**MONTANA DEPARTMENT OF ENVIRONMENTAL QUALITY**
**OPERATING PERMIT TECHNICAL REVIEW DOCUMENT**

**Permitting and Compliance Division**
**1520 E. Sixth Avenue**
**P.O. Box 200901**
**Helena, Montana 59620-0901**

Lubrizol Life Science, Inc.
SW¼ of Section 31, Township 7 North, Range 20 West, Ravalli County
1131 North U.S. Highway 93
Victor, MT 59875

The following table summarizes the air quality programs testing, monitoring, and reporting requirements applicable to this facility.

| **Facility Compliance Requirements** | Yes | No | Comments |
|---|---|---|---|
| Source Tests Required | XX | | Method 9 |
| Ambient Monitoring Required | | XX | |
| COMS Required | | XX | |
| CEMS Required | | XX | |
| Schedule of Compliance Required | | XX | |
| Annual Compliance Certification and Semiannual Reporting Required | XX | | |
| Monthly Reporting Required | | XX | |
| Quarterly Reporting Required | | XX | |
| **Applicable Air Quality Programs** | | | |
| ARM Subchapter 7 – Montana Air Quality Permit (MAQP) | XX | | MAQP #3237-04 |
| New Source Performance Standards (NSPS) | | XX | |
| National Emission Standards for Hazardous Air Pollutants (NESHAPS) | | XX | |
| Maximum Achievable Control Technology (MACT) | | XX | |
| Major New Source Review (NSR) – includes Prevention of Significant Deterioration (PSD) and/or Non-attainment Area (NAA) NSR | | XX | |
| Risk Management Plan Required (RMP) | | XX | |
| Acid Rain Title IV | | XX | |
| Compliance Assurance Monitoring (CAM) | | XX | |
| State Implementation Plan (SIP) | XX | | General SIP |

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## SECTION I. GENERAL INFORMATION

### A. Purpose

This document establishes the basis for the decisions made regarding the applicable requirements, monitoring plan, and compliance status of emissions units affected by the operating permit proposed for this facility. The document is intended for reference during review of the proposed permit by the Environmental Protection Agency (EPA) and the public. It is also intended to provide background information not included in the operating permit and to document issues that may become important during modifications or renewals of the permit. Conclusions in this document are based on information provided in the original application submitted by Lubrizol Life Science, Inc. (Lubrizol) including subsequent information submitted, information received by the Department of Environmental Quality (Department) on October 28, 2003, regarding addition of a processing room, information received January 14, 2004, regarding addition of the 1.2 MMBtu/hr gas fired boiler, the request to change the name of the facility received on April 18, 2008, and renewal applications received on March 25, 2009, February 25, 2015, and May 4, 2020, respectively.

### B. Facility Location

The LUBRIZOL facility is located in the SW¼ of Section 31, Township 7 North, Range 20 West, Ravalli County, Montana, approximately 3 miles north of Hamilton. The physical street address is 1131 North US Highway 93, Victor, MT 59875.

### C. Facility Background Information

**Montana Air Quality Permit (MAQP)**

**MAQP #3237-00** was issued to Specialty Surgical Products on April 12, 2003, for the operation of a manufacturing facility producing silicon-based devices used in medical procedures.

On April 18, 2008, the Department received a request for an Administrative Amendment to change the owner name from Specialty Surgical Products, Inc. to LUBRIZOL. The permit was also amended to include the de minimis changes requested by Specialty Surgical Products in 2003. **MAQP #3237-01** replaced MAQP #3237-00.

**Title V Operating Permit**

The initial **Title V Operating Permit #OP3237-00** was issued to Specialty Surgical Products on September 4, 2004.

On April 18, 2008, the Department received a request for an Administrative Amendment to change the owner name from Specialty Surgical Products, Inc. to LUBRIZOL. **Operating Permit #OP3237-01** replaced Operating Permit #OP3237-00.

On March 25, 2009, the Department received a Title V Operating Permit Renewal Application from LUBRIZOL. No changes were requested. **Operating Permit #OP3237-02** replaced Operating Permit #OP#3237-01.

