Brian Schweitzer, Governor

P. O. Box 200901

Helena, MT 59620-0901

(406) 444-2544

Website: www.deq.mt.gov

January 3, 2013

Mr. Ken Bridgeford Montana Fiberglass 2063 Casino Creek Drive Lewistown, MT 59457

Dear Mr. Bridgeford:

Montana Air Quality Permit #4069-01 is deemed final as of January 3, 2013, by the Department of Environmental Quality (Department). This permit is for Montana Fiberglass. All conditions of the Department's Decision remain the same. Enclosed is a copy of your permit with the final date indicated.

For the Department,

Julie Merkel

Air Permitting Supervisor

Air Resources Management Bureau

Julio A Merkel

(406) 444-3626

Shawn Juers

Environmental Engineer

Air Resources Management Bureau

(406) 444-2049

JM:SJ Enclosure

Montana Department of Environmental Quality Permitting and Compliance Division

Montana Air Quality Permit #4069-01

Montana Fiberglass 2063 Casino Creek Drive Lewistown, MT 59457

January 3, 2013



MONTANA AIR QUALITY PERMIT

Issued To: Montana Fiberglass, Inc. MAQP: #4069-01

2063 Casino Creek Drive Application Complete: October 5, 2012

Lewistown, MT 59457 Preliminary Determination Issued: November 14, 2012
Department's Decision Issued: December 18, 2012

Permit Final: January 3, 2013

AFS #: 027-0008

A Montana Air Quality Permit (MAQP), with conditions, is hereby granted to Montana Fiberglass, Inc (MFI), pursuant to Sections 75-2-204 and 211 of the Montana Code Annotated (MCA), as amended, and Administrative Rules of Montana (ARM) 17.8.740, *et seq.*, as amended, for the following:

Section I: Permitted Facilities

A. Plant Location

MFI operates a manufacturing facility that produces tanks and other products made from fiberglass. A complete list of the permitted equipment is contained in Section I.A of the permit analysis. MFI is located in Section 22, Township 15 North, Range 18 East, in Fergus County. The physical address is 2063 Casino Creek Drive in Lewistown, Montana.

B. Current Permit Action

On August 20, 2012, the Department of Environmental Quality – Air Resources Management Bureau (Department) received an MAQP application from MFI for modification of the existing equipment list. MFI requested that one impregnator unit, and one chopper gun, be removed from the permit. The request also included the addition of one pressure feed roller, one putty dispenser, and one gel coat spray gun. Additional information regarding a Best Available Control Technology (BACT) analysis was received by the Department on October 4, 2012. The current permit action updates the permit to reflect the change in equipment, including the equipment list noted in the permit analysis.

Section II: Conditions and Limitations

A. Operation and Emission Limitations

- 1. Volatile Organic Compound (VOC) emissions from the facility shall be limited to 75.8 tons during any rolling 12-month time period (ARM 17.8.749).
- 2. MFI shall not exceed the applicable organic Hazardous Air Pollutant (HAP) emission limits listed in Table 3 of 40 Code of Federal Regulations (CFR 63) Subpart WWWW on a 12-month rolling basis. For operations characterized as open molding corrosion resistant and/or high strength, the following limits apply (ARM 17.8.342, 40 CFR 63 Subpart WWWW):

Mechanical resin application
 113 pounds HAP/ton resin (lb/ton)

Manual resin application
 Filament
 Nonatomized spray gel coat
 123 lb/ton
 171 lb/ton
 605 lb/ton

- 3. MFI shall comply with all applicable standards and limitations contained in 40 CFR 63, Subpart WWWW, including the work practice standards specified in Table 4 (ARM 17.8.342, 40 CFR 63 Subpart WWWW).
- 4. MFI shall use high volume/low pressure (HVLP) non-atomizing spray systems (ARM 17.8.752).
- 5. MFI shall not cause or authorize to be discharged into the atmosphere from any source, visible emissions that exhibit 20% opacity or greater averaged over 6 consecutive minutes (ARM 17.8.304).
- 6. MFI shall not cause or authorize the use of any street, road, or parking lot without taking reasonable precautions to control emissions of airborne particulate matter (ARM 17.8.308).
- 7. MFI shall treat all unpaved portions of the haul roads, access roads, parking lots, or general plant area with water and/or chemical dust suppressant as necessary to maintain compliance with the reasonable precautions limitation in Section II.A.6 (ARM 17.8.749).

B. Testing Requirements

- 1. All compliance source tests shall conform to the requirements of Montana's Source Test Protocol and Procedures Manual (ARM 17.8.106).
- 2. The Department may require further testing (ARM 17.8.105).

C. Operational Reporting Requirements

1. MFI shall supply the Department with annual production information for all emission points, as required by the Department in the annual emission inventory request. The request will include, but is not limited to, all sources of emissions identified in the emission inventory contained in the permit analysis.

Production information shall be gathered on a calendar-year basis and submitted to the Department by the date required in the emission inventory request. Information shall be in the units required by the Department. This information may be used for calculating operating fees, based on actual emissions from the facility, and/or to verify compliance with permit limitations (ARM 17.8.505).

