



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

SEP 29 2011

REPLY TO THE ATTENTION OF:

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Steve Edris, President and CEO
Thermafiber, Inc.
3711 Mill Street
Wabash, Indiana 46992

Re: Notice of Violation
Thermafiber, Inc.
Wabash, Indiana

Dear Mr. Edris:

The U.S. Environmental Protection Agency is issuing the enclosed Notice of Violation (NOV) to Thermafiber, Inc. (you) under Section 113(a)(1) of the Clean Air Act, 42 U.S.C. § 7413(a)(1). We find that you have violated the Indiana State Implementation Plan at your Wabash, Indiana facility.

Section 113 of the Clean Air Act gives us several enforcement options. These options include issuing an administrative compliance order, issuing an administrative penalty order and bringing a judicial civil or criminal action.

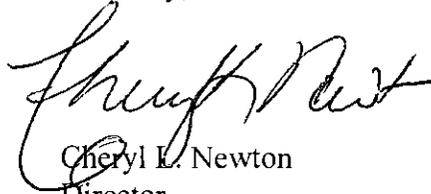
We are offering you an opportunity to confer with us about the violations alleged in the NOV. The conference will give you an opportunity to present information on the specific findings of violation, any efforts you have taken to comply and the steps you will take to prevent future violations.

Please plan for your facility's technical and management personnel to attend the conference to discuss compliance measures and commitments. You may have an attorney represent you at this conference.

ARD
EDMS

The EPA contact in this matter is Eleanor Kane. You may call her at (312) 353-4840 to request a conference. You should make the request within 10 calendar days following receipt of this letter. We should hold any conference within 30 calendar days following receipt of this letter.

Sincerely,



Cheryl L. Newton
Director
Air and Radiation Division

Enclosure: SBREFA fact sheet

cc: Phil Perry, Chief
Office of Air Quality
Indiana Department of Environmental Management
100 North Senate Avenue
Indianapolis, Indiana 46206-2251

Kale Sparling
Thermafiber, Inc.
3711 Mill Street
Wabash, Indiana 46992

4. The PSD Program prohibits, among other things, a “major emitting facility” from implementing a “major modification” unless it has obtained a PSD permit that applies “Best Available Control Technology” (BACT) to control emissions from the proposed modified emissions unit, and conducts an analysis to determine the air quality impacts of the modification. 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.
5. Pursuant to Section 169 of the Act, 42 U.S.C. § 7479(1), a “major emitting facility” is defined to include, among others, any stationary source which emits, or has the potential to emit, 250 tons per year or more of any regulated PSD pollutant.
6. Sections 110(a) and 161 of the Act, 42 U.S.C. §§ 7410(a) and 7471, require each state to adopt a state implementation plan (SIP) containing regulations implementing the PSD Program.
7. 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.
8. 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.
9. On August 7, 1980, EPA disapproved Indiana’s proposed PSD program, and incorporated by reference the PSD regulations of 40 C.F.R. § 52.21(b) through (w) into the Indiana SIP. 45 Fed. Reg. 52676, 52741. On September 30, 1980, EPA delegated to the Indiana Department of Environmental Management (IDEM) certain authorities of the federal PSD program. 46 Fed. Reg. 9580, 9583. On March 3, 2003, EPA conditionally approved Indiana’s PSD regulations at 326 IAC 2-2. 68 Fed. Reg. 9892 (effective April 2, 2003). On May 20, 2004, EPA provided final approval of 326 IAC Rule 2-2 into the Indiana SIP. 69 Fed. Reg. 29071 (effective July 19, 2004). On June 18, 2007, EPA partially approved revisions to 326 IAC 2-2 related to EPA’s NSR Reform regulations. 72 Fed. Reg. 33395 (effective July 18, 2007).
10. The PSD regulations included as part of Indiana’s federally approved SIP at the time of the modification, identified in Paragraph 37, are the regulations that are applicable and federally enforceable for that project.
11. 326 IAC 2-2-2 of the Indiana SIP states that new or modified major stationary sources or major modifications, constructed in an area designated as attainment, are subject to 326 IAC 2-2, which contains the PSD provisions of the Indiana SIP.

