



DEPARTMENT OF AIR QUALITY & ENVIRONMENTAL MANAGEMENT

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FINAL ACTION REPORT
Nellis Air Force Base Source 114 Initial Title V Permit

Public Notice Review-Journal January 12, 2009.

Public Comment: January 12, 2009 to February 10, 2009

Comments Received:

EPA, Region IX

Public Hearings: None

Issuance date: TBD

Expiration date: TBD

DAQEM received comments from EPA. No comments were received from the source, public, or any other agencies.

Copies of comments received and responses to those comments are part of this final action report. All responders shall receive an electronic copy of this report, the final ATC, and the final TSD.

COMMENTS RECEIVED FROM EPA (2/25/09):

EPA Comment #1:

1. The proposed permit lacks some applicable requirements from the applicable New Source Performance Standards (“NSPS”). Some emission units at Nellis are subject to NSPS Subpart I (Hot Mix Asphalt Facilities), Subpart XX (Bulk Gasoline Terminals), and Subpart OOO (Nonmetallic Mineral Processing Plants). Yet the permit does not contain all of the applicable NSPS provisions for emission limits, monitoring, and testing. In some cases, the requirements may be present, but it is not clear because the specific NSPS citation is not provided in addition to citations to DAQEM regulations.

Subpart OOO has grain loading limits for stack emissions from transfer points and belt conveyors, and opacity limits for both stack emissions (7%) and fugitive emissions (10%) from these emission points, as well an opacity limit (15%) for crushers. See 40 CFR §60.672. DAQEM must add these opacity limits to the permit. (We note that the Technical Support Documents mentions most of these opacity limits in Table XIX-B-1; but not all of them appear in the permit.)

For the grain-loading limits in Subparts OOO and I, DAQEM discusses the fact that compliance with the source’s NSR lb/hr PM-10 limits will assure compliance with the NSPS grain-loading limit for the asphalt dryer. DAQEM should expand this streamlining analysis to include all emission units subject to NSPS grain-loading limits and NSR limits, and then cite the subsumed NSPS limits in addition to the NSR limits in the citation of origin and authority in the permit.

The permit is missing applicable requirements from Subpart XX. There are only two references to Subpart XX in the permit (on page 19). Since these citations only state “40 CFR 60 Subpart XX,” it is not clear which specific provisions are being incorporated. In addition to making these citations more specific, DAQEM must review Subpart XX, particularly the VOC standard (§60.502), test methods and procedures (§60.503), and reporting and record-keeping (§60.505) provisions and add the missing applicable requirements to the permit.

DAQEM Response: Subpart OOO applies to the Aggregate Plant. The grain loading limit of Subpart OOO does not apply as the Aggregate Plant does not utilize control devices that vent through stacks. Citations have been added for the opacity limits in Section XI-B-1-e of the permit:

- e. The Permittee shall not allow visible emissions from the Aggregate Processing facility, including the emission units listed in Tables XI-A-3, XI-A-4, and XI-A-5, to exceed the following standards:
 - i. from any screening equipment, conveyors, storage piles, stackers, transfer point on belt conveyors, fugitive emissions shall not exhibit greater than 10 percent opacity; [AQR 34.3.1.1, 40 CFR Subpart 60.672 (Subpart OOO)]
 - ii. from any crusher, at which a capture system is not used, fugitive emissions shall not exhibit greater than 15 percent opacity; [40 CFR 60.672 (Subpart OOO); AQR 34.3.1.2]

- iii. From any other fugitive emission source, fugitive emissions shall not exhibit greater than 20 percent opacity. [AQR 26.1.1]

Tables XI-A-3, XI-A-4, and XI-A-5 list the emission units of the Aggregate Plant including the haul road and diesel generators.