- 2. MFI shall notify the Department of any construction or improvement project conducted pursuant to ARM 17.8.745 that would include *the addition of a new emissions unit*, change in control equipment, stack height, stack diameter, stack flow, stack gas temperature, source location, or fuel specifications, or would result in an increase in source capacity above its permitted operation or the addition of a new emission unit. The notice must be submitted to the Department, in writing, 10 days prior to start up or use of the proposed de minimis change, or as soon as reasonably practicable in the event of an unanticipated circumstance causing the de minimis change, and must include the information requested in ARM 17.8.745(1)(d) (ARM 17.8.745).
- 3. MFI shall document, by month, the VOC and HAP emissions from the facility. By the 25th day of each month, MFI shall total the VOC and HAP emissions from the facility during the previous 12 months to verify compliance with the limitations in Section II.A.1 and Section II.A.2.

For the fiberglass resin applications, the calculation of VOC and HAP emissions shall be based on the amount of each resin used, and the percentage of VOC and HAP in each resin. The emissions for the fiberglass process are to be calculated in accordance with the requirements of 40 CFR 63 Subpart WWWW.

For painting or other processes emitting VOCs and HAPs, the emissions will be based on the amount of raw material used (such as paint and thinner) and the percent VOC and HAP in each raw material (ARM 17.8.749).

- 4. MFI must record all data, assumptions, and calculations used to determine organic HAP emission factors or average HAP contents for the facility. MFI must document any changes in raw materials (including VOC and HAP contents) with records. A written report of compliance verification shall be submitted along with the annual emissions inventory (ARM 17.8.749).
- 5. MFI shall maintain on-site records demonstrating compliance with the National Emission Standards for Hazardous Air Pollutants (NESHAP) 40 CFR 63 Subpart WWWW. The records compiled in accordance with this permit shall be maintained by MFI as a permanent business record for at least 5 years and must be available at the plant for inspection by the Department, and must be submitted to the Department upon request (ARM 17.8.749).

D. Notification

MFI must submit to the Department all notifications and reports in accordance with the requirements of 40 CFR 63 Subpart WWWW (40 CFR Part 63).

SECTION III: General Conditions

- A. Inspection MFI shall allow the Department's representatives access to the source at all reasonable times for the purpose of making inspections or surveys, collecting samples, obtaining data, auditing any monitoring equipment (Continuous Emissions Monitoring System, Continuous Emissions Rate Monitoring System) or observing any monitoring or testing, and otherwise conducting all necessary functions related to this permit.
- B. Waiver The permit and the terms, conditions, and matters stated herein shall be deemed accepted if MFI fails to appeal as indicated below.
- C. Compliance with Statutes and Regulations Nothing in this permit shall be construed as relieving MFI of the responsibility for complying with any applicable federal or Montana statute, rule, or standard, except as specifically provided in ARM 17.8.740, *et seq.* (ARM 17.8.756).
- D. Enforcement Violations of limitations, conditions and requirements contained herein may constitute grounds for permit revocation, penalties, or other enforcement action as specified in Section 75-2-401, *et seq.*, MCA.
- E. Appeals Any person or persons jointly or severally adversely affected by the Department's decision may request, within 15 days after the Department renders its decision, upon affidavit setting forth the grounds therefor, a hearing before the Board of Environmental Review (Board). A hearing shall be held under the provisions of the Montana Administrative Procedures Act. The filing of a request for a hearing does not stay the Department's decision, unless the Board issues a stay upon receipt of a petition

and a finding that a stay is appropriate under Section 75-2-211(11)(b), MCA. The issuance of a stay on a permit by the Board postpones the effective date of the Department's decision until conclusion of the hearing and issuance of a final decision by the Board. If a stay is not issued by the Board, the Department's decision on the application is final 16 days after the Department's decision is made.

- F. Permit Inspection As required by ARM 17.8.755, Inspection of Permit, a copy of the air quality permit shall be made available for inspection by the Department at the location of the source.
- G. Permit Fee Pursuant to Section 75-2-220, MCA, failure to pay the annual operation fee by MFI may be grounds for revocation of this permit, as required by that section and rules adopted thereunder by the Board.
- H. Duration of Permit Construction or installation must begin or contractual obligations entered into that would constitute substantial loss within 3 years of permit issuance and proceed with due diligence until the project is complete or the permit shall expire (ARM 17.8.762).

Montana Air Quality Permit (MAQP) Analysis Montana Fiberglass, Inc MAQP #4069-01

I. Introduction/Process Description

Montana Fiberglass, Inc. (MFI) owns and operates a fiberglass tank manufacturing facility. The facility is located in Section 22, Township 15 North, Range 18 East, in Fergus County, Montana. The physical address is 2063 Casino Creek Dr., Lewistown, Montana.

A. Permitted Equipment

- 5 Chopper Guns
- 2 Pressure Feed Rollers
- 1 Putty Dispenser
- 1 Helix Winder
- 1 Chop Hoop Winder
- 1 Gel Coat Spray Gun
- Two Used oil Burners (combined capacity up to 1 million British Thermal Unit (MMBTU))
- Propane Heater (up to 1 MMBTU)
- 2 Natural Gas Heaters (combined capacity up to 1 MMBTU) and
- Associated Equipment

B. Source Description

MFI manufactures fiberglass reinforced products (FRP) for a variety of purposes. All products produced at MFI are characterized as "corrosion-resistant and/or high strength" due to properties required for each product. MFI utilizes open molding operations and all resins and gel coats are nonvapor-suppressed. Volatile Organic Compound (VOC) emissions, primarily styrene, result from the product manufacturing process. Styrene is a listed Hazardous Air Pollutant (HAP).

