

Statement of Basis for the Air Operating Permit—DRAFT

Fibrex Corporation

Burlington, Washington

May 5, 2016



Serving Island, Skagit & Whatcom Counties

AIR OPERATING PERMIT – STATEMENT OF BASIS GENERAL INFORMATION

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NAICS: 326122

NWCAA ID NUMBER: 1379-V-S

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| Air Operating Permit Number: 023R1 | Issuance Date: Month Day, 2016 |
| Permit Modifications: None | Modification Date: None |
| Supersedes Permit Number: 023 | Expiration Date: Month Day, 2021 |
| Application Date: April 6, 2015 (Received) | Renewal Application Due: Month Day, 2020 |

TABLE OF CONTENTS

| | | |
|----------|--|-----------|
| 1 | Introduction (permitting history) | 5 |
| 1.1 | Permit Revisions during First Renewal..... | 5 |
| 2 | Facility Description | 7 |
| 2.1 | Identification..... | 7 |
| 2.2 | Production System | 8 |
| 2.3 | Emission Units..... | 8 |
| 2.4 | Emissions..... | 9 |
| 2.5 | Compliance History | 9 |
| 2.6 | Northwest Clean Air Agency Orders | 11 |
| 3 | General Permit Assumptions | 12 |
| 3.1 | Federal Enforceability | 12 |
| 3.2 | Future Requirements | 12 |
| 3.3 | Other Federal Requirements | 12 |
| 3.4 | Compliance Options | 13 |
| 3.5 | Gap Filling | 14 |
| 4 | AOP Elements and Basis for Terms and Conditions | 16 |
| 4.1 | Permit Information, Attest, Emission Unit Identification | 16 |
| 4.2 | Standard Terms and Conditions..... | 16 |
| 4.3 | Standard Terms and Conditions for NESHAP | 16 |
| 4.4 | Generally Applicable Requirements | 17 |
| 4.5 | Specific Requirements for Emissions Units..... | 17 |
| 4.6 | Inapplicable Requirements | 18 |
| 5 | Insignificant Emissions Units | 19 |
| 6 | One-time Requirements | 20 |
| 7 | Public Docket | 21 |
| 8 | Definitions and Acronyms | 22 |

TABLES AND FIGURES

Table 1 Fibrex criteria pollutant emissions in tons per year9
Table 2 Fibrex toxic air pollutant emissions in pounds per year9
Table 3 Inspection Activities for Fibrex 100
Table 4 Insignificant Activities and Emission Units 19

Figure 1 Overhead View of the Fibrex Facilities in Burlington, WA7
Figure 2 Site Plan of the Fibrex facilities8

1 INTRODUCTION (PERMITTING HISTORY)

Fibrex Corporation, also referred to in this document as “Fibrex” or as “the facility”, conducts fiberglass fabrication processes at facilities located at 750 S Spruce Street in Burlington, Washington. Fibrex was originally officially registered as a stationary source in October 31, 1983. On January 12, 1995, Fibrex signed a voluntary Regulatory Order (RO 004) to establish a federally enforceable limit on the emissions of styrene from the facility. Through this Order, emissions of styrene, a regulated hazardous air pollutant listed in section 112(b) of the Federal Clean Air Act, are limited to no more than 19,500 pounds in any calendar year.

On October 14, 2009 (amended November 2, 2009) Fibrex requested that RO 004 be rescinded by the NWCAA. On January 13, 2010, NWCAA did rescind the Order and as of October 14, 2009, Fibrex became a Title V source. An Air Operating Permit (AOP) application was required by October 14, 2010. Fibrex is required to have an AOP because the facility has the potential to emit more than 10 tons per year of styrene. Styrene is released during mixing, layup and subsequent curing of polyester and vinyl ester resins applied at the Fibrex facilities. Except for VOC (all from styrene), there are no significant sources of criteria pollutants, and therefore emissions are well below Title V thresholds. VOC emissions are potentially significant, but are also well below Title V threshold, averaging below 10 tons per year.

Air Operating Permit Chronology:

- Air operating permit (AOP 021) application received on January 25, 2010.
- Completeness determination issued on March 22, 2010.
- AOP 021 issued on May 11, 2011.
- Administrative amendment issued December 12, 2012.
- Air operating permit (AOP 23) renewal application received April 6, 2015.
- Completeness determination issued May 11, 2015.
- AOP 023R1 issued on **Month Day**, 2016.

The purpose of this Statement of Basis (SOB) is to set forth the legal and factual basis for the Fibrex AOP conditions and to provide background information to facilitate review of the AOP by interested parties. Please see the SOB for the 2011 AOP for a discussion of the permit changes made prior to 2015.

This SOB is not a legally enforceable document.

1.1 Permit Revisions during First Renewal

NWCAA received the renewal application on April 6, 2015 and made the following changes were made:

- General formatting updates
- Revised/verified general permit information on permit information page.
- Section 1 – Emission Unit Identification
 - No changes made.
- Section 2 – Standard Terms and Conditions
 - Updated/verified citations & dates, format and content to current NWCAA format and content.
- Section 3 – Standard Terms and Conditions for NESHP

Updated/verified citations & dates, format and content to current NWCAA format and content.