On February 25, 2015, the Department received a Title V Operating Permit Renewal Application from LUBRIZOL. No changes were requested. **Operating Permit #OP3237-03** replaced Operating Permit #OP#3237-02.

## D. Current Permit Action

On May 4, 2020, the Department received a Title V Operating Permit Renewal Application from LUBRIZOL. This also includes changing the company name from SSP-SiMatrix, Inc. to Lubrizol Life Science, Inc. **Operating Permit #OP3237-04** replaces Operating Permit #OP3237-03.

## E. Taking and Damaging Analysis

HB 311, the Montana Private Property Assessment Act, requires analysis of every proposed state agency administrative rule, policy, permit condition or permit denial, pertaining to an environmental matter, to determine whether the state action constitutes a taking or damaging of private real property that requires compensation under the Montana or U.S. Constitution. As part of issuing an operating permit, the Department is required to complete a Taking and Damaging Checklist. As required by 2-10-101 through 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.

## F. Compliance Designation

All compliance certification reports submitted to the Department has indicated compliance with all conditions of the permit. The Department completed a Full Compliance Evaluation for the period from July 8, 2015 to April 26, 2017. The full evaluation indicated compliance with all permit requirements.

# SECTION II. SUMMARY OF EMISSION UNITS

## A. Facility Process Description

The facility includes two process buildings where silicon-based devices used in medical procedures such as plastic surgery are produced. Volatile Organic Compound (VOC) emissions, primarily xylene and some ethyl benzene, result from the product manufacturing process. Xylene and ethyl benzene are listed Hazardous Air Pollutants (HAPs). Mandrels are dipped in a xylene/silicon mixture and allowed to partially dry. The process is repeated until the desired product thickness is obtained. Formed products are then placed in curing ovens to complete the drying process. Isopropyl alcohol is used to clean the products. A spray paint hood is used for product coating on an as-needed basis. Both buildings contain natural gas-fired heating equipment.

## B. Emission Units and Pollution Control Device Identification

The emission units regulated by this permit are the exhaust fans at Buildings A and B. Currently, LUBRIZOL is not required to install or operate any air pollution control equipment.

## C. Categorically Insignificant Sources/Activities

The Administrative Rules of Montana (ARM) 17.8.1201(22)(a) defines an insignificant emissions unit as one that emits less than 5 tons per year of any regulated pollutant, has the potential to emit less than 500 pounds per year of lead or any hazardous air pollutant, and is not regulated by an applicable requirement other than a generally applicable requirement. The following table lists the insignificant emission units at LUBRIZOL.

| Emissions Unit ID | Description |
|---|---|
| IEU01 | Building A Heater (F-1) |
| IEU02 | Building A Heater (F-2) |
| IEU03 | Building A Heater (F-3) |
| IEU04 | Building A Unit Heater (UHA-01) |
| IEU05 | Building A Unit Heater (UHA-02) |
| IEU06 | Building A Comfort Heater (FCA-01) |
| IEU07 | Building A Alcohol Fume Hoods (Two hoods) (AV-01) |
| IEU08 | Building A Paint Hood (PH-01) |
| IEU09 | Building A Fugitive Emissions |
| IEU10 | Building B Boiler #1 (B-01) |
| IEU11 | Building B Boiler #2 (B-02) |
| IEU12 | Building B Curing Oven (CO-01) |
| IEU13 | Building B Curing Oven (CO-02) |
| IEU14 | Building B Fugitive Emissions |
| IEU15 | Building A Extension Boiler (1.2 MMBtu/hr) |

## SECTION III. PERMIT CONDITIONS

### A. Emission Limits and Standards

The VOC emissions from the facility are limited to 52.3 tons during any rolling 12-month time period. This is a plant-wide limit and is applicable to the sum of all VOC emissions from the facility.

### B. Monitoring Requirements

ARM 17.8.1212(1) requires that all monitoring and analysis procedures or test methods required under applicable requirements are contained in operating permits. In addition, when the applicable requirement does not require periodic testing or monitoring, periodic monitoring must be prescribed that is sufficient to yield reliable data from the relevant time period that is representative of the source's compliance with the permit.