Citations for the 20% opacity and for the grain loading standard for the Hot Mix Asphalt facility has been added referencing Subpart I, Conditions XI-B-1-b and c. Permit Condition XI-B-1-c has been added to the permit to streamline the grain loading standard of Subpart I with the permit limit:

- b. The Permittee shall not discharge or cause the discharge into the atmosphere from any Hot Mix Asphalt facility, including all the emission units listed in Table XI-A-1, emissions exceeding 20 percent opacity. [40 CFR 60.92 (Subpart I)]
- c. The Permittee shall not discharge or cause the discharge into the atmosphere from the asphalt drum (EU: A005) emissions containing particulate matter in excess of 0.04 gr/dscf (90 mg/dscm). Compliance with the 2.88 lbs/hr permitted emission limit demonstrates compliance this grain loading standard. [40 CFR 60.92 (Subpart I)]

Subpart XX does not apply to the source as the source has a throughput less than 19,997 gallons per day, which categorizes the source has a Bulk Gasoline Plant (BGP). Subpart XX does not apply to BGP, only Bulk Gasoline Terminals. No requirements from Subpart XX have been added to the permit. Permit Condition IV-B-2-d was added:

- d. The daily throughput for gasoline loading rack (EU: J008) shall not exceed 75,700 liters per day (19,997 gal/day).

This will limit the source to BGP status and not subject the source to Subpart XX requirements.

The Technical Support Document (TSD) has also been updated to reflect the additions in the permit.

EPA Comment #2:

2. EPA recommends that DAQEM improve opacity monitoring for the mineral processing operations at the source (section X of the permit). It is not clear that the annual Method 9 testing required by condition X.C.1. on page 58 is sufficient to demonstrate compliance with the opacity limits, based on the maximum throughputs and the specific opacity limits that apply to the conveyors, transfer points, and crushers. (See comment #1 above for description of missing opacity limits that must be added to the permit.) It is possible that annual Method 9 testing could be sufficient, in conjunction with other visible emissions survey requirements, if the surveys can trigger Method 9 observations (additional explanation below) and if the source has a documented history of compliance with its opacity limits. However, the Technical Support Document does not explain DAQEM's rationale for the limited opacity monitoring it selected for this section of the permit.

We note that condition X.C.2, which requires the source to “regularly observe operations and investigate any occurrence of visible fugitive dust,” is not enforceable as a practical matter because a specific frequency is not required. In addition, DAQEM has not structured this part of the permit so that these observations can trigger a Method 9 observation if visible emissions appear to exceed the opacity on an instantaneous basis, as it has in other parts of the permit. DAQEM should require visible emission observations on a specific frequency, write the permit so that these observations can trigger Method 9 observations, and consider increasing the Method 9 frequency.

DAQEM Response: Biweekly visible emissions checks have been added to the permit, Permit Conditions XI-C-1 through 5, listed below. These checks may trigger a Method 9 observation if emissions appear to exceed the opacity standard and all observations shall be logged.

1. An observer shall conduct a biweekly visible emissions check of visible emissions from process fugitive sources while they are in operation. If the facility is not operating frequently enough for biweekly observations, then observations shall be conducted while the facility is operating. [AQR 12.8.1.d]
2. A visible emission check is verification that abnormal emissions are not present at the exhaust stack. Corrective action shall be immediately taken to correct causes of fugitive emissions in excess of allowable opacity limits. [AQR 12.8.1.c]
3. If the observer, during the visible emissions check, does not see any plume that, on an instantaneous basis, appears to exceed the opacity standard, then the observer shall keep a record of the name of the observer, the date on which the observation was made, the location, and the results of the observation. [AQR 12.8.1.c]
4. If the observer sees a plume that, on an instantaneous basis, appears to exceed the opacity standard, then the observer shall, if practicable, take an EPA Method 9 observation of the plume and record the results. [AQR 12.8.1.c]

5. If Method 9 readings can not be obtained, the observer shall also indicate in the log: a) the color of the emissions, b) whether the emissions were light or heavy, c) the cause of the abnormal emissions, and d) any corrective action taken. [AQR 12.8.1.c]

EPA Comment #3:

3. Throughout the permit, the opacity limit is frequently stated as “The Permittee shall not allow visible emissions in excess of the 20 percent opacity standard.” In these cases, it is not clear which emission units are subject to the opacity limit. For greater clarity, we recommend that DAQEM specify which emission units are subject to the various opacity limits, either by referring to the specific emission units in the permit condition or referring to one of the tables in the permit (qualifying as appropriate, if not all the emission units in a given table are subject).