- Section 4 – Generally Applicable Requirements

- Updated/verified citations & dates, format and content to current NWCAA format and content.
- Removed inapplicable requirements related to SO₂ emitting sources.
- Section 5 – Specifically Applicable Requirements
 - Updated/verified citations & date.
 - Removed term requiring demonstration of initial compliance with 40 CFR Part 63 Subpart WWWW.

2 FACILITY DESCRIPTION

2.1 Identification

Fibrex is located in Burlington, Washington, and manufactures and provides engineering services for custom fiberglass reinforced plastic (FRP) composite products. These activities are classified under the North American Industry Classification System (NAICS) Code 326122, Plastic Pipes and Pipe Fitting Manufacturing. Fibrex Corporation is a leading manufacturer of application-specific (custom) fiberglass pipe, headers and duct systems for corrosive industrial applications. Premium vinyl ester and polyester resins are used, specifically formulated for corrosion, high-temperature, and fire resistance.

An overhead photograph of the Fibrex Street facilities is shown in Figure 1 of this SOB. There are five buildings or structures at the facility. In addition, there is some outside storage of raw materials and occasional outdoor fabrication work. The emission units at the Fibrex facilities are identified in Table 1 of the AOP. A site plan of the Fibrex facilities is shown in Figure 2.

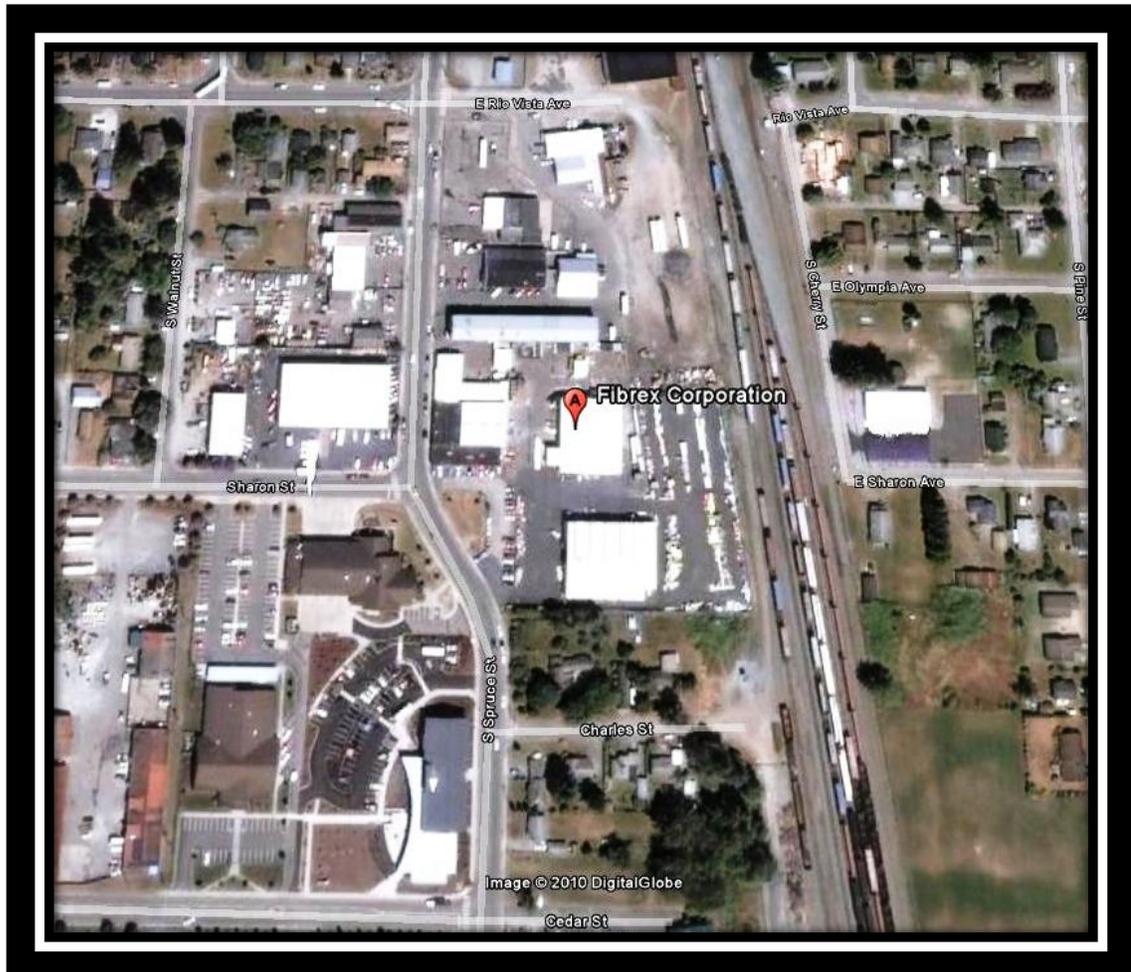


Figure 1 Overhead View of the Fibrex Facilities in Burlington, WA

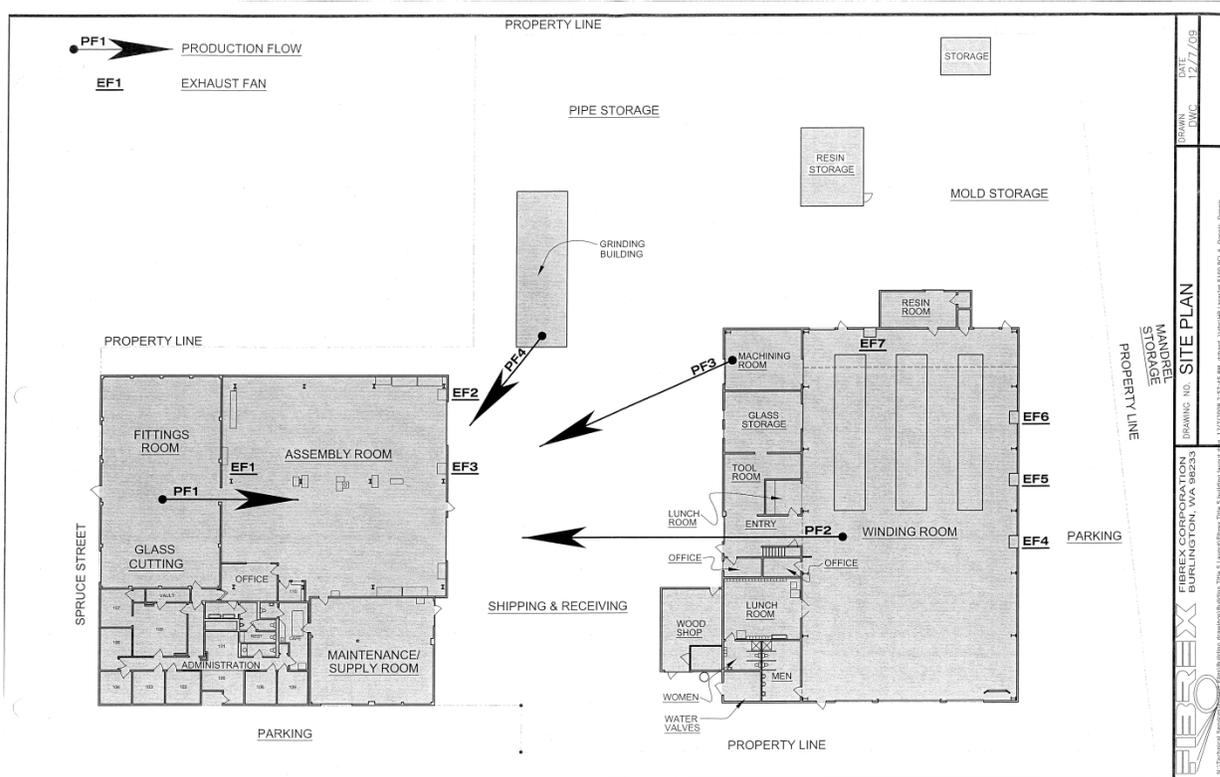


Figure 2 Site Plan of the Fibrex facilities

2.2 Production System

In general, fiberglass and catalyzed polyester resin are applied to molds that are purchased or constructed at the facility. Depending on the piece being constructed, the resin/fiberglass composite is applied via hand layup, spray layup or filament winding layup. After the resin hardens, the piece is removed from the mold and is trimmed, machined and, if necessary, attached to other pieces to construct the final product. Finally, the product is crated and loaded on trucks or trains for shipment.