The requirements for testing, monitoring, recordkeeping, reporting, and compliance certification sufficient to assure compliance do not require the permit to impose the same level of rigor for all emission units. Furthermore, they do not require extensive testing or monitoring to assure compliance with the applicable requirements for emission units that do not have significant potential to violate emission limitations or other requirements under normal operating conditions. When compliance with the underlying applicable requirement for an insignificant emissions unit is not threatened by lack of regular monitoring and when periodic testing or monitoring is not otherwise required by the applicable requirement, the status quo **(i.e., no monitoring)** will meet the requirements of ARM 17.8.1212(1). Therefore, the permit does not include monitoring for insignificant emission units.

The permit includes periodic monitoring or recordkeeping for each applicable requirement. The information obtained from the monitoring and recordkeeping will be used by the permittee to periodically certify compliance with the emission limits and standards. However, the Department may request additional testing to determine compliance with the emission limits and standards.

### C. Test Methods and Procedures

The operating permit may not require testing for all sources if routine monitoring is used to determine compliance, but the Department has the authority to require testing if deemed necessary to determine compliance with an emission limit or standard. In addition, the permittee may elect to voluntarily conduct compliance testing to confirm its compliance status.

### D. Recordkeeping Requirements

The permittee is required to keep all records listed in the operating permit as a permanent business record for at least 5 years following the date of the generation of the record.

### E. Reporting Requirements

Reporting requirements are included in the permit for each emissions unit and Section V of the operating permit "General Conditions" explains the reporting requirements. However, the permittee is required to submit semi-annual and annual monitoring reports to the Department

and to annually certify compliance with the applicable requirements contained in the permit. The reports must include a list of all emission limit and monitoring deviations, the reason for any deviation, and the corrective action taken as a result of any deviation.

## F. Public Notice

In accordance with ARM 17.8.1232, a public notice will be published in the *Ravalli Republic* newspaper on or before October 1, 2020. The Department is providing a 30-day public comment period on the draft operating permit from October 1, 2020, to October 31, 2020. ARM 17.8.1232 requires the Department to keep a record of both comments and issues raised during the public participation process. The comments and issues received by October 31, 2020, will be summarized, along with the Department's responses, in the following table. All comments received during the public comment period will be promptly forwarded to LUBRIZOL so they may have an opportunity to respond to these comments as well.

**Summary of Public Comments**

| Person/Group Commenting | Comment | Department Response |
|---|---|---|
| | | |

## G. Draft Permit Comments

**Summary of Permittee Comments**

| Permit Reference | Permittee Comment | Department Response |
|---|---|---|
| | | |

**Summary of EPA Comments**

| Permit Reference | EPA Comment | Department Response |
|---|---|---|
| | | |

## SECTION IV. NON-APPLICABLE REQUIREMENT ANALYSIS

LUBRIZOL did not request a shield from any of the air quality Administrative Rules of Montana (ARM) or federal regulations (pursuant to ARM 17.8.1214). Therefore, no further analysis of non-applicable requirements is necessary.

## SECTION V. FUTURE PERMIT CONSIDERATIONS

### A. MACT Standards

As of the date of this permit, the Department is unaware of any currently applicable or future MACT Standards that may be promulgated that will affect this facility.

### B. NESHAP Standards

As of the date of this permit, the Department is unaware of any currently applicable or future NESHAP Standards that may be promulgated that will affect this facility.

### C. NSPS Standards

As of the date of this permit, the Department is unaware of any currently applicable or future NSPS Standards that may be promulgated that will affect this facility.

### D. Risk Management Plan

As of the date of this permit, this facility does not exceed the minimum threshold quantities for any regulated substance listed in 40 CFR 68.115 for any facility process. Consequently, this facility is not required to submit a Risk Management Plan.

If a facility has more than a threshold quantity of a regulated substance in a process, the facility must comply with 40 CFR 68 requirements no later than June 21, 1999; 3 years after the date on which a regulated substance is first listed under 40 CFR 68.130; or the date on which a regulated substance is first present in more than a threshold quantity in a process, whichever is later.