DAQEM Response: The permit has been updated to identify applicable opacity limits to specific emission units or an emission unit table listing all units of a certain type or process such as the way it is listed in the Permit Conditions listed under Comment #1 above or as Permit Condition VI-B-1-b:

- b. The Permittee shall not allow visible emissions in excess of the 20 percent opacity standard, as determined by conducting observations in accordance with EPA Method 9, for the emission units listed in Tables VI-A-1 and VI-A-2. [AQR 12.8.1.c]

EPA Comment #4:

4. The applicability of two National Emission Standards for Hazardous Air Pollutants (“NESHAP”) regulations to some emission units at Nellis is not clear, based on DAQEM’s Technical Support Document (“TSD”) and proposed permit. Section IV of the permit contains two conditions that cite the NESHAP for Gasoline Distribution Bulk Terminals, Bulk Plants, and Pipeline Facilities, 40 CFR 63, Subpart BBBBBB. (See pages 20 and 22.). However, DAQEM’s TSD does not address the applicability of this NESHAP, which applies to area sources. Section IV also contains two conditions that cite the NESHAP for Gasoline Dispensing Facilities, Subpart CCCCCC, which also applies to area sources. (See pages 19 and 23. One of these conditions is an initial notification requirement. Since this is a time-sensitive requirement with a deadline that has passed, DAQEM should delete this condition.) The TSD states that the storage tanks, loading racks and fuel dispensing activities at Nellis are subject to Subpart CCCCCC, but does not provide any additional explanation.

DAQEM should clarify the applicability of Subparts BBBBBB and CCCCCC to the facility in the TSD. If the regulations apply, DAQEM must add the appropriate applicable requirements to the permit in sufficient detail for the source and DAQEM inspectors to understand what is required. The compliance date for existing area sources subject to these regulations is January 10, 2011, which must be stated in the final permit.

DAQEM Response: The time-sensitive requirement with the passed deadline has been removed from the permit (Permit Condition IV-B-D-6 in the previous draft).

Permit Condition IV-B-3-d has been revised to clearly state which emission units are subject to Subparts BBBB and CCCCC and lists the compliance date for Subparts BBBB and CCCCC:

- d. For the emission units subject to 40 CFR 63 Subparts BBBB and CCCCC (EUs: J001 through J005 and J008), the Permittee shall comply with the requirements of the Subparts by January 10, 2011.

Permit Conditions IV-B-3-g through i have been added based on the applicability of Subpart CCCCC:

- g. Per 40 CFR Section 63.11118(b), the Permittee shall meet the requirements of either:
 - i. Each management practice in Table 1 of Subpart CCCCC; or
 - ii. If the Permittee, prior to January 10, 2008:
 - a. operated a vapor balance system that met the requirements of either:
 - 1. Vapor balance system achieves emissions reduction of at least 90 percent; or
 - 2. The Permittee operates using management practices at least as stringent as those in Table 1 of Subpart CCCCC; and
 - b. The gasoline dispensing facility is in compliance with an enforceable State, local, or tribal rule or another permit that contains requirements of either g-ii-a-1 or g-ii-a-2 of this permit.
- h. The Permittee is not required to comply with Condition g above of this section, but must comply with the requirements in Section 63.11117 for the emission units listed below *[40 CFR Section 63.11118 (c)]*:
 - i. Gasoline storage tanks with a capacity of less than 250 gallons that are constructed after January 10, 2008;
 - ii. Gasoline storage tanks with a capacity of less than 2,000 gallons that were constructed before January 10, 2008; and
 - iii. Gasoline storage tanks equipped with floating roofs, or the equivalent.

