



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION IX
75 Hawthorne Street
San Francisco, CA 94105-3901

December 18, 2008

Richard Beckstead, Permitting Manager
Clark County Department of Air Quality and
Environmental Management
500 S. Grand Central Pkwy
Las Vegas, NV 89155-5210

Re: Proposed Title V Permit Renewal for Lasco Bathware

Dear Mr. Beckstead:

Thank you for the opportunity to review DAQEM's proposed title V permit renewal for Lasco Bathware, which we received on November 12, 2008.

Lasco is a major source of styrene and is subject to the National Emission Standard for Hazardous Air Pollutants ("NESHAP") for reinforced plastic composites production, 40 C.F.R. 63, Subpart WWWW. We believe the applicable requirements from Subpart WWWW have not been incorporated into the permit with sufficient specificity to clarify the source's compliance obligations. Since we have not reviewed many DAQEM permits with NESHAP requirements, we are providing comments that we hope will help you ensure that this permit and future permits accurately incorporate applicable NESHAP requirements.

We also note that the Compliance Assurance Monitoring ("CAM") rule, codified in 40 C.F.R. 64, applies to the emission units controlled by the regenerative thermal oxidizer ("RTO"). DAQEM must modify the permit and Technical Support Document ("TSD") to properly implement CAM requirements.

In reviewing Lasco's permitting history, we discovered that the NSR permit that authorized a new production line contravened the source's existing title V permit. We want to remind DAQEM that in this scenario, the source's title V permit must be revised before the source can make the change authorized by the NSR permit.

We have enclosed our detailed comments. Please contact me or Roger Kohn of my staff at (415) 972-3973 or kohn.roger@epa.gov if you want to discuss our comments.

Sincerely,

A handwritten signature in black ink, appearing to read "Gerardo C. Rios", written over a horizontal line.

Gerardo C. Rios
Chief, Permits Office
Air Division

Enclosure

EPA Region 9 Comments
Proposed Title V Permit Renewal
Lasco Bathware

1. The permit lacks sufficient detail from the NESHAP. As the permit is currently written, with only high level references to Subpart WWWW or some of its sections and tables, it is not clear which NESHAP requirements apply to Lasco. This makes the source's compliance obligations unclear to both the permittee and DAQEM, and complicates the task of inspecting the facility and enforcing the NESHAP requirements. Although DAQEM has not sought delegation of 40 CFR 63, Subpart WWWW, the NESHAP for reinforced plastic composites production, this has no impact on title V permit content. The Subpart WWWW requirements are applicable requirements that must be incorporated into the title V permit.

With complex NESHAP requirements that cover different types of operations within an industry, permitting authorities must first review each section of an applicable NESHAP to determine which sections or portions of sections apply to the facility. Subpart WWWW has provisions that apply to open molding, centrifugal casting, continuous lamination/casting, and pultrusion operations in sections §63.5810, §63.5820, and §63.5830. According to the TSD, Lasco uses open molding with mechanical resin application; yet the Subpart WWWW requirements for this type of operation have not been addressed in the permit. DAQEM must develop permit conditions that implement the compliance option that Lasco has selected from §63.5810.

The permit does not contain the emission limits from Subpart WWWW. Section IV.B.1 of the permit, which has emission limits, only contains the source's NSR emission limits. Tables 8 and 9 of the NESHAP (initial compliance requirements, including emission limits) are referenced elsewhere in the permit. However, since Lasco's compliance date (4/21/06) has passed, the initial compliance requirements in Table 8 and 9 no longer apply. Instead, the applicable emission limits from Tables 3, 5, or 7 apply, as well as the applicable work practice standards in Table 4. Again, DAQEM should develop permit conditions to implement the applicable portions of these tables. We recommend that the emission limit conditions be added to section IV.B.1 of the permit, so that all emission limits will be in one place. (Both sets of emission limits must be in the permit, unless DAQEM streamlines the overlapping NSR and NESHAP emission limits and associated monitoring and record-keeping requirements.)

§63.5855 requires sources to monitor and operate all add-on control devices according to the procedures in 40 CFR part 63, Subpart SS. To meet this requirement, DAQEM should develop conditions for the RTO to implement the applicable Subpart SS requirements. The proposed permit only references Subpart SS in the testing context.

The permit lists the Part 63 General Provisions in Attachment 1 (Applicable Regulations). Since not all of the general provisions are applicable to sources subject to WWWW, the permit should instead incorporate Table 15 of Subpart WWWW, which clarifies which general provisions are applicable.

2. The Technical Support Document incorrectly states that LASCO is not subject to Compliance Assurance Monitoring (“CAM”) because the NESHAP for reinforced plastic composites production was promulgated in 2003, and Part 64 exempts NSPS and NESHAP emission limits promulgated after 1990. However other non-exempt emission limits can trigger CAM. In this case, LASCO is subject to NSR VOC emission limits, and the pre-control VOC potential to emit of the emission units that are controlled by the RTO exceeds the major source threshold. Therefore these emission units are subject to CAM. In discussions with EPA, DAQEM has acknowledged the error and stated that the facility did in fact submit a CAM plan.

To address this comment, DAQEM should revise the TSD and the permit. The TSD should explain the applicability of CAM to the emission units controlled by the RTO. The final permit must contain all required CAM elements, including an indicator range, a definition of excursion (or exceedance), and appropriate compliance certification language. The permit already contains NSR conditions with an RTO temperature range and a requirement to continuously monitor and maintain records of the RTO temperature. Since these are apparently consistent with LASCO’S proposal in its CAM plan, the permit should cite Part 64 in addition to NSR as the authority for these requirements. The permit should contain a condition that defines an excursion from the temperature range.

The compliance certification condition (#29 in section II of the permit) must be revised to require that any excursions and exceedances be reported in the annual certification. (Part 70 was revised when Part 64 was promulgated. One of the changes was to §70.6(c)(5)(iii), which now requires that annual compliance certifications “identify as possible exceptions to compliance any periods during which compliance is required and in which an excursion or exceedance as defined under part 64 of this chapter occurred.”)

Finally, Part 64 should be added to the list of applicable requirements in Attachment 1.

3. The TSD notes that DAQEM issued NSR permit modifications 3 and 4 in 2006, and states that “Source is in compliance with Title V requirements for these ATC actions due to the fact that Title V applications for these modifications were received within 12 months of commencement of operation” (p. 9). When a source adds new emission units and the title V permit does not address or prohibit the modification, it is true that the source may make the modification as long as it applies for a title V permit modification within 12 months of making the modification authorized by the NSR permit. However, when a new or revised NSR permit contravenes the source’s existing title V permit, the source cannot make the modification until the title V permit has also been revised. This Part 70 program requirement is implemented with DAQEM’s EPA-approved Title V rule. Section 19 states that “Where an existing Part 70 permit would prohibit such construction or change in operation, the Source must obtain a permit revision before commencing operation” (19.3.1.1).

Modification 3 authorized a second production line, and resulted in an increase in the source’s permitted facility-wide HAP potential to emit (“PTE”) limit from 38.92 to

44.46 tons per year. Since it is DAQEM's practice to include facility-wide limits on a source's potential to emit in all of its title V permits, any increase in a source's permitted PTE authorized via NSR contravenes the existing title V permit. Therefore in accordance with its EPA-approved title V program, DAQEM should have required LASCO to obtain a title V permit revision before operation of the new production line commenced. EPA urges DAQEM to be mindful of this requirement in future permitting actions. Please be aware that sources that begin new or modified operations that contravene their title V permits before the title V permits are modified may be subject to enforcement action.