Bay Area Air Quality Management District

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San Francisco, CA 94109
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Permit Evaluation
and
Statement of Basis
for
RENEWAL
of the
MAJOR FACILITY REVIEW PERMIT

for

Commercial Pattern, Inc.
Facility # A6499

Facility Address:
3162 Baumberg Avenue
Hayward, CA 94545

Mailing Address:
3162 Baumberg Avenue
Hayward, CA 94545

February 2010

Application Engineer: Kevin Oei
Plant Engineer: Pamela J. Leong

Application #21507

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Title V Statement of Basis

A. Background

This facility is subject to the Operating Permit requirements of Title V of the federal Clean Air Act, Part 70 of Title 40 of the Code of Federal Regulations (CFR), and BAAQMD Regulation 2, Rule 6, Major Facility Review because it is a major facility as defined by BAAQMD Regulation 2-6-212. It is a major facility because it has the "potential to emit," as defined by BAAQMD Regulation 2-6-218, of more than 10 tons per year of a hazardous air pollutant, styrene.

Major Facility Operating permits (Title V permits) must meet specifications contained in 40 CFR Part 70 as contained in BAAQMD Regulation 2, Rule 6. The permits must contain all "applicable requirements" (as defined in BAAQMD Regulation 2-6-202), monitoring requirements, recordkeeping requirements, and reporting requirements. The permit holders must submit reports of all monitoring at least every six months and compliance certifications at least every year.

Pursuant to Regulation 2, Rule 6, section 416, the District has reviewed the terms and conditions of this Major Facility Review permit and determined that they are still valid and correct. This review included an analysis of applicability determinations for all sources, including those that have been modified or permitted since the issuance of the initial Major Facility Review Permit. The review also included an assessment of all monitoring in the permit for sufficiency to determine compliance.

In the Bay Area, state and District requirements are also applicable requirements and are included in the permit. These requirements can be federally enforceable or non-federally enforceable. All applicable requirements are contained in Sections I through VI of the permit.

Each facility in the Bay Area is assigned a facility identifier that consists of a letter and a 4-digit number. This identifier is also considered to be the identifier for the permit. The identifier for this facility is A6499.

This facility received its initial Title V permit on February 18, 2005. This application is for a permit renewal. Although the current permit expired on January 31, 2010, it continues in force until the District takes final action on the permit renewal. The proposed permit shows all changes to the permit in strikeout/underline format.

B. Facility Description

Commercial Pattern, Inc. manufactures transit bus components, which are used elsewhere in the manufacturer of transit buses. The transit bus components are made from reinforced plastic composites. Emissions of the facility are primarily volatile organic compounds (VOC). Styrene, which is both a VOC and a hazardous air pollutant, is the main pollutant. Acetone is used for

cleanup and is also emitted. Acetone is considered both a VOC and a Non-Precursor Organic Compound by the District and is considered to not be a VOC by the US EPA.

Reinforced plastic composites consist of a mixture of fibrous reinforcement that provides strength and a plastic matrix that binds and protects the reinforcement. Composites are formed (laid up) in molds as laminates (layers of matrix and reinforcement) or cast in molds as homogeneous mixtures. Fiberglass is used as reinforcement material. Reinforcement may be incorporated into or within products in three forms: as randomly oriented chopped fibers, woven cloth, or fiber bundles (roving). Plastic matrix is formed from the curing (chemical reaction) of the liquid resin mixture, which contains a blend of resins (unconnected plastic subunits), monomers (connecting links between the subunits), and various agents that promote curing and affect the properties of the resin mix. Fillers may also be added to a resin mix to improve the fire rating or other physical characteristics. During the curing process, the resins polymerize (connect through monomer cross-linkage) to form a tough solid plastic.

Commercial Pattern, Inc. also applies a latex-based intumescent coating which forms a firestop at its manufacturing site. The firestop coating is considered to be a topcoat. The coating is applied inside and outside of a booth. The coating operations are grouped as one source, as allowed by District policy, under the November 7, 1996 Policy Memorandum entitled "Guidelines for the Grouping of Coating & Ink Applicators."

The facility has two permitted sources: 1) a reinforced plastic composite operation and fiberglass operation, and 2) motor vehicle coating operation. The fiberglass operation includes gelcoat application, polyester resin application in molds (spray and manual) and cleanup solvent (with the exception of exempt cold cleaners). The motor vehicle coating operation includes topcoat application, using High-Volume, Low-Pressure (HPLV) spray gun and brush. Water or soapy water is used for cleanup of the motor vehicle coating operation.

C. Permit Content

The legal and factual basis for the permit follows. The permit sections are described in the order presented in the permit.

I. Standard Conditions

This section contains administrative requirements and conditions that apply to all facilities. If the Title IV (Acid Rain) requirements for certain fossil-fuel fired electrical generating facilities or the accidental release (40 CFR § 68) programs apply, the section will contain a standard condition pertaining to these programs. Many of these conditions derive from 40 CFR § 70.6, Permit Content, which dictates certain standard conditions that must be placed in the permit. The language that the District has developed for many of these requirements has been adopted into the BAAQMD Manual of Procedures, Volume II, Part 3, Section 4, and therefore must appear in the permit.

The standard conditions also contain references to BAAQMD Regulation 1 and Regulation 2. These are the District's General Provisions and Permitting rules.