The first step is fabrication of a plug, typically from wood. After generating the rough shape, the plug is coated with primer or polyester gel coat to achieve the desired finish. A mold release compound (wax) is applied by hand. To make the mold, laminate (polyester resin, catalyst, and glass fibers) is then applied to the plug. The plug is removed, and the mold is prepared for production by waxing the surface with the mold release wax.

The next step is to apply polyester gel coat on parts requiring colored surface or high gloss. Parts are usually gel coated in a booth and remain there to cure, or are moved outside of the booth for curing. Laminate structure is applied to the gel coated surface, or to the mold (when a finish is not required). Generally laminate is applied by hand, chopper gun, or pressure feed rollers. Acetone, which is not a VOC, is used for cleaning the application equipment.

Parts are removed from the mold after being wet trimmed, and the laminate is allowed to cure. Parts are then inspected, and sent for the final trim and finish.

C. Permit History

The Department of Environmental Quality – Air Resources Management Bureau (Department) issued **MAQP** #4069-00 final on August 21, 2007. The action accounted for the following equipment:

Automatic Chop Hoop Winder;

Four Chopper Guns;

Helix Winder;

Gelcoat Spray System (high volume/low pressure (HVLP) non-atomizing);

Two pressure feed rollers;

Two Used oil Burners (combined capacity up to 1 million British Thermal Unit (MMBTU)); Propane Heater (up to 1 MMBTU);

2 Natural Gas Heaters (combined capacity up to 1 MMBTU); and

Associated Equipment

D. Current Permit Action

On August 20, 2012, the Department received an MAQP application from MFI for modification of the existing equipment list. MFI requested that one impregnator unit, and one chopper gun, be removed from the permit. The request also included the addition of one pressure feed roller, one putty dispenser, and one gel coat spray gun. Additional information regarding a Best Available Control Technology (BACT) analysis was received by the Department on October 4, 2012. The current permit action updates the permit to reflect the change in equipment, including the equipment list noted in the permit analysis. MAQP #4069-01 replaces MAQP #4069-00.

E. Additional Information

Additional information, such as applicable rules and regulations, BACT/Reasonably Available Control Technology (RACT) determinations, air quality impacts, and environmental assessments, is included in the analysis associated with each change to the permit.

II. Applicable Rules and Regulations

The following are partial explanations of some applicable rules and regulations that apply to the facility. The complete rules are stated in the Administrative Rules of Montana (ARM) and are available, upon request, from the Department. Upon request, the Department will provide references for location of complete copies of all applicable rules and regulations or copies where appropriate.

- A. ARM 17.8, Subchapter 1 General Provisions, including but not limited to:
 - 1. <u>ARM 17.8.101 Definitions</u>. This rule includes a list of applicable definitions used in this chapter, unless indicated otherwise in a specific subchapter.
 - 2. <u>ARM 17.8.105 Testing Requirements</u>. Any person or persons responsible for the emission of any air contaminant into the outdoor atmosphere shall, upon written request of the Department, provide the facilities and necessary equipment (including instruments and sensing devices) and shall conduct tests, emission or ambient, for such periods of time as may be necessary using methods approved by the Department.
 - 3. <u>ARM 17.8.106 Source Testing Protocol</u>. The requirements of this rule apply to any emission source testing conducted by the Department, any source or other entity as required by any rule in this chapter, or any permit or order issued pursuant to this chapter, or the provisions of the Clean Air Act of Montana, 75-2-101, *et seq.*, Montana Code Annotated (MCA).

MFI shall comply with the requirements contained in the Montana Source Test Protocol and Procedures Manual, including, but not limited to, using the proper test methods and supplying the required reports. A copy of the Montana Source Test Protocol and Procedures Manual is available from the Department upon request.

- 4. <u>ARM 17.8.110 Malfunctions</u>. (2) The Department must be notified promptly by telephone whenever a malfunction occurs that can be expected to create emissions in excess of any applicable emission limitation or to continue for a period greater than 4 hours.
- 5. <u>ARM 17.8.111 Circumvention</u>. (1) No person shall cause or permit the installation or use of any device or any means that, without resulting in reduction of the total amount of air contaminant emitted, conceals or dilutes an emission of air contaminant that would otherwise violate an air pollution control regulation. (2) No equipment that may produce emissions shall be operated or maintained in such a manner as to create a public nuisance.
- B. ARM 17.8, Subchapter 2 Ambient Air Quality, including, but not limited to the following:
 - 1. ARM 17.8.204 Ambient Air Monitoring
 - 2. ARM 17.8.210 Ambient Air Quality Standards for Sulfur Dioxide
 - 3. ARM 17.8.211 Ambient Air Quality Standards for Nitrogen Dioxide
 - 4. ARM 17.8.212 Ambient Air Quality Standards for Carbon Monoxide
 - 5. ARM 17.8.213 Ambient Air Quality Standard for Ozone
 - 6. ARM 17.8.214 Ambient Air Quality Standard for Hydrogen Sulfide
 - 7. ARM 17.8.220 Ambient Air Quality Standard for Settled Particulate Matter
 - 8. ARM 17.8.221 Ambient Air Quality Standard for Visibility
 - 9. ARM 17.8.222 Ambient Air Quality Standard for Lead
 - 10. ARM 17.8.223 Ambient Air Quality Standard for PM₁₀

MFI must maintain compliance with the applicable ambient air quality standards.