Fibrex also manufactures pipes and tubes of varying sizes. The mold in that case consists of a cylinder mandrel secured between two support stocks. The cylinder rotates, and a carriage slides longitudinally back and forth, applying the resin and fiberglass until the desired tube thickness is reached. Filament winding is sometimes supplemented with spray chop applied resin/glass.

2.3 Emission Units

The emission units at the Fibrex facilities are identified in Table 1 of the AOP. Three emission units are identified:

1. Process #1: Filament Winding Lay-up, in Building 2
 Filament winding is the process of applying resin-impregnated fibers onto a rotating mandrel surface.
2. Process #2: Hand Lay-up, in Building 2
 Hand lay-up is a process where woven fiberglass and catalyzed resin mix are applied manually to a rotating mandrel.
3. Process #3: Manual Lay-up, in Building 1

Manual lay-up is a fiberglass fabrication process in which the reinforcing fibers are manually applied to a mold wetted with catalyzed resin mix. Reinforcing material and resin mix are layered to build laminate thickness. Squeegees, brushes and rollers are used to smooth, compact and shape the product.

2.3.1 Insignificant emission units

Other emission units or activities present at Fibrex are categorically insignificant or insignificant based on size or production rate (see Table of this document, in Section 5). There are no combustion units at the facility other than pipeline-supplied natural gas-fired comfort heating equipment and portable propane heaters used to heat the buildings. These heating devices are insignificant emission units according to WAC 173-401-533(r).

2.4 Emissions

Emissions from the fiberglass reinforced composites production process are shown in Table 1 and Table 2 below.