12. 326 IAC 2-2-1(ff)(1) of the Indiana SIP defines a “major stationary source” in an attainment area as any stationary source with the potential to emit 100 tons per year or more of a regulated NSR pollutant.
13. 326 IAC 2-2-1(dd) of the Indiana SIP defines a “major modification” as any physical change in or change in the method of operation of a major stationary source that would result in a significant emissions increase and a significant net emission increase of a regulated NSR pollutant from the major stationary source.
14. 326 IAC 2-2-1(ii) of the Indiana SIP defines “net emissions increase” as the amount by which the sum of the increase in emissions from a physical change or change in the method of operation and any other contemporaneous increases and decreases in emissions exceeds zero.
15. 326 IAC 2-2-1(ss)(1)(A) of the Indiana SIP defines a “regulated NSR pollutant” as any pollutant for which a national ambient air quality standard has been promulgated, and therefore includes sulfur dioxide (SO₂).
16. In reference to SO₂, 326 IAC 2-2-1(ww)(1)(C) of the Indiana SIP defines “significant” with regard to a net emissions increase as a rate of emissions that would equal or exceed 40 tons per year.
17. 326 IAC 2-2-3(3) of the Indiana SIP requires that owners or operators making a major modification apply BACT for each regulated NSR pollutant for which the modification would result in a significant net emissions increase.
18. 326 IAC 2-2-1(i) of the Indiana SIP 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.
19. 326 IAC 2-2-5 of the Indiana SIP requires that owners or operators of a proposed major modification demonstrate that allowable emission increases, in conjunction with all other applicable emission increases or reductions, will not cause or contribute to air pollution in violation of any ambient air quality standard or applicable maximum allowable increase over the baseline concentration in any area.

Title V Requirements

20. Section 502(a) of the Act, 42 U.S.C. § 7661a(a), provides that no person may operate a major source without a Title V permit after the effective date of any permit program approved or promulgated under Title V of the Act. EPA first promulgated regulations governing state operating permit programs on July 21, 1992. See 57 Fed. Reg. 32295; 40 C.F.R. Part 70. EPA promulgated regulations governing the federal operating permit program on July 1, 1996. See 61 Fed. Reg. 34228; 40 C.F.R. Part 70.

21. Section 503 of the Act, 42 U.S.C. § 7661b, sets forth the requirement to submit a timely, accurate, and complete application for a permit, including information required to be submitted with the application.
22. Section 504(a) of the Act, 42 U.S.C. § 7661c(a), requires that each Title V permit include enforceable emission limitations and standards, a schedule of compliance, and other conditions necessary to assure compliance with applicable requirements, including those contained in a state implementation plan. 42 U.S.C. § 7661c(a).
23. 40 C.F.R. § 70.1(b) provides that: “All sources subject to these regulations shall have a permit to operate that assures compliance by the source with all applicable requirements.” *See* 326 IAC 2-7-2.
24. 40 C.F.R. § 70.2 defines “applicable requirement” to include, “(1) Any standard or other requirement provided for in the applicable implementation plan approved or promulgated by EPA through rulemaking under title 1 of the Act that implements the relevant requirements of the Act, including any revisions to that plan promulgated in part 52 of this chapter . . .”
25. 40 C.F.R. § 70.7(b) provides that no source subject to 40 C.F.R. Part 70 requirements may operate without a permit as specified in the Act. *See also* 326 IAC 2-7-2.
26. 40 C.F.R. § 70.5(a) and (c) require timely and complete permit applications for Title V permits with required information that must be submitted and 40 C.F.R. § 70.6 specifies required permit content. *See also* 326 IAC 2-7-2.
27. 40 C.F.R. § 70.5(b) provides that: “Any applicant who fails to submit any relevant facts or who has submitted incorrect information in a permit application shall, upon becoming aware of such failure or incorrect submittal, promptly submit such supplementary facts or corrected information. In addition, an applicant shall provide additional information as necessary to address any requirements that become applicable to the source after the date it filed a complete application but prior to release of a draft permit.” *See also* 326 IAC 2-7-2.