<u>Changes to permit:</u>

The dates of adoption and approval of rules in Standard Condition 1.A have been updated.
BAAQMD Regulation 2, Rule 5 - New Source Review of Toxic Air Contaminants and SIP Regulation 2, Rule 6 - Permits, Major Facility Review have been added to Standard Condition 1.A.
The following language was added as Standard Condition I.B.12: "The permit holder is responsible for compliance, and certification of compliance, with all conditions of the permit, regardless whether it acts through employees, agents, contractors, or subcontractors. (Regulation 2-6-307)". The purpose of this language is to reiterate that the Permit Holder is responsible for ensuring that all activities at the facility comply with all applicable requirements.
Regulation 3 has been removed from Standard Condition 1.E.2.
Regulation 3 has been removed from Standard Condition 1.F.

II. Equipment

This section of the permit lists all permitted or significant sources. Each source is identified by an S and a number (e.g., S24).

Permitted sources are those sources that require a BAAQMD operating permit pursuant to BAAQMD Rule 2-1-302.

Significant sources are those sources that have a potential to emit of more than 2 tons of a "regulated air pollutant," as defined in BAAQMD Rule 2-6-222, per year or 400 pounds of a "hazardous air pollutant," as defined in BAAQMD Rule 2-6-210, per year. There are no unpermitted significant sources at this facility.

The equipment section is considered to be part of the facility description. It contains information that is necessary for applicability determinations, such as fuel types, contents or sizes of tanks, etc. This information is part of the factual basis of the permit.

Each of the permitted sources has previously been issued a permit to operate pursuant to the requirements of BAAQMD Regulation 2, Permits. These permits are issued in accordance with state law and the District's regulations. The capacities in the permitted sources table are the maximum allowable capacities for each source, pursuant to Standard Condition I.J and Regulation 2-1-403.

Exempt sources have not been included in the permit. The exempt sources include a solvent recycler and small solvent cold cleaners. Commercial Pattern uses a solvent recycling system, which is exempt from permitting by BAAQMD Regulation 2, Permits, Rule 1, General Requirements, Section 118.8, to recycle acetone for use on-site. Commercial Pattern also uses small solvent cold cleaners containing acetone for cleaning tools. These are exempt from permitting by BAAQMD Regulation 2, Permits, Rule 1, General Requirements, Section 118.6. Since acetone is a VOC as defined by the District but not a HAP as defined by the US EPA, an exempt source is a significant source if the potential to emit acetone exceeds 2 tons per year. The potential emission of acetone from the solvent recycler is considered to be less than 2 tons per year since acetone is recycled to be reused onsite. The potential emission of acetone from each

small solvent cold cleaner is also considered to be less than 2 tons per year since the throughput for each solvent cold cleaner is expected to be less than 2 tons per year.

Changes to permit:
Following are explanations of the differences in the equipment list between the time that the facility originally applied for a Title V permit was revised on 12/22/2003 and the permit proposal date:

Source	Description	Permit Action	Application #	Comments
2	Booth & Brush Area for Bus Component Coating Operation	New Source	13307	District permit issued 12/23/05

III. Generally Applicable Requirements

This section of the permit lists requirements that generally apply to all sources at a facility including insignificant sources and portable equipment that may not require a District permit. If a generally applicable requirement applies specifically to a source that is permitted or significant, the standard will also appear in Section IV and the monitoring for that requirement will appear in Sections IV and VII of the permit. Parts of this section apply to all facilities (e.g., particulate, architectural coating, odorous substance, and sandblasting standards). In addition, standards that apply to insignificant or unpermitted sources at a facility (e.g., refrigeration units that use more than 50 pounds of an ozone-depleting compound) are placed in this section.

Unpermitted sources are exempt from normal District permits pursuant to an exemption in BAAQMD Regulation 2, Rule 1. They may, however, be specifically described in a Title V permit if they are considered significant sources pursuant to the definition in BAAQMD Rule 2-6-239.

Changes to permit:
The address of EPA Region 9's website which contains full language of SIP requirements has been updated.
Table III has been updated by adding the following rules and standards to conform to current practice:

- SIP Regulation 2-1-429, Federal Emissions Statement
- BAAQMD Regulation 6, Particulate Matter and Visible Emissions has been designated as SIP Regulation 6, since the rule has been renamed and renumbered as Regulation 6, Rule 1, Particulate Matter, General Provisions
- SIP 8, Rule 2, Organic Compounds – Miscellaneous Operations since BAAQMD Regulation 8, Rule 2, Organic Compounds – Miscellaneous Operations has been amended and become not federally enforceable
- SIP Regulation 8, Rule 4, Organic Compounds - General Solvent and Surface Coating Operations has been deleted since BAAQMD Regulation 8, Rule 4, Organic Compounds - General Solvent and Surface Coating Operations has become federally enforceable
- BAAQMD Regulation 8, Rule 40, Organic Compounds - Aeration of Contaminated Soil and Removal of Underground Storage Tanks