- i. The Permittee shall ensure that cargo tanks unloading at the gasoline dispensing facility comply with the management practices in Table 2 of Subpart CCCCCC. *[40 CFR Section 63.11118 (d)]*

The following Permit Conditions were updated with the proper citations from Subparts BBBBBB and CCCCCC:

Permit Condition IV-B-3-f-ii:

- ii. The highest point of discharge from a submerged fill-pipe shall be no more than 6.0 inches from the tank bottom. *[AQR 12.8 and 55.5, and 40 CFR 63.11086(a) and 40 CFR 63.11117(b) (Subparts BBBBBB and CCCCCC)]*

Permit Condition IV-C-3 and 7:

3. The Permittee shall perform a monthly leak inspection of all equipment in gasoline service (EUs: J001 through J005 and J008) as defined in 40 CFR 63.11089 and 63.22200 as applicable. For this inspection, detection methods incorporating sight, sound, and smell are acceptable. *[40 CFR 63 Subparts BBBBBB and CCCCCC]*
7. The Permittee shall not allow gasoline to be handled in a manner that would result in vapor releases to the atmosphere for extended periods of time. Measures to be taken include, but are not limited to the following: *[AQR 12.8 and CFR 63.11086 (d) and 63.11116 (Subparts BBBBBB and CCCCCC)]*
 - a. minimize gasoline spills;
 - b. clean up spills as expeditiously as practicable;
 - c. cover all open gasoline containers and all gasoline storage tank fill-pipes with a gasketed seal when not in use; and
 - d. minimize gasoline sent to open waste collection systems that collect and transport gasoline to reclamation and recycling devices, such as oil/water separators.

Permit Condition IV-E-3:

3. The Permittee must submit a Notification of Compliance per 40 CFR Section 63.11086 (f) unless the Permittee meets the requirements of 40 CFR Section 63.11086 (g). *[40 CFR 63 Subpart BBBBBB]*

Permit Condition IV-F-2:

2. The Permittee shall comply with the applicable testing requirements contained in Section 63.11120. *[Section 63.11118 (e) (Subpart CCCCCC)]*

EPA Comment #5:

5. Condition II.4 states that “In the event of any changes in control or ownership of the source, all conditions in this permit shall be binding on all subsequent owners and operators, upon execution of an administrative permit amendment.” EPA does not believe this condition is necessary because DAQEM already has the authority to issue an administrative amendment in its EPA-approved title V program. We recommend deleting the condition. However, if you choose to retain this condition in the final permit, you should revise it. The phrase “upon execution of an administrative permit amendment” could be used by a new owner, in a way that DAQEM does not intend, to claim that it is not liable for a violation that occurred after the transfer of ownership but before the permit was amended.

DAQEM Response: The condition has been revised to the following:

4. In the event of any changes in control or ownership of the source, all conditions in this permit shall be binding on all subsequent owners and operators. *[AQR 19.5.4.1.d]*

EPA Comment #6:

6. Condition 28 in Section II (General Conditions) of the permit requires the sources to promptly report deviations from permit requirements, but does not define the term “prompt.” Since the term is not defined anywhere in DAQEM’s air quality regulations, DAQEM should define it in this and other title V permits. We believe that “prompt” should generally be defined as requiring reporting within two to ten days of the deviation. Two to ten days is sufficient time in most cases to protect public health and safety as well as to provide a forewarning of potential problems.

DAQEM Response: The condition has been revised to the following:

28. The Permittee shall promptly report deviations from permit requirements as soon as practicable but not to exceed ten (10) calendar days of the deviation, including those attributable to upset conditions. Such reporting shall include the probable cause of such deviations and any corrective actions or preventative measures taken. *[AQR 19.4.1.3.c]*

EPA Comment #7:

7. DAQEM states in the TSD that the Compliance Assurance Monitoring (“CAM”) rule does not apply at this time because Nellis submitted its initial title V application on June 14, 1996, “which is prior to the April 20, 1998 cut-off period.” The reference to the “cut-off period” is not clear to readers not familiar with the CAM rule. We recommend that DAQEM provide Part 64 citations, and explain more clearly that CAM does not apply to “large pollutant specific emission units” until permit renewal, provided that the source submitted a complete initial title V application prior to April 20, 1998. (If Nellis has emission units that will be subject to CAM that are not “large,” DAQEM can simply state that CAM will not apply until renewal.)