Indiana’s Title V Requirements

28. EPA promulgated interim approval of the Indiana Title V program on November 14, 1995. *See* 60 Fed. Reg. 57188 (effective on December 14, 1995). EPA fully approved the Indiana Title V program on December 4, 2001. *See* 66 Fed. Reg. 62969 (effective on November 30, 2001). The Indiana regulations governing the Title V permit program are codified at 326 IAC 2-7 and are federally enforceable pursuant to Section 113(a)(3) of the Act.
29. 326 IAC 2-7-3 provides that it is unlawful to operate a major source except in compliance with a permit issued by a permitting authority under Title V.

30. 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.
31. 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.

FINDINGS OF FACT

32. Thermafiber is a corporation authorized to do business in Indiana.
33. Thermafiber is a “person,” as that term is defined in Section 302(e) of the Act, 42 U.S.C. § 7602(e).
34. At all times relevant to this Notice, Thermafiber owned and operated emission units at its mineral wool production facility at 3711 Mill Street, Wabash, Indiana (“Wabash plant”).
35. Thermafiber’s Wabash plant is a “major stationary source,” as that term is defined in the Indiana SIP at 326 IAC 2-2-1(ff)(2), in that it emits or has the potential to emit in excess of 250 tons per year of a regulated NSR pollutant.
36. Thermafiber’s Wabash plant is located in Wabash County Indiana, which at all times relevant to this Notice was classified as attainment for SO₂.
37. In 2009, Thermafiber began using crushed anodes as a substitute fuel in place of coke, thereby implementing a change in the method of operation at its Wabash plant.
38. The change in the method of operation has the potential to cause a net emissions increase of SO₂ in excess of 40 tons per year.
39. Thermafiber failed to apply for and/or obtain a PSD permit, and failed to install and operate BACT for SO₂, prior to beginning the alternative fuel use described in Paragraph 37.

NOTICE AND FINDING OF VIOLATIONS

Violations of PSD

40. The change described in Paragraph 37 has the potential to cause a “significant net emissions increase” of SO₂, as defined in 326 IAC 2-2-1(xx).
41. The change described in Paragraph 37 constituted a “major modification,” as defined in 326 IAC 2-2-1(dd).

42. Therefore, Thermafiber violated and continues to violate the PSD requirements found at Section 165 of Act, 42 U.S.C. § 7475, and the applicable Indiana SIP regulations at 326 IAC 2-2.

Violations of the Title V Permit Program

43. In addition, Thermafiber violated and continues to violate the Title V permitting requirements at Section 503 of the Act, 40 U.S.C. § 7661(b) and the applicable regulations at 40 C.F.R. Part 70 and 326 IAC 2-7.

ENFORCEMENT AUTHORITY

44. Section 113(a)(1) of the Act, 42 U.S.C. § 7413(a)(1), provides that at any time after the expiration of 30 days following the date of the issuance of a notice of violation, the Administrator may, without regard to the period of violation, issue an order requiring compliance with the requirements of the applicable SIP, issue an administrative penalty order pursuant to Section 113(d), or bring a civil action pursuant to Section 113(b) for injunctive relief and/or civil penalties.
45. Section 113(a)(3) of the Act, 42 U.S.C. § 7413(a)(3), provides in part that if the Administrator finds that a person has violated, or is in violation of any requirement or prohibition of any rule promulgated under Title V of the Act, the Administrator may issue an administrative penalty order under Section 113(d), issue an order requiring compliance with such requirement or prohibition, or bring a civil action pursuant to Section 113(b) for injunctive relief and/or civil penalties.

ENVIRONMENTAL IMPACT OF VIOLATIONS

46. These violations have caused or can cause excess emissions of SO₂. Current scientific evidence links short-term exposures to SO₂ ranging from 5 minutes to 24 hours, with an array of adverse respiratory effects including bronchoconstriction and increased asthma symptoms.