- SIP Regulation 8, Rule 40, Organic Compounds - Aeration of Contaminated Soil and Removal of Underground Storage Tanks
- BAAQMD Regulation 8, Rule 47, Organic Compounds - Air Stripping and Soil Vapor Extraction Operations
- SIP Regulation 8, Rule 47, Organic Compounds - Air Stripping and Soil Vapor Extraction Operations
- BAAQMD Regulation 9, Rule 1, Inorganic Gaseous Pollutants - Sulfur Dioxide
- SIP Regulation 9, Rule 1, Inorganic Gaseous Pollutants - Sulfur Dioxide
- California Health and Safety Code Title 17, Section 93115, Airborne Toxic Control Measure for Stationary Compression Ignition Engines
- California Health and Safety Code Title 17, Section 93116, Airborne Toxic Control Measure for Diesel Particulate Matter from Portable Engines Rated at 50 Horsepower and Greater
- California Health and Safety Code Title 17, Subchapter 10, Article 2, Sections 95100 through 95109, Mandatory Greenhouse Gas Emissions Reporting

Table III has also been updated by correcting the titles of the following rules and standards:

- Subpart F, 40 CFR 82.156, Recycling and Emissions Reductions – Required Practices
- Subpart F, 40 CFR 82.161, Recycling and Emissions Reductions – Technician Certification
- Subpart F, 40 CFR 82.166, Recycling and Emissions Reductions – Reporting and Recordkeeping Requirements

The dates of adoption or approval of the rules and their "federal enforceability" status in Table III have also been updated.

IV. Source-Specific Applicable Requirements

This section of the permit lists the applicable requirements that apply to permitted or significant sources. These applicable requirements are contained in tables that pertain to one or more sources that have the same requirements. The order of the requirements is:

- District Rules
- SIP Rules (if any) are listed following the corresponding District rules. SIP rules are District rules that have been approved by EPA for inclusion in the California State Implementation Plan. SIP rules are "federally enforceable" and a "Y" (yes) indication will appear in the "Federally Enforceable" column. If the SIP rule is the current District rule, separate citation of the SIP rule is not necessary and the "Federally Enforceable" column will have a "Y" for "yes". If the SIP rule is not the current District rule, the SIP rule or the necessary portion of the SIP rule is cited separately after the District rule. The SIP portion will be federally enforceable; the non-SIP version will not be federally enforceable, unless EPA has approved it through another program.
- Other District requirements, such as the Manual of Procedures, as appropriate.
- Federal requirements (other than SIP provisions)
- BAAQMD permit conditions. The text of BAAQMD permit conditions is found in Section VI of the permit.
- Federal permit conditions. The text of Federal permit conditions, if any, is found in Section VI of the permit.

Section IV of the permit contains citations to all of the applicable requirements. The text of the requirements is found in the regulations, which are readily available on the District's or EPA's websites, or in the permit conditions, which are found in Section VI of the permit. All monitoring requirements are cited in Section IV. Section VII is a cross-reference between the limits and monitoring requirements. A discussion of monitoring is included in Section C.VII of this permit evaluation/statement of basis.

Complex Applicability Determinations

Compliance Assurance Monitoring - The facility is not subject to Compliance Assurance Monitoring (CAM, 40 CFR 68) because there are no abatement devices.

Applicability of 40CFR Part 63, Subpart WWWW – NESHAPS - The facility is subject to the requirements of 40 CFR Part 63, Subpart WWWW – NESHAPs: Reinforced Plastic Composites Production. This rule became effective on April 21, 2003. This rule regulates production and ancillary processes used to manufacture products with thermoset resins and gel coats. Reinforced plastic composites production facilities emit hazardous air pollutants, such as styrene, etc., which have adverse health effects. The NESHAP also implements section 112(d) of the Clean Air Act (CAA) by requiring all major sources in this category to meet HAP emission standards. Since the facility is an existing facility with permitted HAP emissions greater than 10 tons per year but less than 100 tons per year, the facility must comply with the standards in 40 CFR Part 63.5805 (a). These standards can be met with the use of compliant resins and gel coats as allowed by 40 CFR Part 63.5810 (d). The facility does not need to abate HAP emissions to comply.

Flexibility to use NPOCs but not ODCs - Although the only NPOC currently used at the facility is acetone, permit conditions provide the permit holder an option to use other NPOCs. A new condition is proposed to prohibit the use of ozone depleting compounds to ensure that additional NESHAP requirements are not triggered.

Changes to permit:

The address of EPA Region 9's website which contains full language of SIP requirements has been updated.

Section IV has been modified to say that SIP standards are now found on EPA's website and are not included as part of the permit.

The dates of adoption or approval of the rules and their "federal enforceability" status have been updated.

S-1 Fiberglass Operation:

Table IV – A has been modified as follows:

- BAAQMD Regulation 6, Particulate Matter and Visible Emissions has been designated as SIP Regulation 6, since the rule has been renamed and renumbered as Regulation 6, Rule 1, Particulate Matter, General Provisions.
- BAAQMD Regulation 8-50-110 has been deleted.
- BAAQMD Regulations 8-50-301.1 and 8-50-301.2 have been deleted.
- BAAQMD Regulations 8-50-301.4 through 8-50-301.7 for closed-mold system, vapor suppressant & VOC emission limits, monomer content limits for polyester resin and gel

coat, and monomer content limits for touch ups, repairs, and installations have been added.