2.4.1 Criteria pollutant emissions in tons per year

Table 1 Fibrex criteria pollutant emissions in tons per year

| | 2012 | 2013 | 2014 | 2015 |
|-------------------|------|------|------|------|
| TSP | 0 | 0 | 0 | 0 |
| PM ₁₀ | 0 | 0 | 0 | 0 |
| PM _{2.5} | 0 | 0 | 0 | 0 |
| SO ₂ | 0 | 0 | 0 | 0 |
| NO _x | 0 | 0 | 0 | 0 |
| VOC | 11.8 | 8.9 | 6.7 | 3.7 |
| CO | 0 | 0 | 0 | 0 |
| GHG ¹ | 0 | 0 | 0 | 0 |

2.4.2 Toxic air pollutant emissions

Table 2 Fibrex toxic air pollutant emissions in pounds per year. Note that styrene is also a VOC, and is therefore listed in Table 1 above. All of the VOC emissions listed in Table 1 are from styrene.

| | 2012 | 2013 | 2014 | 2015 |
|---------|--------|--------|--------|-------|
| Styrene | 23,658 | 17,691 | 13,314 | 7,380 |

2.5 Compliance History

NWCAA conducts unannounced annual inspections at all major sources at least annually, and will respond to citizen complaints when the facility is named as a potential source of undesirable air emissions. This response may involve a site visit as well as general surveillance around the plant. Table 3 lists recent inspection activity at the Fibrex facilities. NOV and penalties levied by the NWCAA are discussed in section 2.5.2.

¹ Fibrex does not have any stationary sources emitting greenhouse gases.

2.5.1 Inspection and Compliance Evaluation Activity

Table 3 Inspection and Compliance Evaluation Activities for Fibrex

| Date | Notes | Inspector |
|-------------|--|------------------|
| 03.03.2015 | Annual inspection, with McIntyre | Bouwman |
| 03.20.2104 | Full compliance evaluation | McIntyre |
| 03.18.2014 | Compliance inspection | McIntyre |
| 02.06.2013 | Annual inspection, with McIntyre | Christoforou |
| 07.16.2012 | Full compliance evaluation | Christoforou |
| 09.27.2011 | Full compliance evaluation | Christoforou |
| 09.26.2011 | Compliance inspection, with Uhrich | Christoforou |
| 09.16.2010 | Compliance inspection, with Uhrich | Christoforou |
| 08.25.2009 | Compliance inspection, with Christoforou | Uhrich |
| 09.11.2008 | Compliance inspection | Uhrich |
| 09.21.2007 | Compliance inspection | Uhrich |
| 09.19.2006 | Annual inspection | Brown |
| 11.06.2005 | Compliance inspection | Uhrich |
| 09.22.2004 | Annual inspection | Uhrich |
| 06.03.2003 | Annual inspection | Brown |
| 03.07.2002 | Annual Inspection | Evenson |

2.5.2 NOV Activity

Fibrex was initially registered by the NWCAA on October 31, 1983. To date, Fibrex has been issued one NOV, which is described below.

Notice of Violation 2528, issued on August 8, 1995

Fiberglass/resin dust from grinding operations was deposited on nearby property outside of the Fibrex property boundary. It should be noted that Fibrex expressly denied that the violation occurred.

A fine of \$500 was levied, \$250 of which was suspended provided that Fibrex complied with the following terms in an Assurance of Discontinuance (AOD):

1. Fibrex moves any overlay preparation operations away from ventilation fans

2. Fibrex completes construction of a solid wall (up to 11 feet high) on the property line at the discharge of the ventilation fan
3. Fibrex conducts further employee training on the importance of air quality and good housekeeping.

It should be noted that since AOD terms are valid for five years, the terms above are no longer enforceable.

2.6 Northwest Clean Air Agency Orders

Fibrex has not received any Orders of Approval to Construct from NWCAA. Prior to becoming a Title V source, Fibrex was a synthetic minor source. On January 12, 1995, Fibrex accepted a voluntary emission limit in order to stay out of the Title V program. This voluntary emission limit and conditions are recorded in Regulatory Order No. 004, issued by NWCAA on January 12, 1995, and are summarized below:

- Emissions of styrene shall not exceed 19,500 pounds in any calendar year.
- Fibrex shall use AP-42 – based calculation methods to demonstrate compliance with the styrene emission limit.
- For each resin type, the quantities of resin in inventory, the quantities of resin additive used, the method of layup and the amount of resin applied by that method shall be recorded monthly in a logbook.
- The emission calculation results shall be submitted quarterly to the NWCAA.

Fibrex requested to withdraw from Regulatory Order 004 with a letter to the NWCAA dated October 14, 2009 (later amended on November 2, 2009). The NWCAA acknowledged the request with a letter to Fibrex dated January 13, 2010, and Fibrex became subject to the Title V program.