- C. ARM 17.8, Subchapter 3 Emission Standards, including, but not limited to:
 - 1. <u>ARM 17.8.304 Visible Air Contaminants</u>. This rule requires that no person may cause or authorize emissions to be discharged into the outdoor atmosphere from any source installed after November 23, 1968, that exhibit an opacity of 20% or greater averaged over 6 consecutive minutes.
 - 2. <u>ARM 17.8.308 Particulate Matter, Airborne</u>. (1) This rule requires an opacity limitation of less than 20% for all fugitive emission sources and that reasonable precautions be taken to control emissions of airborne particulate matter. (2) Under this rule, MFI shall not cause or authorize the use of any street, road, or parking lot without taking reasonable precautions to control emissions of airborne particulate matter.
 - 3. <u>ARM 17.8.309 Particulate Matter, Fuel Burning Equipment</u>. This rule requires that no person shall cause, allow, or permit to be discharged into the atmosphere particulate matter caused by the combustion of fuel in excess of the amount determined by this rule.
 - 4. <u>ARM 17.8.310 Particulate Matter, Industrial Process</u>. This rule requires that no person shall cause, allow, or permit to be discharged into the atmosphere particulate matter in excess of the amount set forth in this rule.
 - 5. <u>ARM 17.8.322 Sulfur Oxide Emissions--Sulfur in Fuel</u>. This rule requires that no person shall burn liquid, solid, or gaseous fuel in excess of the amount set forth in this rule.

- 6. ARM 17.8.324 Hydrocarbon Emissions--Petroleum Products. (3) No person shall load or permit the loading of gasoline into any stationary tank with a capacity of 250 gallons or more from any tank truck or trailer, except through a permanent submerged fill pipe, unless such tank is equipped with a vapor loss control device as described in (1) of this rule.
- 7. ARM 17.8.340 Standard of Performance for New Stationary Sources and Emission

 Guidelines for Existing Sources. This rule incorporates, by reference, 40 CFR Part 60,

 Standards of Performance for New Stationary Sources (NSPS). This facility is not an

 NSPS affected source because it does not meet the definition of any NSPS subpart defined in 40 CFR Part 60.
- 8. <u>ARM 17.8.341 Emission Standards for Hazardous Air Pollutants</u>. This source shall comply with the standards and provisions of 40 CFR Part 61, as appropriate.
- 9. <u>ARM 17.8.342 Emission Standards for Hazardous Air Pollutants for Source Categories</u>. The source, as defined and applied in 40 CFR Part 63, shall comply with the requirements of 40 CFR Part 63, as listed below:
 - a. <u>40 CFR 63, Subpart A General Provisions</u> apply to all equipment or facilities subject to an NESHAP Subpart as listed below:
 - b. 40 CFR 63, Subpart WWWW National Emission Standards for Hazardous Air Pollutants (NESHAP): Reinforced Plastic Composites Production. Owners or operators of facilities that use thermoset resins and/or gel coats that contain styrene, and that are a major source of HAPs, as defined and applied in 40 CFR Part 63, shall comply with the standards and provisions of 40 CFR 63, Subpart WWWW. Based on the information submitted by MFI, the facility is subject to the provisions of 40 CFR 63, Subpart WWWW because the facility uses thermoset resins and/or gel coats that contain styrene and is a major source of HAPs.
- D. ARM 17.8, Subchapter 5 Air Quality Permit Application, Operation, and Open Burning Fees, including, but not limited to:
 - 1. ARM 17.8.504 Air Quality Permit Application Fees. This rule requires that an applicant submit an air quality permit application fee concurrent with the submittal of an air quality permit application. A permit application is incomplete until the proper application fee is paid to the Department. MFI submitted the appropriate permit application fee for the current permit action.
 - 2. <u>ARM 17.8.505 Air Quality Operation Fees</u>. An annual air quality operation fee must, as a condition of continued operation, be submitted to the Department by each source of air contaminants holding an air quality permit (excluding an open burning permit) issued by the Department. The air quality operation fee is based on the actual or estimated actual amount of air pollutants emitted during the previous calendar year.

An air quality operation fee is separate and distinct from an air quality permit application fee. The annual assessment and collection of the air quality operation fee, described above, shall take place on a calendar-year basis. The Department may insert into any final permit issued after the effective date of these rules, such conditions as may be necessary to require the payment of an air quality operation fee on a calendar-year basis, including provisions that prorate the required fee amount.