- BAAQMD Regulation 8-50-302.1 has been updated to contain an end date of 10/1/11.
- BAAQMD Regulation 8-50-302.2 has been amended and modified to list application methods allowed with an effective date of 10/1/11.
- BAAQMD Regulation 8-50-302.3 has been amended and modified to list application methods allowed for touch ups, repairs, and installations.
- BAAQMD Regulation 8-50-302.4 has been deleted.
- BAAQMD Regulation 8-50-304 has been amended and modified to limit monomer content for corrosion-resistant materials.
- BAAQMD Regulation 8-50-305.4 has been amended and modified to limit VOC content of clean-up solvent to no more than 25 g/liter.
- BAAQMD Regulation 8-50-305.5, Acetone Use in Cold Cleaner has been added.
- BAAQMD Regulation 8-50-307 has been deleted.
- BAAQMD Regulations 8-50-308, Prohibition of Specification Requirement and 8-50-309, Compliance Statement Requirement have been added.
- BAAQMD Regulation 8-50-501.5 has been amended and modified to require record retention for 36 months.
- Future effective dates of 40 CFR 63 Subpart WWWW have been deleted.
- The following language has been added to 63.5835 (a): ", or organic HAP content limits in Table 7."
- BAAQMD Condition #9997, Part 2 has been amended and modified to limit monomer content for gel coat with basis of Regulation 8-50-301.
- BAAQMD Condition #9997, Part 6 has been amended and modified to contain VOC limitation for cleaning products.
- BAAQMD Condition #9997, Part 10 basis has been changed from "Toxic Risk Screen" to "Regulation 2-5."

<u>S-2 Booth & Brush Area for Bus Component Coating Operation:</u>

Table IV – B has been added to list the following rules and standards applicable to S-2 Booth & Brush Area for Bus Component Coating Operation:

- BAAQMD Regulation 8, Rule 1, Organic Compounds – General Provisions
- BAAQMD Regulation 8, Rule 45, Organic Compounds – Motor Vehicle and Mobile Equipment Coating Operations
- SIP Regulation 8, Rule 45, Organic Compounds – Motor Vehicle and Mobile Equipment Coating Operations
- BAAQMD Condition #22654

V. Schedule of Compliance

A schedule of compliance is required in all Title V permits pursuant to BAAQMD Regulation 2-6-409.10 which provides that a major facility review permit shall contain the following information and provisions:

"409.10 A schedule of compliance containing the following elements:

10.1 A statement that the facility shall continue to comply with all applicable requirements with which it is currently in compliance;

> 10.2 A statement that the facility shall meet all applicable requirements on a timely basis as requirements become effective during the permit term; and
>
> 10.3 If the facility is out of compliance with an applicable requirement at the time of issuance, revision, or reopening, the schedule of compliance shall contain a plan by which the facility will achieve compliance. The plan shall contain deadlines for each item in the plan. The schedule of compliance shall also contain a requirement for submission of progress reports by the facility at least every six months. The progress reports shall contain the dates by which each item in the plan was achieved and an explanation of why any dates in the schedule of compliance were not or will not be met, and any preventive or corrective measures adopted."

Since the District has not determined that the facility is out of compliance with an applicable requirement, the schedule of compliance for this permit contains only sections 2-6-409.10.1 and 2-6-409.10.2.

The applicant submitted a completed "Certification Statement" form that attests to sections 409.10.1 and 409.10.2.

Changes to permit:
None

VI. Permit Conditions

During the Title V permit development, the District has reviewed the existing permit conditions, deleted the obsolete conditions, and, as appropriate, revised the conditions for clarity and enforceability. Each permit condition is identified with a unique numerical identifier, up to five digits.

When necessary to meet Title V requirements, additional monitoring, recordkeeping, or reporting has been added to the permit.

All changes to existing permit conditions are clearly shown in "strike-out/underline" format in the proposed permit. When the permit is issued, all 'strike-out" language will be deleted; all "underline" language will be retained, subject to consideration of comments received.

The existing permit conditions are derived from previously issued District Authorities to Construct (A/C) or Permits to Operate (P/O). Permit conditions may also be imposed or revised as part of the annual review of the facility by the District pursuant to California Health and Safety Code (H&SC) § 42301(e), through a variance pursuant to H&SC § 42350 et seq., an order of abatement pursuant to H&SC § 42450 et seq., or as an administrative revision initiated by District staff. After issuance of the Title V permit, permit conditions will be revised using the procedures in Regulation 2, Rule 6, Major Facility Review.

Conditions that are obsolete or that have no regulatory basis have been deleted from the permit.

Conditions have also been deleted due to the following:

- Redundancy in record-keeping requirements.
- Redundancy in other conditions, regulations and rules.
- The condition has been superseded by other regulations and rules.

- The equipment has been taken out of service or is exempt.
- The event has already occurred (e.g., initial or start-up source tests).

The regulatory basis is listed following each condition. The regulatory basis may be a rule or regulation. The District is also using the following terms for regulatory basis:

- BACT: This term is used for a condition imposed by the Air Pollution Control Officer (APCO) to ensure compliance with the Best Available Control Technology in Regulation 2-2-301.
- Cumulative Increase: This term is used for a condition imposed by the APCO which limits a source's operation to the operation described in the permit application pursuant to BAAQMD Regulation 2-1-403.
- Offsets: This term is used for a condition imposed by the APCO to ensure compliance with the use of offsets for the permitting of a source or with the banking of emissions from a source pursuant to Regulation 2, Rules 2 and 4.
- PSD: This term is used for a condition imposed by the APCO to ensure compliance with a Prevention of Significant Deterioration permit issued pursuant to Regulation 2, Rule 2.

Additional monitoring has been added, where appropriate, to assure compliance with the applicable requirements.