3 GENERAL PERMIT ASSUMPTIONS

3.1 Federal Enforceability

Federally enforceable requirements are terms and conditions required under the Federal Clean Air Act (FCAA) or under any of its applicable requirements. Local and state regulations may become federally enforceable by formal approval and incorporation into the State Implementation Plan (SIP) or through other delegation mechanisms. Federally enforceable requirements are enforceable by the EPA and citizens. All applicable requirements in the AOP including standard terms and conditions, generally applicable requirements, and specifically applicable requirements are federally enforceable unless they are identified in the AOP as enforceable only by the state.

Two different versions (identified by the date) of the same regulatory citation may apply to the source if federal (SIP) approval/delegation lags behind changes made to the Washington Administrative Code (WAC) or to the NWCAA Regulation. The version of the regulation that is not federally enforceable is identified by the words "State Only" following the date.

Chapter 173-401 WAC is not federally enforceable although the requirements of this regulation are based on federal requirements for the air operating permit program. Upon issuance of the AOP, the terms based on Chapter 173-401 WAC will become federally enforceable for the source.

3.2 Future Requirements

Promulgated applicable requirements with future effective compliance dates may be included as applicable requirements in the AOP with a reference stating when compliance needs to be demonstrated.

Some requirements that are not applicable until triggered by an action, such as the requirement to file an application prior to constructing a new source, are addressed within the standard terms and conditions section of the AOP. There is presently no pending application to construct a new source at Fibrex. Fibrex has certified in the permit application that the facility will meet any future applicable requirements on a timely basis.

3.3 Other Federal Requirements

3.3.1 Compliance Assurance Monitoring (CAM)

The requirements of Compliance Assurance Monitoring are contained in 40 CFR 64, and they apply to a pollutant-specific emissions unit at a major source that is required to obtain a part 70 or 71 permit provided the unit satisfies all criteria as delineated in 40 CFR 64.2(a)(1)-(3). In particular, 40 CFR 64.2(a)(2) stipulates that the emission unit uses a control device to achieve compliance .

Fibrex does not use any control devices, as these are defined in 40 CFR 64.1, to achieve compliance, and therefore Fibrex is not subject to the CAM rule.

3.3.2 Chemical Accident Prevention Provisions

The goal of 40 CFR 68 and the risk management program it requires is to prevent accidental releases of substances that can cause serious harm to the public and the environment from short-term exposures and to mitigate the severity of releases that do occur. If a tank, drum, container, pipe, or other process at a facility contains any of the extremely hazardous toxic and flammable substances listed in Table 1 to 40 CFR 68.130 in an amount above the "threshold quantity" specified for that substance, the facility operator is required to develop and implement a risk management program.

According to the AOP application submitted, Fibrex does not have any of the substances in the threshold quantities listed in Table 1 to 40 CFR 68.130 and therefore it is not subject to the requirements of 40 CFR 98.

3.3.3 Mandatory Greenhouse Gas Reporting

Federal requirements for mandatory greenhouse gas reporting are contained in 40 CFR 98. In order for a facility to be subject to 40 CFR 98, it must meet the requirements of either 1, 2, or 3 below:

1. A facility that contains any source category that is listed in Table A-3 of 40 CFR 98 Subpart A.
2. A facility that contains any source category that is listed in Table A-4 of 40 CFR 98 Subpart A that emits 25,000 metric tons CO₂e or more per year in combined emissions from stationary fuel combustion units.
3. A facility that has stationary fuel combustion units with an aggregate maximum rated heat input of 30 mmBtu/hr or greater, and the facility emits 25,000 metric tons CO₂e or more per year in combined emissions from all stationary fuel combustion sources.

Fibrex does not contain any source category that is listed in tables A-3 or A-4 to subpart A to 40 CFR 98, and has no fuel combustion sources with an aggregate maximum rated heat input of 30 mmBtu/hr. As a result, Fibrex is not subject to the requirements of 40 CFR 98.

Washington State regulation: Chapter 173-441 WAC, "Reporting of Emissions of Greenhouse Gases", adopts a mandatory greenhouse gas reporting rule. This rule applies to:

- Suppliers that supply applicable fuels sold in Washington state of which the complete combustion or oxidation would result in at least 10,000 metric tons of carbon dioxide annually; or
- Any listed facility that emits at least 10,000 metric tons of carbon dioxide equivalents (CO₂e) of greenhouse gases annually in the state.

Fibrex is not a fuel supplier. The only combustion sources at Fibrex are heaters, and the facility is not capable of emitting 10,000 metric tons of CO₂e annually given this list of combustion sources. Therefore, Chapter 173-441 WAC does not apply.

3.4 Compliance Options

Fibrex did not request emissions trading provisions or specify more than one operating scenario in the AOP application so the permit does not address these options. The Fibrex AOP does not condense overlapping applicable requirements (streamlining) nor does it provide any alternative emission limitations.

Fibrex is subject to 40 CFR Part 63 Subpart WWWW (National Emission Standards for Hazardous Air Pollutants: Reinforced Plastic Composites Production). 40 CFR 63.5810 allows affected sources to use one of the following methods for demonstrating compliance:

- (a) Demonstrate that an individual resin or gel coat, as applied, meets the applicable emission limit in Table 3 or 5 to subpart WWWW.
- (b) Demonstrate that, on average, the source meets the individual organic HAP emissions limits for each combination of operation type and resin application method or gel coat type.
- (c) Demonstrate compliance with a weighted average emission limit.
- (d) Meet the organic HAP emissions limit for one application method and use the same resin(s) for all application methods of that resin type.