### E. CAM Applicability

CAM requirements apply to a pollutant-specific emissions unit at a major source that is required to obtain an air quality operating permit if the unit is subject to an emission limitation or standard for the applicable regulated air pollutant, the unit uses a control device to achieve compliance with any such emission limitation or standard, and the unit has potential pre-control device emissions of the applicable regulated air pollutant that are equal to or greater than 100% of the amount, in tons per year, required for a source to be classified as a major source.

LUBRIZOL does not have any control devices; therefore, CAM is not applicable to any emissions unit or pollutant at this facility.

### F. PSD and Title V Greenhouse Gas Tailoring Rule

On May 7, 2010, EPA published the "light duty vehicle rule" (Docket # EPA-HQ-OAR- 2009-0472, 75 FR 25324) controlling greenhouse gas (GHG) emissions from mobile sources, whereby GHG became a pollutant subject to regulation under the Federal and Montana Clean Air Act(s). On June 3, 2010, EPA promulgated the GHG "Tailoring Rule" (Docket # EPA-HQ-OAR-2009-0517, 75 FR 31514) which modified 40 CFR Parts 51, 52, 70, and 71 to specify which facilities are subject to GHG permitting requirements and when such facilities become subject to regulation for GHG under the PSD and Title V programs.

Under the Tailoring Rule, any PSD action (either a new major stationary source or a major modification at a major stationary source) taken for a pollutant or pollutants other than GHG that would become final on or after January 2, 2011 would be subject to PSD permitting requirements for GHG if the GHG increases associated with that action were at or above 75,000 tons per year (TPY) of carbon dioxide equivalent ($CO_2e$) and greater than 0 TPY on a mass basis. Similarly, if such action were taken, any resulting requirements would be subject to inclusion in the Title V Operating Permit. Facilities which hold Title V permits due to criteria pollutant emissions over 100 TPY would need to incorporate any GHG applicable requirements into their operating permits for any Title V action that would have a final decision occurring on or after January 2, 2011.

Starting on July 1, 2011, PSD permitting requirements would be triggered for modifications that were determined to be major under PSD based on GHG emissions alone, even if no other pollutant triggered a major modification. In addition, sources that are not considered PSD major sources based on criteria pollutant emissions would become subject to PSD review if their facility-wide potential emissions equaled or exceeded 100,000 TPY of $CO_2e$ and 100 or 250 TPY of GHG on a mass basis depending on their listed status in ARM 17.8.801(22) and they undertook a permitting action with increases of 75,000 TPY or more of $CO_2e$ and greater than 0 TPY of GHG on a mass basis. With respect to Title V, sources not currently holding a Title V permit that have potential facility-wide emissions equal to or exceeding 100,000 TPY of $CO_2e$ and 100 TPY of GHG on a mass basis would be required to obtain a Title V Operating Permit.

LUBRIZOL's potential emissions fall below the GHG major source threshold of 100,000 TPY of CO2e for both Title V and PSD under the Tailoring Rule.

The Supreme Court of the United States (SCOTUS), in its *Utility Air Regulatory Group v. EPA* decision on June 23, 2014, ruled that the Clean Air Act neither compels nor permits EPA to require a source to obtain a PSD or Title V permit on the sole basis of its potential emissions of GHG. SCOTUS also ruled that EPA lacked the authority to tailor the Clean Air Act's unambiguous numerical thresholds of 100 or 250 TPY to accommodate a $CO_2e$ threshold of 100,000 TPY. SCOTUS upheld that EPA reasonably interpreted the Clean Air Act to require sources that would need PSD permits based on their emission of conventional pollutants to comply with best achievable control technology (BACT) for GHG. As such, the Tailoring Rule has been rendered invalid and sources cannot become subject to PSD or Title V regulations based on GHG emissions alone. Sources that must undergo PSD permitting due to pollutant emissions other than PSD may still be required to comply with BACT for GHG emissions.