Changes to permit:

BAAQMD Permit Condition 9997 has been modified as follows:

- Part 2 has been amended and modified to limit monomer content for gel coat with basis of Regulation 8-50-301.
- Part 4a has been amended and modified to limit monomer content for resin to the applicable limit specified in BAAQMD Section 8-50-301, Table 1.
- Part 4b has been amended and modified to limit emissions from vapor-suppressed resin to 50 grams of volatile compounds per square meter of surface area.
- Part 4c has been amended and modified to limit monomer content for corrosion-resistant, high-strength and tooling resin to 46% by weight.
- The following language has been added to Part 6: "; use cleaning products that contain no greater than 25 grams of VOC per liter of material; and may use acetone in a cold cleaner provided the provisions of Section 8-50-305.5 are complied with, notwithstanding the provisions of Regulation 8, Rule 16."
- Part 10 basis has been changed from "Toxic Risk Screen" to "Regulation 2-5."

BAAQMD Permit Condition 22654 has been added for S-2 Booth & Brush Area for Bus Component Coating Operation.

VII. Applicable Limits and Compliance Monitoring Requirements

This section of the permit is a summary of numerical limits and related monitoring requirements for each source. The summary includes a citation for each monitoring requirement, frequency of monitoring, and type of monitoring. The applicable requirements for monitoring are completely contained in Sections IV, Source-Specific Applicable Requirements, and VI, Permit Conditions, of the permit.

The District has reviewed all monitoring and has determined the existing monitoring is adequate for the requirements of BAAQMD Regulation 8, Rule 45, BAAQMD Regulation 8, Rule 50, BAAQMD Condition 9997, and BAAQMD Condition 22654.

Changes to permit:

S-1 Fiberglass Operation:

Table VII – A has been modified as follows:

- BAAQMD Regulations 8-50-301.1 and 8-50-301.2 have been deleted since they expired on 10/1/10.
- New limits on resin monomer content, on weight loss/emissions, and on monomer content of resins and gel coats used to touch up, repair, or install a composite product in BAAQMD Regulations 8-50-301.5, 8-50-301.6, and 8-50-301.7 have been added.
- BAAQMD Regulations 8-50-304 has been deleted since it expired on 10/1/10.
- New limit on monomer content of corrosion resistant materials in BAAQMD Regulations 8-50-304 has been added.
- Limit on VOC content of cleaning material in BAAQMD Regulation 8-50-305.4 has been amended and modified to say "≤ 25 g/liter."
- BAAQMD Regulations 8-50-307 has been deleted since it expired on 10/1/10.
- Future effective dates of 40 CFR 63.5805(a) have been deleted.
- BAAQMD Regulation 6 has been renamed, renumbered as Regulation 6, Rule 1, and become not federally enforceable.

S-2 Booth & Brush Area for Bus Component Coating Operation:

Table VII – B has been added to list the following limits and compliance monitoring requirements applicable to S-2 Booth & Brush Area for Bus Component Coating Operation:

- BAAQMD Regulation 8-45-301.3
- BAAQMD Regulation 8-45-308.5
- BAAQMD Regulation 8-45-312
- SIP Regulation 8-45-301.2
- SIP Regulation 8-45-308.4
- SIP Regulation 8-45-312
- SIP Regulation 8-45-313
- SIP Regulation 8-45-314

VIII. Test Methods

This section of the permit lists test methods that are associated with standards in District or other rules. It is included only for reference. In most cases, the test methods in the rules are source test methods that can be used to determine compliance but are not required on an ongoing basis. They are not applicable requirements.

If a rule or permit condition requires ongoing testing, the requirement will also appear in Section IV of the permit.

Changes to permit:

Table VIII has been updated by adding the acceptable test methods for the following rules and standards:

- BAAQMD Regulation 8-45-301.3
- BAAQMD Regulation 8-45-308.5
- SIP Regulation 8-45-301
- SIP Regulation 8-45-308.4
- BAAQMD Regulation 8-50-301.5
- BAAQMD Regulation 8-50-301.6
- BAAQMD Regulation 8-50-301.7
- SIP Regulation 8-50-301.1
- SIP Regulation 8-50-301.2
- SIP Regulation 8-50-304
- SIP Regulation 8-50-305.4
- SIP Regulation 8-50-307

IX. Permit Shield:

The District rules allow two types of permit shields. The permit shield types are defined as follows: (1) A provision in a major facility review permit explaining that specific federally enforceable regulations and standards do not apply to a source or group of sources, or (2) A provision in a major facility review permit explaining that specific federally enforceable applicable requirements for monitoring, recordkeeping and/or reporting are subsumed because other applicable requirements for monitoring, recordkeeping, and reporting in the permit will assure compliance with all emission limits.

The second type of permit shield is allowed by EPA's White Paper 2 for Improved Implementation of the Part 70 Operating Permits Program. The District uses the second type of permit shield for all streamlining of monitoring, recordkeeping, and reporting requirements in Title V permits. The District's program does not allow other types of streamlining in Title V permits.

This facility has no permit shields.

Changes to permit:
None

D. Alternate Operating Scenarios:

No alternate operating scenario has been requested for this facility.