Fibrex has chosen to comply with the weighted average emission limit option (c) above, but other options may be chosen in the future.

3.5 Gap Filling

Title V of the Federal Clean Air Act is the basis for 40 CFR Part 70, which is the basis for the State of Washington air operating permit regulation, Chapter 173-401 WAC. Title V requires that all air pollution regulations applicable to the source be called out in the AOP for that source. Title V also requires that each applicable regulation be accompanied by a federally enforceable means of “reasonably assuring continuous compliance”. Some of the older general regulations and federal new source performance standards do not have monitoring, recordkeeping, and reporting requirements that are sufficient to assure continuous compliance with the emission limitation. Title V, 40 CFR Part 70, and WAC 173-401-615 all contain a “gap-filling” provision to address an inadequate compliance demonstration. The permitting agency is required to create monitoring, recordkeeping, and reporting requirements that fill the gap and to put those requirements in the air operating permit. Where gap-filling has taken place, the MR&R for that term will state “Directly Enforceable” above the gap-filling requirements. The following describes the derivation of site-specific compliance monitoring in the Fibrex AOP.

Compliance with opacity and particulate emission limitations (Table 2 of AOP) are assured via monthly monitoring by visually observing and recording whether there are any emissions from stacks. The majority of the grinding and sanding operations at Fibrex are performed in a dedicated room that does not exhaust outside. Track-out of particulate is possible from the room as employees leave the room. Particulate emitted from grinding and sanding operations from the facility is of a size that emissions should be observed at an opacity reading of significantly less than the opacity standard of twenty percent. If any visible emissions are observed during the monthly check, or at any other time, immediate corrective action is triggered or, if visible emissions cannot be eliminated, monitoring by the Washington Department of Ecology Method 9A must be performed. With regard to mass particulate emission rates, although particulate emission rate is only loosely related to opacity, a zero percent opacity action level will likely ensure that emissions are less than the 0.1 grains/dscf emission standard. This approach is taken because proper operation of the facility presently results in zero opacity. The monitoring period is once-per-month for plant wide emissions; however, there is a continuous obligation for compliance. If greater than zero percent opacity is observed from any emission point at any time and no corrective action is taken or Method 9A monitoring is not implemented, then there would be a violation of the AOP monitoring terms.

Outdoor grinding is required to meet general facility-wide operation and maintenance requirements (AOP Term 4.2), have fugitive dust monitoring and documentation of any outdoor grinding activities performed.

Requirements related to fugitive particulate and fugitive gaseous emissions (Table 2 of AOP) are monitored by record keeping requirements for outdoor grinding and layup operations, and keeping lids on containers of volatile materials. The majority of the facility grounds are paved and traffic dust has not historically been a problem. Requirements related to nuisance and odor emissions are monitored by responding to complaints received from the NWCAA or the public, by checking for mechanical or operational problems that may cause nuisance, taking actions to reduce emissions that may cause nuisance odors, and recording and reporting any actions taken. Additions made in the first renewal revision include requiring and maintaining a written air contaminant complaint response plan for consistent and thorough complaint response. Additionally, if identified problems cannot be corrected within 4 hours, efforts to minimize emissions are to take place and NWCAA must be notified within 12 hours with details of the complaint, findings and actions taken to resolve the issue. A log of these incidents is kept for later inspection. In any case, the facility is subject to a notice of violation if the NWCAA confirms

the presence of a nuisance caused by Fibrex irrespective of the monitoring, recording keeping and reporting requirement.

4 AOP ELEMENTS AND BASIS FOR TERMS AND CONDITIONS

The Fibrex AOP is divided into the following sections:

General Information

Attest

Emission Unit Identification (Section 1)

Standard Terms and Conditions (Section 2)

Standard Terms and Conditions for National Emission Standards for Hazardous Air Pollutants (Section 3)

Generally Applicable Requirements (Section 4)

Specifically Applicable Requirements (Section 5)

Inapplicable Requirements (Section 6)

4.1 Permit Information, Attest, Emission Unit Identification

The Permit Information section identifies the source and provides general information about the AOP, the responsible corporate official, and the Agency personnel responsible for AOP preparation, review and issuance. The Attest section provides NWCAA authorization for the source to operate under the terms and conditions contained in the AOP.

AOP Section 1, Emission Unit Identification, identifies the significant emission units at Fibrex. Section 1 includes the unit's location, control devices used, and a process description.

4.2 Standard Terms and Conditions

AOP Section 2, Standard Terms and Conditions, specifies state and local administrative and other requirements that apply to all Title V sources within the jurisdiction of the NWCAA. Standard Terms and Conditions have no ongoing compliance monitoring requirements. The legal authority for the Standard Terms and Conditions is provided in the citations in Section 2 of the AOP. Where there is a difference between the paraphrased term and the language of the cited regulation, the language of the cited regulation takes precedence. The terms and conditions have been grouped by function rather than numerically in an effort to make the section more readable. In some cases, similar requirements at the state and local authority level have been grouped together.