DAQEM also states in the TSD that Nellis “has updated its Title V application numerous times; the last request for update was received by DAQEM on March 14, 2008.” In the preamble to the final CAM rule, EPA explained that:

“...if the permit application has been found complete but the permit has not issued, and the owner or operator proposes to revise the application to include a change of a type that would have been subject to the significant permit revision process, had the permit been issued, then the owner or operator must include part 64 required information for the pollutant-specific emissions unit(s) identified in the application revision. This circumstance triggers part 64 implementation because this type of permit application revision would require a second completeness determination by the permitting authority, and the implementation provision of §64.5(a)(1)(ii) would be applicable.”

While it may be true that CAM does not apply to any emission unit at Nellis at this time, DAQEM should review the facility’s application updates to determine if any involved emission units with control devices subject to CAM, and if so, whether the requested revisions would have constituted a significant permit revision. If none of the application updates fit this criteria, DAQEM can document this in the administrative record and explain why CAM does not apply at this time.

DAQEM Response: The applications and emission units have been evaluated for CAM applicability. DAQEM has found that no emission unit exceeds a major source threshold prior to the application of emission control. The Technical Support Document (TSD) has been updated to state this conclusion in the following:

40 CFR PART 64-COMPLIANCE ASSURANCE MONITORING

40 CFR § 64.2 – Applicability

Discussion: This is an initial Title V Operating Permit, and the source submitted its initial application on June 14, 1996, which is prior to the April 20, 1998 cut-off period, per 40 CFR 64.5. However, the source has done subsequent updates to the Title V application and therefore, the source is required to be evaluated for CAM applicability. Nellis AFB currently has several emission units, ranging from paint booths to aggregate processing, that are subject to an emission limitation or standard that uses a control device to achieve compliance. However, none of the emission units have an uncontrolled emission rate that

would equal or exceed major source thresholds therefore CAM is not applicable to any of the emission units located at Nellis AFB.

ADDITIONAL CHANGES TO DRAFT TECHNICAL SUPPORT DOCUMENT:

In Section V-D (External Combustion), DAQEM clarified that AQR Section 49 does not apply to Nellis as none of the boilers are more than 4 MMBtu/hr as stated in Permit Condition V-D:

D. Other Applicable Regulations

Boiler operations at NAFB are subject to AQR Sections 12, 26, 40, 43 and 55. AQR Section 49 is not applicable as none of the boilers are more than 4 MMBtu/hr.

In Section VIII-D (Landfill) DAQEM clarified that Nellis is not subject to 40 CFR 60 Subpart WWW as Nellis has never accepted municipal solid waste and is not permitted to do so as stated in Permit Condition VIII-D:

D. Other Applicable Regulations

The landfill is subject to AQR Sections 12, 26, 40, 43 and 55. NAFB must comply with its State Class III landfill permit. The Nellis AFB landfill has never accepted municipal solid waste and is not permitted to accept it so it does not meet the definition of municipal solid waste landfill as defined in 40 CFR 60 Subpart WWW so it is not subject to the subpart

In Section XII-D (Paint Booths and Media Blasting) DAQEM has clarified that 40 CFR 63 Subpart HHHHHH does not apply as the subpart has an exemption for Armed Forces installations as stated in Permit Condition XII-D:

D. Other Applicable Regulations

In 2000, NAFB requested short-term limitations for all permitted paint booths. NAFB has consistently reported its annual emissions to be less than 10 tons per year of any single HAP and less than 25 tons per year of any combination of HAPs. Nellis is designated as a minor source of VOCs and HAPs. In addition, the surface coating operations are subject to AQR Section 12, 26, 40, 43 and 55. NAFB is not subject to 40 CFR 63 Subpart HHHHHH because "Surface coating or paint stripping performed on site at installations owned or operated by the Armed Forces of the United States (including the Coast Guard and the National Guard of any such State), the National Aeronautics and Space Administration, or the National Nuclear Security Administration" (63.11169(d)(1)).