E. Compliance Status:

A December 10, 2010 office memorandum from the Director of Compliance and Enforcement to the Director of Engineering Services presents a review of the compliance record of Commercial Pattern, Inc. (Site #: A6499). The Compliance and Enforcement Division staff has reviewed the records for Commercial Pattern, Inc. for the period from November 1, 2005 through October 30, 2010. This review was initiated as part of the District evaluation of an application by

Commercial Pattern, Inc. for a renewal Title V permit. During the period subject to review, activities known to the District include:

- There were no Notices of Violation issued during this review period.
- The District did not receive any complaints.
- The facility is not operating under a Variance or an Order of Abatement from the District Board.

By submitting a completed and signed "Certification Statement", the owner certified that all equipment was operating in compliance on January 12, 2010. No non-compliance issues have been identified to date.

F. Differences between the Application and the Proposed Permit:

The Title V permit application to renew the permit was submitted on January 19, 2010. This version is the basis for constructing the proposed Title V permit. Changes to the permit conditions, application, sources, etc. include the following:

A new source S-2 Booth & Brush Area for Bus Component Coating Operation was permitted under Application 13307 in December 2005 and has been added to the permit with throughput limit of 5,380 gallons per year Firetemp SI spray intumescent coating.

BAAQMD Permit Condition 22654 has been added for S-2 Booth & Brush Area for Bus Component Coating Operation.

APPENDIX A

BAAQMD COMPLIANCE REPORT

COMPLIANCE & ENFORCEMENT DIVISION

Inter-Office Memorandum

December 10, 2010

TO: BRIAN BATEMAN – DIRECTOR OF ENGINEERING

FROM: KELLY WEE – DIRECTOR OF ENFORCEMENT

SUBJECT: REVIEW OF COMPLIANCE RECORD OF:

COMMERCIAL PATTERN, INC, SITE A6499

Background

This review was initiated as part of the District evaluation of an application by Commercial Pattern Inc., site A6499, for a Title V Permit Renewal. It is standard practice of the Compliance and Enforcement Division to undertake a compliance record review in advance of a renewal of a Title V Permit to Operate. The purpose of this review is to assure that any non-compliance problems identified during the prior five-year permit term have been adequately addressed, or, if non-compliance persists, that a schedule of compliance is properly incorporated into the Title V permit compliance schedule. In addition, the review checks for patterns of recurring violation that may be addressed by additional permit terms. Finally, the review is intended to recommend, if necessary, any additional permit conditions and limitations to improve compliance.

Compliance Review

Staff reviewed Commercial Pattern Inc., site A6499 Facility Annual Compliance Certifications for November 1, 2005 to October 30, 2010 and found no ongoing non-compliance and no recurring pattern of violations.

Staff also reviewed the District compliance records for Commercial Pattern Inc., site A6499 for November 1, 2005 to October 30, 2010. During this period Commercial Pattern Inc., site A6499 activities known to the District include:

The District did not issue any Notices of Violation.

The District did not receive any air pollution complaints alleging Commercial Pattern Inc., as the source.

The District did not receive any notifications for Reportable Compliance Activities (RCA).

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There are no enforcement agreements, open variances, or open abatement orders for Commercial Pattern Inc.

Conclusion

The Compliance and Enforcement Division has made a determination that for the five year period Commercial Pattern Inc was in compliance. There is no evidence of on-going non-compliance and no recurring pattern of violations that would warrant consideration of a Title V permit compliance schedule or permit terms.

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APPENDIX B

GLOSSARY

ACT
Federal Clean Air Act

APCO
Air Pollution Control Officer

ARB
Air Resources Board

BAAQMD
Bay Area Air Quality Management District

BACT
Best Available Control Technology

Basis
The underlying authority which allows the District to impose requirements.

CAA
The federal Clean Air Act

CAAQS
California Ambient Air Quality Standards

CAPCOA
California Air Pollution Control Officers Association

CEQA
California Environmental Quality Act

CFR
The Code of Federal Regulations. 40 CFR contains the implementing regulations for federal environmental statutes such as the Clean Air Act. Parts 50-99 of 40 CFR contain the requirements for air pollution programs.

CO
Carbon Monoxide

Cumulative Increase
The sum of permitted emissions from each new or modified source since a specified date pursuant to BAAQMD Rule 2-1-403, Permit Conditions (as amended by the District Board on 7/17/91) and SIP Rule 2-1-403, Permit Conditions (as approved by EPA on 6/23/95). Cumulative increase is used to determine whether threshold-based requirements are triggered.

District
The Bay Area Air Quality Management District

dscf
Dry Standard Cubic Feet

EPA
The federal Environmental Protection Agency.

Excluded
Not subject to any District regulations.

Federally Enforceable, FE
All limitations and conditions which are enforceable by the Administrator of the EPA including those requirements developed pursuant to 40 CFR Part 51, subpart I (NSR), Part 52.21 (PSD), Part 60 (NSPS), Part 61 (NESHAPs), Part 63 (MACT), and Part 72 (Permits Regulation, Acid Rain), including limitations and conditions contained in operating permits issued under an EPA-approved program that has been incorporated into the SIP.

FP
Filterable Particulate as measured by BAAQMD Method ST-15, Particulate.

HAP
Hazardous Air Pollutant. Any pollutant listed pursuant to Section 112(b) of the Act. Also refers to the program mandated by Title I, Section 112, of the Act and implemented by 40 CFR Part 63.