- E. ARM 17.8, Subchapter 7 Permit, Construction, and Operation of Air Contaminant Sources, including, but not limited to:
 - 1. <u>ARM 17.8.740 Definitions</u>. This rule is a list of applicable definitions used in this chapter, unless indicated otherwise in a specific subchapter.
 - 2. ARM 17.8.743 Montana Air Quality Permits--When Required. This rule requires a person to obtain an air quality permit or permit modification to construct, modify, or use any air contaminant sources that have the potential to emit (PTE) greater than 25 tons per year of any pollutant. MFI has a PTE greater than 25 tons per year of VOC; therefore, an air quality permit is required.
 - 3. <u>ARM 17.8.744 Montana Air Quality Permits--General Exclusions</u>. This rule identifies the activities that are not subject to the Montana Air Quality Permit program.
 - 4. <u>ARM 17.8.745 Montana Air Quality Permits--Exclusion for De Minimis Changes</u>. This rule identifies the de minimis changes at permitted facilities that do not require a permit under the Montana Air Quality Permit Program.
 - 5. ARM 17.8.748 New or Modified Emitting Units--Permit Application Requirements. (1) This rule requires that a permit application be submitted prior to installation, modification, or use of a source. MFI submitted the required permit application for the current permit action. (7) This rule requires that the applicant notify the public by means of legal publication in a newspaper of general circulation in the area affected by the application for a permit. MFI submitted an affidavit of publication of public notice for the August 11, 2012, issue of the *Lewistown News Argus*, a newspaper of general circulation in the Town of Lewistown in Fergus County, as proof of compliance with the public notice requirements.
 - 6. ARM 17.8.749 Conditions for Issuance or Denial of Permit. This rule requires that the permits issued by the Department must authorize the construction and operation of the facility or emitting unit subject to the conditions in the permit and the requirements of this subchapter. This rule also requires that the permit must contain any conditions necessary to assure compliance with the Federal Clean Air Act (FCAA), the Clean Air Act of Montana, and rules adopted under those acts.
 - 7. <u>ARM 17.8.752 Emission Control Requirements</u>. This rule requires a source to install the maximum air pollution control capability that is technically practicable and economically feasible, except that BACT shall be utilized. The required BACT analysis is included in Section III of this permit analysis.
 - 8. <u>ARM 17.8.755 Inspection of Permit</u>. This rule requires that air quality permits shall be made available for inspection by the Department at the location of the source.
 - 9. <u>ARM 17.8.756 Compliance with Other Requirements</u>. This rule states that nothing in the permit shall be construed as relieving MFI of the responsibility for complying with any applicable federal or Montana statute, rule, or standard, except as specifically provided in ARM 17.8.740, *et seq*.
 - 10. <u>ARM 17.8.759 Review of Permit Applications</u>. This rule describes the Department's responsibilities for processing permit applications and making permit decisions on those permit applications that do not require the preparation of an environmental impact statement.

- 11. ARM 17.8.762 Duration of Permit. An air quality permit shall be valid until revoked or modified, as provided in this subchapter, except that a permit issued prior to construction of a new or modified source may contain a condition providing that the permit will expire unless construction is commenced within the time specified in the permit, which in no event may be less than 1 year after the permit is issued.
- 12. ARM 17.8.763 Revocation of Permit. An air quality permit may be revoked upon written request of the permittee, or for violations of any requirement of the Clean Air Act of Montana, rules adopted under the Clean Air Act of Montana, the FCAA, rules adopted under the FCAA, or any applicable requirement contained in the Montana State Implementation Plan (SIP).
- 13. ARM 17.8.764 Administrative Amendment to Permit. An air quality permit may be amended for changes in any applicable rules and standards adopted by the Board of Environmental Review (Board) or changed conditions of operation at a source or stack that do not result in an increase of emissions as a result of those changed conditions. The owner or operator of a facility may not increase the facility's emissions beyond permit limits unless the increase meets the criteria in ARM 17.8.745 for a de minimis change not requiring a permit, or unless the owner or operator applies for and receives another permit in accordance with ARM 17.8.748, ARM 17.8.749, ARM 17.8.752, ARM 17.8.755, and ARM 17.8.756, and with all applicable requirements in ARM Title 17, Chapter 8, Subchapters 8, 9, and 10.
- 14. <u>ARM 17.8.765 Transfer of Permit</u>. This rule states that an air quality permit may be transferred from one person to another if written notice of intent to transfer, including the names of the transferor and the transferee, is sent to the Department.
- F. ARM 17.8, Subchapter 8 Prevention of Significant Deterioration of Air Quality, including, but not limited to:
 - 1. <u>ARM 17.8.801 Definitions</u>. This rule is a list of applicable definitions used in this subchapter.
 - 2. ARM 17.8.818 Review of Major Stationary Sources and Major Modifications--Source Applicability and Exemptions. The requirements contained in ARM 17.8.819 through ARM 17.8.827 shall apply to any major stationary source and any major modification, with respect to each pollutant subject to regulation under the FCAA that it would emit, except as this subchapter would otherwise allow.
- G. ARM 17.8, Subchapter 12 Operating Permit Program Applicability, including, but not limited to:
 - 1. <u>ARM 17.8.1201 Definitions</u>. (23) Major Source under Section 7412 of the FCAA is defined as any source having:
 - a. PTE > 100 tons/year of any pollutant;
 - PTE > 10 tons/year of any one hazardous air pollutant (HAP), PTE > 25 tons/year of a combination of all HAPs, or lesser quantity as the Department may establish by rule; or
 - c. PTE > 70 tons/year of particulate matter with an aerodynamic diameter of 10 microns or less (PM_{10}) in a serious PM_{10} nonattainment area.