Date

9/29/11

Cheryl L. Newton
Director

Air and Radiation Division

CERTIFICATE OF MAILING

I, Tracy Jamison, certify that I sent a Notice of Violation, No. EPA-5-11-IN-13, by

Certified Mail, Return Receipt Requested, to:

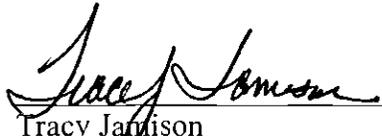
Steve Edris, President and CEO
Thermafiber, Inc.
3711 Mill Street
Wabash, Indiana 46992

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

Kale Sparling
Thermafiber, Inc.
3711 Mill Street
Wabash, Indiana 46992

Phil Perry, Chief
Office of Air Quality
Indiana Department of Environmental Management
100 North Senate Avenue
Indianapolis, Indiana 46206-2251

On the 30 day of September 2011.



Tracy Jamison
Office Automation Assistant
AECAB, PAS

CERTIFIED MAIL RECEIPT NUMBER: 7009 1680 0000 7670 4908

U.S. EPA Small Business Resources Information Sheet

The United States Environmental Protection Agency provides an array of resources, including workshops, training sessions, hotlines, websites and guides, to help small businesses understand and comply with federal and state environmental laws. In addition to helping small businesses understand their environmental obligations and improve compliance, these resources will also help such businesses find cost-effective ways to comply through pollution prevention techniques and innovative technologies.

EPA's Small Business Websites

Small Business Environmental Homepage - www.smallbiz-enviroweb.org

Small Business Gateway - www.epa.gov/smallbusiness

EPA's Small Business Ombudsman - www.epa.gov/sbo or 1-800-368-5888

EPA's Compliance Assistance Homepage

[www.epa.gov/compliance/assistance/
business.html](http://www.epa.gov/compliance/assistance/business.html)

This page is a gateway to industry and statute-specific environmental resources, from extensive web-based information to hotlines and compliance assistance specialists.

EPA's Compliance Assistance Centers

www.assistancecenters.net

EPA's Compliance Assistance Centers provide information targeted to industries with many small businesses. They were developed in partnership with industry, universities and other federal and state agencies.

Agriculture

www.epa.gov/agriculture/

Automotive Recycling

www.ecarcenter.org

Automotive Service and Repair

www.ccar-greenlink.org or 1-888-GRN-LINK

Chemical Manufacturing

www.chemalliance.org

Construction

www.cicacenter.org or 1-734-995-4911

Education

www.campuserc.org

Food Processing

www.fpeac.org

Healthcare

www.hercenter.org

Local Government

www.lgean.org

Metal Finishing

www.nmfrc.org

Paints and Coatings

www.paintcenter.org

Printed Wiring Board Manufacturing

www.pwbr.org

Printing

www.pneac.org

Ports

www.portcompliance.org

U.S. Border Compliance and Import/Export Issues

www.bordercenter.org

Hotlines, Helplines and Clearinghouses

www.epa.gov/epahome/hotline.htm

EPA sponsors many free hotlines and clearinghouses that provide convenient assistance regarding environmental requirements. Some examples are:

Antimicrobial Information Hotline

info-antimicrobial@epa.gov or
1-703-308-6411

Clean Air Technology Center (CATC) Info-line

www.epa.gov/ttn/catc or 1-919-541-0800

Emergency Planning and Community Right-To-Know Act

[www.epa.gov/superfund/resources/
infocenter/epcra.htm](http://www.epa.gov/superfund/resources/infocenter/epcra.htm) or 1-800-424-9346

EPA Imported Vehicles and Engines Public Helpline

www.epa.gov/otaq/imports or
734-214-4100

National Pesticide Information Center

www.npic.orst.edu/ or 1-800-858-7378

National Response Center Hotline -

to report oil and hazardous substance spills
www.nrc.uscg.mil or 1-800-424-8802

Pollution Prevention Information Clearinghouse (PPIC)

www.epa.gov/opptintr/ppic or
1-202-566-0799

Safe Drinking Water Hotline

[www.epa.gov/safewater/hotline/index.
html](http://www.epa.gov/safewater/hotline/index.html) or 1-800-426-4791

Stratospheric Ozone Protection Hotline

www.epa.gov/ozone or 1-800-296-1996