Major Facility
A facility with potential emissions of: (1) at least 100 tons per year of regulated air pollutants, (2) at least 10 tons per year of any single hazardous air pollutant, and/or (3) at least 25 tons per year of any combination of hazardous air pollutants, or such lesser quantity of hazardous air pollutants as determined by the EPA administrator.

MFR
Major Facility Review. The District's term for the federal operating permit program mandated by Title V of the Federal Clean Air Act and implemented by District Regulation 2, Rule 6.

MOP
The District's Manual of Procedures.

NAAQS
National Ambient Air Quality Standards

NESHAPS
National Emission Standards for Hazardous Air Pollutants. See in 40 CFR Parts 61 and 63.

NMHC
Non-methane Hydrocarbons (Same as NMOC)

NMOC
Non-methane Organic Compounds (Same as NMHC)

NOx
Oxides of nitrogen.

NPOC
Non-Precursor Organic Compound, as defined in BAAQMD Regulation 2, General Requirements, Rule 1, Permits, Section 207

NSPS
Standards of Performance for New Stationary Sources. Federal standards for emissions from new stationary sources. Mandated by Title I, Section 111 of the Federal Clean Air Act, and implemented by 40 CFR Part 60 and District Regulation 10.

NSR
New Source Review. A federal program for pre-construction review and permitting of new and modified sources of pollutants for which criteria have been established in accordance with Section 108 of the Federal Clean Air Act. Mandated by Title I of the Federal Clean Air Act and implemented by 40 CFR Parts 51 and 52 and District Regulation 2, Rule 2. (Note: There are additional NSR requirements mandated by the California Clean Air Act.)

Offset Requirement
A New Source Review requirement to provide federally enforceable emission offsets for the emissions from a new or modified source. Applies to emissions of POC, NOx, PM10, and SO2.

Phase II Acid Rain Facility
A facility that generates electricity for sale through fossil-fuel combustion and is not exempted by 40 CFR 72 from Titles IV and V of the Clean Air Act.

POC
Precursor Organic Compound, as defined in BAAQMD Regulation 2, General Requirements, Rule 1, Permits, Section 208

PM
Particulate Matter

PM10
Particulate matter with aerodynamic equivalent diameter of less than or equal to 10 microns

PSD
Prevention of Significant Deterioration. A federal program for permitting new and modified sources of those air pollutants for which the District is classified "attainment" of the National Air Ambient Quality Standards. Mandated by Title I of the Act and implemented by both 40 CFR Part 52 and District Regulation 2, Rule 2.

SIP
State Implementation Plan. State and District programs and regulations approved by EPA and developed in order to attain the National Air Ambient Quality Standards. Mandated by Title I of the Act.

SO2
Sulfur dioxide

THC
Total Hydrocarbons (NMHC + Methane)

Title V
Title V of the federal Clean Air Act. Requires a federally enforceable operating permit program for major and certain other facilities.

TOC
Total Organic Compounds (NMOC + Methane, Same as THC)

TPH
Total Petroleum Hydrocarbons

TSP
Total Suspended Particulate

VOC
Volatile Organic Compounds, as defined in BAAQMD Regulation 8, Organic Compounds, Rule 50, Polyester Resin Operations, Section 220

Units of Measure:

bhp	=	brake-horsepower
btu	=	British Thermal Unit
cfm	=	cubic feet per minute
g	=	grams
gal	=	gallon
gpm	=	gallons per minute
hp	=	horsepower
hr	=	hour
lb	=	pound
in	=	inches
max	=	maximum
m^2	=	square meter
min	=	minute
mm	=	million
MMbtu	=	million btu
MMcf	=	million cubic feet
ppmv	=	parts per million, by volume
ppmw	=	parts per million, by weight
psia	=	pounds per square inch, absolute
psig	=	pounds per square inch, gauge
scfm	=	standard cubic feet per minute
yr	=	year

APPENDIX C

BAAQMD ENGINEERING EVALUATION REPORT

ENGINEERING EVALUATION
COMPANY; PLANT #6499
APPLICATION #13307

BACKGROUND

Commercial Pattern manufacturers bus components using polyester resins in Hayward. The components are used locally in the manufacturing of transit buses. Commercial Pattern submitted this permit application to apply a latex-based intumescent coating which forms a firestop. This operation has been performed elsewhere by others and Commercial Pattern now desires to apply this firestop material at its manufacturing site. Commercial Pattern has requested that the Authority to Construct be waived and a Permit to Operate be issued.

Commercial Pattern is a Major Facility since it is permitted to emit more than 10 tons per year of styrene. This new coating operation uses a coating that contains 44.6 grams of POC per actual liter (approximately 0.372 pounds per actual gallon) of coating but is subject to our permit requirements since the coating operation does not qualify for any permit exemption. Commercial Patter desires to apply more than 2,000 gallons per year. Cleanup is represented in the literature to use only water or soapy water, so no additional POC and/or NPOC emissions need to be allowed for cleanup solvent.

The coating in this application will be applied inside and outside of a booth. This grouping as one source is allowed under the November 7, 1996 Policy Memorandum entitled "Guidelines for the Grouping of Coating & Ink Applicators."

EMISSIONS SUMMARY

The applicant has applied to emit less than 1 ton per year of POC from the application of the latex-based intumescent coating which forms a firestop. I am proposing a coating usage limit based on POC emissions of 1 ton per year with an option to use the firestop coating and/or other coating(s) provided emissions do not exceed 1 ton per year of POC. To allow additional limited flexibility to use other coatings, I am also proposing an NPOC emission allowance of 1 ton per year.