- 2. <u>ARM 17.8.1204 Air Quality Operating Permit Program</u>. (1) Title V of the FCAA amendments of 1990 requires that all sources, as defined in ARM 17.8.1204(1), obtain a Title V Operating Permit. In reviewing and issuing MAQP #4069-01 for MFI, the following conclusions were made:
 - a. The facility's PTE is less than 100 tons/year for any pollutant.
 - b. The facility's PTE is greater than 10 tons/year for any one HAP and greater than 25 tons/year for all HAPs.
 - c. This source is not located in a serious PM₁₀ nonattainment area.
 - d. This facility is not subject to any current NSPS.
 - e. This facility is not subject to any current NESHAP (40 CFR 61) standards.
 - f. This facility is subject to current MACT standards (40 CFR 63 Subpart WWWW).
 - g. This source is not a Title IV affected source, or a solid waste combustion unit.
 - h. This source is not an EPA designated Title V source.

MFI is subject to Title V Operating Permit requirements because the source's potential HAP emissions are above the major source threshold. MFI must obtain a Title V operating permit from the Department.

III. BACT Determination

A BACT determination is required for each new or modified source. MFI shall install on the new or modified source the maximum air pollution control capability which is technically practicable and economically feasible, except that BACT shall be utilized.

MFI presented different resin options for their process. Various low styrene and vapor suppressed resins were reviewed to determine their potential for use in manufacturing of the open-mould fiberglass products which MFI manufactures. A detailed analysis was received by the Department on October 4, 2012, and is on file with the Department. Based on the characteristics required to meet end-user specifications, as well as costs associated, of using lower emitting resins than the baseline resins currently used, the Department determined that the resins currently used by the facility continues to constitute BACT. Further, the Department determined that no additional controls continue to constitute BACT.

The control options selected have controls and control costs comparable to other recently permitted similar sources and are capable of achieving the appropriate emission standards.

IV. Emission Inventory

MFI has a facility wide VOC emissions limitation of 75.80 tons per year during any rolling 12-month period. No throughput or VOC content limitations are specifically conditioned; however, Hazardous Air Pollutant emissions are limited by 40 CFR 63, Subpart WWWW, which includes:

Mechanical Resin Application: 113 lbs HAP/ton resin Manual Resin Application: 123 lb HAP/ton Gelcoat Application: 605 lb/ton

V. Existing Air Quality

The air quality of this area is classified as unclassifiable for the National Ambient Air Quality Standards (NAAQS) for all criteria pollutants.

VI. Ambient Air Impact Analysis

The Department believes that the emissions from the facility will not cause or contribute to a violation of any ambient air quality standard. However, it is important to note that Montana does not have an ambient air quality standard for styrene. The Department has also determined that the impact from this permitting action will be minor.

VII. Taking or Damaging Implication Analysis

As required by 2-10-105, MCA, the Department conducted the following private property taking and damaging assessment.

YES	NO	
XX		1. Does the action pertain to land or water management or environmental regulation affecting
		private real property or water rights?
	XX	2. Does the action result in either a permanent or indefinite physical occupation of private
	property?	
	XX	3. Does the action deny a fundamental attribute of ownership? (ex.: right to exclude others,
		disposal of property)
	XX	4. Does the action deprive the owner of all economically viable uses of the property?
	XX	5. Does the action require a property owner to dedicate a portion of property or to grant an
		easement? [If no, go to (6)].
		5a. Is there a reasonable, specific connection between the government requirement and legitimate
		state interests?
		5b. Is the government requirement roughly proportional to the impact of the proposed use of the
		property?
	XX	6. Does the action have a severe impact on the value of the property? (consider economic
		impact, investment-backed expectations, character of government action)
	XX	7. Does the action damage the property by causing some physical disturbance with respect to the
		property in excess of that sustained by the public generally?
	XX	7a. Is the impact of government action direct, peculiar, and significant?
	XX	7b. Has government action resulted in the property becoming practically inaccessible, waterlogged or flooded?
	XX	7c. Has government action lowered property values by more than 30% and necessitated the
		physical taking of adjacent property or property across a public way from the property in
		question?
	XX	Takings or damaging implications? (Taking or damaging implications exist if YES is checked in
		response to question 1 and also to any one or more of the following questions: 2, 3, 4, 6, 7a, 7b,
		7c; or if NO is checked in response to questions 5a or 5b; the shaded areas)

Based on this analysis, the Department determined there are no taking or damaging implications associated with this permit action.

VIII. Environmental Assessment

An environmental assessment, required by the Montana Environmental Policy Act, was completed for this project. A copy is attached.

DEPARTMENT OF ENVIRONMENTAL QUALITY

Permitting and Compliance Division Air Resources Management Bureau P.O. Box 200901, Helena, Montana 59620 (406) 444-3490

FINAL ENVIRONMENTAL ASSESSMENT (EA)

Issued To: Montana Fiberglass, Inc

Montana Air Quality Permit Number: 4069-01

Preliminary Determination Issued: 11/14/2012 Department Decision Issued: 12/18/2012

