff Drive
Auburn, Indiana 46706

I also certify that I sent copies of the Notice of Violation and Finding of Violation by first-class mail to:

Mr. Phil Perry, Chief
Air Compliance and Enforcement Branch
Indiana Department of Environmental Management
100 N. Senate Ave. (Mail Code 61-53 IGCN 1003)
Indianapolis, IN 46204-2251

On the 28 day of September 2012.



Administrative Program Assistant
AECAB, PAS

CERTIFIED MAIL RECEIPT NUMBER: 7009 1680 0000 7467 6342