At the annual permitted emission rate, daily emissions are assumed to exceed both 10 pounds per day of POC and NPOC.

PLANT CUMULATIVE INCREASE

POC = 1.000 tpy
NPOC = 1.000 tpy

TOXIC RISK SCREENING ANALYSIS

No toxic air pollutants were identified in the MSDS. A standard permit condition is being proposed to allow limited emissions of TACs to below all trigger limits in Rule 2-5.

STATEMENT OF COMPLIANCE

The proposed project complies with Regulation 8, Organic Compounds, Rule 45, Motor Vehicle and Mobile Equipment Coating Operations, Sections 301.2 and 303. We consider the firetemp product to be a topcoat. The actual POC content of the identified coating is 44.6 grams per actual liter. The POC content excluding water is less than 100 grams per liter and easily complies with the topcoat allowance in Section 301.2 of 420 grams of POC per liter excluding water and exempt solvents. The applicant will use a HVLP spray gun and brush to apply the product and therefore complies with Section 303. Since the applicant is subject to Regulation 8, Rule 45, the applicant is not subject to Regulation 8, Rule 31, Surface Preparation and Coating of Plastic Parts and Products.

The project is considered to be ministerial under the District's CEQA Regulation 2-1-311 because it is evaluated in accordance with Chapter 5.8 of the Permit Handbook and therefore is not subject to CEQA review. The engineering review for this project requires only the application of standard permit conditions and standard emission factors and therefore is not discretionary as defined by CEQA.

The project is over 1000 feet from the nearest school and is therefore not subject to the public notification requirements of Regulation 2-1-412.

A Toxics Risk Screening Analysis is not required. TBACT does not apply.

PSD, NSPS, and NESHAPS do not apply to this new coating operation. The facility is a Title V facility and its Title 5 permit will be revised to reflect this new operation.

BACT AND OFFSETS

Since emissions of POC and NPOC are each assumed to exceed 10 pounds per highest day, a BACT analysis is required. The most relevant Source Category in the BACT Workbook appears to be document number 161.3.1, for the combination of "Spray Booth – Coating of Motor Vehicle and Mobile Equipment, Rework or Bodyshop," and "<40 lb/day Emissions (Uncontrolled)." BACT2, the achieved in practice BACT, for POC and NPOC is "Complying Coatings and Coating Equipment …" which the applicant will satisfy. BACT1, Technologically Feasible/Cost Effective BACT is presumed to not be cost effective for a project permitted to emit 1 tpy each of POC and NPOC.

This is the first permit application from the applicant after the District lowered the emission-offset provision in Regulation 2-2-302 at the end of 2004. Section 302 now requires offsets be

provided from the Small Facility Bank, if available, for a facility that will be permitted to emit between 10 and 35 tons of POC per year. The lower threshold previously was 15 tons per year. Since the applicant has a cumulative increase (and a current permitted POC emission limit) of 11.008 tons of POC per year, offsets will need to be provided as follows:

Offsets from SFB = (pre-existing POC cumulative increase plus POC cumulative increase from current application) times offset ratio of 1:1
= (11.008 + 1.000) * 1
= 12.008 tpy of POC

PERMIT CONDITIONS

Conditions for S-2, Booth and Brush Area for Bus Component Coating Operation
Plant #6499, Application #13307

1. The permit holder shall apply not more than 5,380 gallons of Firetemp SI spray intumescent coating at S-2 during any consecutive 12-month period. (basis: Cumulative Increase)

2. The permit holder may use coatings other than or in addition to the materials specified in Part 1 and/or usages in excess of those specified in Part 1 provided that the permit holder can demonstrate that all of the following are satisfied:
   a. Total POC emissions from S-2 do not exceed 1 ton in any consecutive twelve month period; and
   b. Total NPOC emissions from S-2 do not exceed 1 ton in any consecutive twelve month period; and
   c. The use of these materials does not increase toxic emissions above any risk screening trigger level in Table 2-5-1 of District Regulation 2, Rule 5.
   (basis: Cumulative Increase or Regulation 2, Rule 5)

3. The permit holder shall maintain a current list of all materials used at S-2 and the Material Safety Data Sheets for each. The list shall provide all of the data necessary to evaluate compliance, including the following information: material used; VOC content of the material, as applied. (basis: Cumulative Increase)

4. To determine compliance with the above conditions, the permit holder shall maintain the following records and provide all of the data necessary to evaluate compliance with the above conditions, including the following information: the type, quantity, and VOC plus toxic air contaminant content of each material, as applied, on a weekly basis; weekly usages and/or emission calculations shall be totaled for consecutive twelve-month sums on a weekly basis.

   All records shall be retained on-site for five years from the date of entry and made available for inspection by District staff upon request. These record-keeping requirements shall not replace the record keeping requirements contained in any applicable District Regulations. (basis: Cumulative Increase, Rule 8-45)

5. The permit holder shall not use any coating subject to 40 CFR 82, Protection of Stratospheric Ozone. (basis: Regulation 2-6-503)

RECOMMENDATION

Waive the Authority to Construct and issue a conditional Permit to Operate for the following source:

S-2, Booth and Brush Area for Bus Component Coating Operation

By: _____ Date: November 28, 2005
Donald P. Van Buren, P.E.