Permit Final: 1/3/2013

1. Legal Description of Site: Section 22, Township 15 North, Range 18 East, in Fergus County

- 2. *Description of Project*: Montana Fiberglass, Inc (MFI) operates a manufacturing facility that produces fiberglass reinforced products. The current permit action removes one impregnator unit and one chopper gun, and adds one pressure feed roller, one putty dispenser, and one gel coat spray gun.
- 3. Objectives of Project: To continue meeting expected demands for fiberglass reinforced products.
- 4. Alternatives Considered: In addition to the proposed action, the Department of Environmental Quality Air Resources Management Bureau (Department) also considered the "no-action" alternative. The "no-action" alternative would deny issuance of the air quality preconstruction permit to the proposed facility. However, the Department does not consider the "no-action" alternative to be appropriate because MFI demonstrated compliance with all applicable rules and regulations as required for permit issuance. Therefore, the "no-action" alternative was eliminated from further consideration.
- 5. *A Listing of Mitigation, Stipulations, and Other Controls*: A list of enforceable conditions, including a BACT analysis, would be included in Montana Air Quality Permit (MAQP) #4069-01.
- 6. Regulatory Effects on Private Property: The Department considered alternatives to the conditions imposed in this permit as part of the permit development. The Department determined that the permit conditions are reasonably necessary to ensure compliance with applicable requirements and demonstrate compliance with those requirements and do not unduly restrict private property rights.

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7. The following table summarizes the potential physical and biological effects of the proposed project on the human environment. The "no-action" alternative was discussed previously.

		Major	Moderate	Minor	None	Unknown	Comments Included
A	Terrestrial and Aquatic Life and Habitats			XX			Yes
В	Water Quality, Quantity, and Distribution			XX			Yes
С	Geology and Soil Quality, Stability and Moisture			XX			Yes
D	Vegetation Cover, Quantity, and Quality			XX			Yes
Е	Aesthetics		XX				Yes
F	Air Quality			XX			Yes
G	Unique Endangered, Fragile, or Limited Environmental Resources			XX			Yes
Н	Demands on Environmental Resource of Water, Air and Energy			XX			Yes
I	Historical and Archaeological Sites			XX			Yes
J	Cumulative and Secondary Impacts			XX			Yes

SUMMARY OF COMMENTS ON POTENTIAL PHYSICAL AND BIOLOGICAL EFFECTS: The following comments have been prepared by the Department.

A. Terrestrial and Aquatic Life and Habitats

Emissions from the operation could affect terrestrial and aquatic life and habitats in the project area. The operation would continue to occur within buildings. Overall, any impact to the terrestrial and aquatic life and habitats of the project area would be expected to be minor.

B. Water Quality, Quantity and Distribution

The operation would continue to take place indoors and would not be expected to create additional demand for or discharge of process water as part of the project. Any impacts to water quality, quantity, and distribution, would be expected to be minor.

C. Geology and Soil Quality, Stability and Moisture

The operation would continue to take place indoors. No destruction or modification of any unique geological features would be expected. The site is currently graveled in traffic areas around buildings. Minor, if any, impacts to geology and soil quality, stability, or moisture, would be expected.

D. Vegetation Cover, Quantity, and Quality

The operation would continue to take place indoors. Any impacts from the emissions for this project would be expected to be minor.

E. Aesthetics

The operation would take place within a building. MFI is located approximately 1,000 feet from Lewistown, Montana. Any visible emissions from the source would be limited to 20% opacity, and noise generated by the operation would be minor due to the nature of the business.

Styrene is the main pollutant of concern from the facility. Styrene has a very low odor threshold (0.32 parts per millions (ppm) according to the EPA). According to the Occupational Health and Safety Administration (OSHA), facilities must limit their workers' exposure to styrene at an average of 100 ppm for an 8-hour workday, 40-hour workweek. Since styrene has a low odor threshold, which would be expected to be exceeded, nearby residents could be impacted by odor nuisance.

As an existing and operating facility, the operation would be expected to have moderate impacts to aesthetics in the immediate area, due to additional styrene odors.

F. Air Quality

MFI has the potential to emit over 10 tons per year of styrene, and as such, the source will be classified as a major Title V source. The facility is subject to federal Maximum Achievable Control Technology standards, codified in 40 Code of Federal Regulations (CFR) 63, Subpart WWWW. MAQP #4069-01 would require that the facility meet all requirements of this rule. Further, the MAQP would contain a plantwide Volatile Organic Compounds (VOC) limitation of 75.8 tons per year.

No ambient air quality standard exists for odor or styrene. Overall VOC emissions are below the threshold which would trigger necessity of more detailed modeling analyses. As such, the Department determined that ambient air impacts from this permitting action would be minor.

G. Unique Endangered, Fragile, or Limited Environmental Resources

The Department has previously contacted the Montana Natural Heritage Program, requesting a search for information regarding identification and known presence of any unique endangered, fragile, or limited environmental resources in the area. No species of special concern were identified. As an existing and operating source, the Department would expect minor, if any, impacts to endangered, fragile, or limited environmental resources.

H. Demands on Environmental Resource of Water, Air and Energy

As described in Section 7.B and 7.F, demands on water and air would be expected to be minor. As the source would be expected to have minor energy demands on an industrial scale, impacts to energy demands would be expected to be no more than minor.

I. Historical and Archaeological Sites

The Department has previously contacted the Montana Historical Society, State Historic Preservation Office (SHPO), requesting a file search for the presence of any historic or archaeological sites within the project area. The file search concluded that no recorded historic or archaeological sites are within the project area. Further, the operation is current existing and operating. The Department determined that any impacts to cultural or historic sites in the area

J. Cumulative and Secondary Impacts

The Department found no more than moderate impacts expected to the individual physical and biological considerations above. From a cumulative and secondary impacts standpoint, the Department would consider impacts from this project at an existing and operating facility to be minor.