Applicable requirements that simply prohibit certain actions are included in the "Prohibitions" section of the Standard Terms and Conditions. A number of requirements that would not be applicable until triggered have also been included in this section. The requirement for a source to submit an application for New Source Review is an example of such a requirement. This section also includes references to broadly applicable prohibitions such as "Concealment and Masking," which are applicable requirements but have no ongoing compliance monitoring.

4.3 Standard Terms and Conditions for NESHP

Section 3 of the AOP includes the standard terms and conditions that are contained in Subpart A of 40 CFR 63. In other AOPs, this section also includes the standard terms and conditions of federal New Source Performance Standards (NSPS), contained in Subpart A of 40 CFR 60. However, no NSPSs apply at Fibrex. Hence, no NSPSs are identified in Section 3 of the AOP.

The standard terms and conditions are administrative, notification, and/or other requirements that typically have no ongoing compliance monitoring requirements.

Whenever a National Emission Standard for Hazardous Air Pollutants (NESHAP) applies to a facility, that NESHAP provides a table that specifies which parts of Subpart A (General Provisions) to 40 CFR 63 also apply. The specific parts of Subpart A to 40 CFR 63 that apply to Fibrex are listed in Table 15 to 40 CFR 63 Subpart WWWW. Section 3 in the AOP is designed to summarize Subpart A to 40 CFR 63. The NWCAA has attempted to provide the essence of the applicable portions of Subpart A by way of paraphrasing in Section 3. In the event of a conflict between Section 3 of the AOP and 40 CFR 63 Subpart A, the latter rules.

4.4 Generally Applicable Requirements

Requirements that limit current emissions and apply broadly to the facility are identified in the Generally Applicable Requirements section (Section 4) of the AOP. With some exceptions, each of these requirements applies non-specifically to sources. For example, NWCAA Regulation Section 455.1 prohibits particulate emissions that exceed 0.10 gr/dscf from any emissions unit. However, some requirements apply to only certain types of emissions units. For example, NWCAA Regulation Section 455.11 applies only to combustion equipment and WAC 173-400-060 applies only to general process units. Despite these differences in applicability, these requirements have been listed together in the Generally Applicable Requirements section of the AOP.

The first column of Table 2 of the AOP lists term numbers used to identify listed conditions. The requirements specified in the second column of Table 2 of the AOP are applicable plant-wide to all emission units at the source, including insignificant emission units. The third column of Table 2 of the AOP is a brief description of the applicable requirements for informational purposes only and is not enforceable. The fourth column identifies monitoring, recordkeeping, and reporting requirements (MR&R) the source must follow to assure compliance with the applicable requirement as required by the WAC 173-401-605(1) and WAC 173-401-615(1) and (2). This column is enforceable except that the NWCAA has determined that the MR&R requirements in Table 2 of the AOP are not necessary for the insignificant emission units.

4.5 Specific Requirements for Emissions Units

Section 5 of the AOP is formatted in a similar manner to Section 4, and it lists applicable requirements that apply uniquely to a process unit or to specific types of process units. This section includes the specifically applicable requirements of 40 CFR 63 Subpart WWWW, the NESHAP for the reinforced plastics composites industry. Subpart WWWW was first promulgated on April 21, 2003 and subsequently amended on August 25, 2005 and again on April 20, 2006. Several options are available to sources such as Fibrex for complying with the standards for open molding (see 40 CFR 63.5810).

Fibrex has chosen to comply with the standards for open molding using the methods set forth in 40 CFR 63.5810(c). Permit terms 5.3 and 5.4 describe the procedure that must be followed. This option allows Fibrex to demonstrate compliance with a weighted average emissions limit for all open molding operations. The weighted averages are calculated on a rolling 12-month period average. The calculation is done in three steps:

1. First calculate the weighted average emissions limit. This is calculated as the sum of each emissions limit² multiplied by the amount of each corresponding material used divided by the total material used.
2. Calculate a weighted average emissions factor. The process is similar to step 1 above but uses the equations in Table 1 to Subpart WWWW of Part 63 to 40 CFR to estimate actual emissions.

² The emissions limit is found in Table 3 to Subpart WWWW of Part 63 to 40 CFR, and depends on the operation type and the application method for the resin.

3. Compare the weighted average emissions limit to the weighted average emissions factor. If the emissions factor is less than or equal to the emission limit, Fibrex would be in compliance.

In addition, Tables 4 to Subpart WWWW of Part 63 to 40 CFR includes work practice standards with which Fibrex must comply. These work practice standards are included in AOP term 5.3. Reference to Table 9 to Subpart WWWW of Part 63 to 40 CFR (initial compliance with work practice standards) was removed as initial compliance was demonstrated with a certified statement dated 11/1/2013 and signed by General Manager Paul Kevis.