COMMENTS RECEIVED FROM EPA (4/20/09):

EPA Comment #1: The permit has regulatory text pasted from the NESHAPs that goes to applicability, but not the permittee's obligations based on its specific circumstances. This language should not be in the permit, but instead should be used to figure out which NESHAP provisions actually apply. Then those requirements should be added to the permit. For example, much of the language in Permit Conditions IV-B-3-g through i has pointers to NESHAP requirements that may or may not apply, depending on the specific tanks the permittee has and which management practices apply. I cannot say for sure if all NESHAP requirements have been added to the permit, although my impression is that a careful review would show missing requirements. I recognize that NESHAPs are complicated and incorporating them into permits is not an easy task. I guess DAQEM will need to balance the accuracy and completeness of NESHAP requirements in the permit with the need to issue the permit soon.

DAQEM Response: Permit Conditions IV-B-3-g through i have been updated:

- g. The Permittee shall operate gasoline dispensers with a minimum HAP control efficiency of 95 percent on Emission Units J001 and J004. *[AQR 12.8.1.d and 40 CFR Section 63.11118 (d)]*
- h. The Permittee shall meet the requirements of each management practice in Table 1 of Subpart CCCCCC (Attachment 1) for emission unit J005. *[40 CFR Section 63.11118]*
- i. The Permittee shall ensure that cargo tanks unloading at the gasoline dispensing facility comply with the management practices in Table 2 (Attachment 2) of Subpart CCCCCC. *[40 CFR Section 63.11118 (d)]*

Only the applicable requirements for the individual tanks from the Subpart are in the permit and not generalized conditions.

EPA Comment #2: When streamlining, permitting authorities should compare the limits in a discussion in the TSD and explain how compliance with the more stringent limit assures compliance with the other limit(s). The permit should just contain the more stringent limit, although the citation of authority should include both limits, in this case NSPS and NSR. The permit doesn't need the NSPS limit, or language that compliance with the 2.88 lb/hr NSR limit assures compliance with the NSPS limit, since the TSD addresses that. I think condition XI-B-1-c should be revised, or deleted as long as it's clear that the 2.88 lb/hr limit elsewhere in the permit also covers the NSPS limit.

DAQEM Response: Permit Condition XI-B-3-g has been updated:

- g. The Permittee shall not discharge or cause the discharge into the atmosphere from the asphalt drum (EU: A005) emissions containing particulate matter in excess of 2.88 lbs/hr. [ATC/OP 114, Mod. 37, Rev. 1, March 13, 2008, and 40 CFR 60.92 (Subpart I)]

The reference to the NSPS standard has been removed from the permit, but the citation remains. The TSD has been updated with the following to state that the permitted limit is stricter than the NSPS limit and compliance with the NSPS limit is achieved when the Permittee is in compliance with the permitted limit.

The asphalt batch plant is subject to 40 CFR 60 Subpart I. The asphalt drum (EU: A005) shall not discharge emissions containing particulate matter in excess of 0.04 gr/dscf (90 mg/dscm) to comply with this Subpart. The 2.88 lbs/hr permitted emission limit is stricter than the NSPS requirement and therefore compliance with the permitted limit demonstrates compliance the grain loading standard of Subpart I. The asphalt drum stack shall not exhibit opacity exceeding 20 percent.

EPA Comment #3: A few quick thoughts on opacity monitoring. The permit does not require that the observer need to be Method 9 certified. Which would be fine, except that DAQEM has structured the permit so that VEs can trigger a Method 9 observation from the same observer who does the biweekly VEs. I think either the permit must require the observer to be certified, or DAQEM should revise the permit so that the observation of VE triggers a Method 9 observation from a certified reader...It's not clear what "if practicable" means in Conditions XI-C-4. I think DAQEM should delete that phrase, and instead require that any triggered Method 9 observation be performed within a certain amount of time. If there are circumstances that might make such a follow-up difficult, e.g., weather, DAQEM could add condition language to account for that.

DAQEM Response: Permit Condition XI-C-4 has been updated to the following:

4. If the observer sees a plume that, on an instantaneous basis, appears to exceed the opacity standard then the Permittee shall have a certified VE observer, take an EPA Method 9 observation of the plume and record the results. [AQR 12.8.1.c]

This will require a certified observer to conduct the Method 9 observations. This condition was updated throughout the permit. (Conditions V-C-4, VI-C-4, VII-C-4, VIII-C-4, XI-C-4, XIII-C-3, XV-C-8, and XVI-C-4)