8. The following table summarizes the potential economic and social effects of the proposed project on the human environment. The "no-action" alternative was discussed previously.

		Major	Moderate	Minor	None	Unknown	Comments Included
A	Social Structures and Mores			XX			Yes
В	Cultural Uniqueness and Diversity			XX			Yes
С	Local and State Tax Base and Tax Revenue			XX			Yes
D	Agricultural or Industrial Production			XX			Yes
Е	Human Health			XX			Yes
F	Access to and Quality of Recreational and Wilderness Activities			XX			Yes
G	Quantity and Distribution of Employment				XX		Yes
Н	Distribution of Population				XX		Yes
I	Demands for Government Services			XX			Yes
J	Industrial and Commercial Activity			XX			Yes
K	Locally Adopted Environmental Plans and Goals			XX			Yes
L	Cumulative and Secondary Impacts			XX			Yes

SUMMARY OF COMMENTS ON POTENTIAL ECONOMIC AND SOCIAL EFFECTS: The following comments have been prepared by the Department.

- A. Social Structures and Mores
- B. Cultural Uniqueness and Diversity

The predominant use of the surrounding area is industrial/commercial and would not change as a result of the project. No additional employment is expected as a result of this project. Further, the project takes place at an existing and operating facility. The Department believes the project would have minor effects on any native or traditional lifestyles or communities (social structures or mores) or cultural uniqueness and diversity.

C. Local and State Tax Base and Tax Revenue

No additional employment is expected as a result of this project. The project would be considered small by industrial standards, and any impacts to local and state tax base and revenue would be expected to be minor.

D. Agricultural or Industrial Production

As an existing and operating facility, any impacts to agricultural or industrial production as a result of issuance of MAQP #4069-01 would be expected to be minor.

E. Human Health

There may be minor effects on human health due to the emission of pollutants (primarily styrene). According to the Agency for Toxic Substances and Disease Registry (ATSDR), breathing high levels of styrene for a short-time could result in impacts to the nervous system, as well as eye, nose, and throat irritation. There is little known regarding the human health effects of breathing low levels of styrene for a long period of time. Styrene is also a reasonably anticipated human carcinogen. High level exposure to styrene would occur from breathing indoor air that is contaminated with styrene vapors. Levels of styrene in ambient air would be much lower than the levels occurring within the facility itself.

MAQP #4069-01 incorporates conditions to ensure that the facility would be required to operate in compliance with all applicable rules and standards, including the Maximum Achievable Control Technology Standards of 40 CFR 63, Subpart WWWW. Therefore, the Department believes that there would be a minor risk to human health in the surrounding area.

F. Access to and Quality of Recreational and Wilderness Activities

The facility would continue to operate in its current location. Minor, if any, effects to quality of recreational and wilderness activities would be expected.

G. Quantity and Distribution of Employment

H. Distribution of Population

This project is not expected to result in any change in employment. No change to the quantity and distribution of employment or distribution of population would be expected.

I. Demands for Government Services

Government services would be required for acquiring the appropriate permits from government agencies, and analyses of those permits. In addition, the permitted source of emissions would be subject to periodic inspections by government personnel. Demands for government services would be minor.

J. Industrial and Commercial Activity

The facility would continue to operate in the same location. Increases in production, if achieved, may slightly increase the overall industrial activity. No additional employment is expected. Any impacts to industrial activity would be expected to be minor.

K. Locally Adopted Environmental Plans and Goals

The Department is not aware of any locally adopted environmental plans or goals in the immediate area affected by the project. Because the facility is existing, the Department believes this project would not impact or change any other environmental plans and goals.

L. Cumulative and Secondary Impacts

MFI would cause minor cumulative and secondary impacts to the social and economic aspects of the human environment in the immediate area of operation because the source would be considered small by industrial standards. Minor health effects could occur from styrene (HAP); however, the concentration of styrene near residential areas would be low due to dispersion and would mainly be an odor irritant. Further, few industrial operations, if any, would be expected to result from permitting this facility. Any minor increase in traffic would have little effect on local traffic in the immediate area. Because the source would be relatively small, only minor economic impacts to the local economy would be expected from operating the facility. Further, any cumulative impacts upon the social and economic aspects of the human environment would be minor. Thus, only minor and temporary cumulative and secondary effects would result.

Recommendation: No Environmental Impact Statement (EIS) is required.

If an EIS is not required, explain why the EA is an appropriate level of analysis: The current permitting action is for the construction, removal, and operation of additional equipment at the Montana Fiberglass Inc. facility. MAQP #4069-01 includes conditions and limitations to ensure the facility will operate in compliance with all applicable rules and regulations. In addition, there are no significant impacts associated with this proposal.

Other groups or agencies contacted or which may have overlapping jurisdiction: Montana Historical Society – State Historic Preservation Office, Natural Resource Information System – Montana Natural Heritage Program

Individuals or groups contributing to this EA: Department of Environmental Quality – Air Resources Management Bureau, Montana Historical Society – State Historic Preservation Office, Natural Resource Information System – Montana Natural Heritage Program

EA prepared by: Shawn Juers

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