4.6 Inapplicable Requirements

Inapplicable Requirements are listed in Section 6 of the AOP. Chapter 173-401-640 WAC requires the permitting authority to issue a determination regarding the applicability of requirements with which the source must comply. Table 4 in the AOP lists requirements deemed inapplicable to the facility and provides the basis for each determination.

5 INSIGNIFICANT EMISSIONS UNITS

Some categorically exempt insignificant emissions units listed in Chapter 173-401-532 WAC are present at the Fibrex facilities. Because these categorically exempt emission units normally have low emissions, they are considered insignificant by the WAC regulation.

Certain other emissions units are present at the facility that are insignificant because of size or production rate (WAC 173-401-533). Other equipment and activities listed in Table may occur in the future on the site and qualify as insignificant emissions units because of size or production rate.

As discussed in WAC 173-401-530(2)(c), the Generally Applicable requirements in Section 4 of the AOP apply to these units, but the monitoring, recordkeeping, and reporting requirements do not apply.

Emission units at the Fibrex facilities that have been determined to be categorically exempt as allowed in WAC 173-401-532 and those found to be insignificant on the basis of size or production rate as defined in WAC 173-401-530 and WAC 173-401-533 are listed below. Insignificant emission units are still subject to all general requirements. The insignificant emission units identified in Table 5 below are not listed in the AOP, as allowed by WAC 173-401-530.

Table 4 Insignificant Activities and Emission Units

| Exempt Unit | WAC Citation | Comment |
|-----------------------------|---------------------|--|
| Room vents | WAC 173-401-532(9) | Vents from rooms, buildings and enclosures that contain permitted emissions units or activities from which local ventilation, controls and separate exhaust are provided. |
| Facility vehicles | WAC 173-401-532(10) | Internal combustion engines for propelling or powering a vehicle. |
| General plant upkeep | WAC 173-401-532(33) | Plant upkeep including routine housekeeping, preparation for and painting of structures or equipment, retarring roofs, applying insulation to buildings in accordance with applicable environmental and health and safety requirements and paving or stripping parking lots. |
| Grinding room | WAC 173-401-532(55) | The grinding room has no outdoor air exhaust. |
| Forklift propane fuel tanks | WAC 173-401-533(d) | Operation, loading and unloading storage of butane, propane, or liquified petroleum gas (LPG), storage tanks, vessel cuapcity under forty thousand gallons. |
| Space heaters | WAC 173-401-533(r) | Space heaters using natural gas and generating less than five million Btu per hour. |

6 ONE-TIME REQUIREMENTS

Requirements that are only required once, and that have already been completed are removed from the requirements in the AOP and are placed in this section of the Statement of Basis.

- Paragraph 63.5840 of 40 CFR 63 Subpart WWWW requires sources to submit the applicable notifications found in Table 13 to Subpart WWWW. Fibrex fulfilled that requirement by submitting an initial applicability notification containing the information specified in 40 CFR 63.9(b)(2) to the NWCAA on January 25, 2010.
- AOP 023 term 5.2 discussed initial compliance with 40 CFR 63 Subpart WWWW. This term was removed as all requirements related to initial compliance and were completed on November 1, 2013. The report was labeled as an AOP annual report but met all the conditions of the NESHAP initial compliance certification and was accepted as such.
- References to Table 9 to Subpart WWWW of Part 63 to 40 CFR (initial compliance with work practice standards) was removed as initial compliance was demonstrated with a certified statement dated 11/1/2013 and signed by General Manager Paul Kevis.

7 PUBLIC DOCKET

Copies of the Fibrex Air Operating Permit, permit application, and technical support documents are available at www.nwcleanairwa.gov and the following location:

Northwest Clean Air Agency
1600 South Second Street
Mount Vernon, WA 98273-5202

8 DEFINITIONS AND ACRONYMS

Definitions are assumed to be those found in the underlying regulation. A short list of definitions has been included below:

An "applicable requirement" is a provision, standard, condition or requirement in any of the listed regulations or statutes as it applies to an emission unit or facility at a stationary source.

An "emission unit" is any part or activity of a stationary source that emits or has the potential to emit any regulated air pollutant.

A "permit" means, for the purposes of the air operating permit program, an air operating permit issued pursuant to Title 5 of the 1990 Federal Clean Air Act.

"State" means, for the purposes of the air operating permit program, the NWCAA or the Washington State Department of Ecology.

The following is a list of Acronyms used in the Air Operating Permit and/or Statement of Basis:

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|--------|--|
| AOP | Air Operating Permit |
| CFR | Code of Federal Regulations |
| dscf | Dry Standard Cubic Foot |
| EPA | Environmental Protection Agency |
| EU | Emissions Unit |
| FCAA | Federal Clean Air Act |
| HAP | Hazardous Air Pollutant |
| NESHAP | National Emission Standards for Hazardous Air Pollutants |
| NOC | Notice of Construction |
| NSR | New Source Review |
| NWCAA | Northwest Clean Air Agency |
| OAC | Order of Approval to Construct |
| PM | Particulate Matter |
| RCW | Revised Code of Washington |
| SOB | Statement of Basis |
| WAC | Washington Administrative Code |
| WDOE | Washington Department of Ecology |