



Louisville Metro Air Pollution Control District
 701 West Ormsby Avenue, Suite 303
 Louisville, Kentucky 40203-3137



12 June 2019

Title V Statement of Basis

Source: Conco, Inc.
 4000 Oaklawn Drive
 Louisville, KY 40219

Owner: Conco, Inc.
 4000 Oaklawn Drive
 Louisville, KY 40219

Application Documents: See Table 8 **Administratively Complete:** 14 Sep 2017
Draft Permit: 25 Apr 2019 **Proposed Permit:** 25 Apr 2019
Permitting Engineer: Narathip Chitradon **Permit Number:** O-0047-19-V
Plant ID: 0047 **SIC:** 3499 **NAICS:** 332439

Introduction:

This permit will be issued pursuant to: (1) Regulation 2.16, (2) Title 40 of the Code of Federal Regulations Part 70, and (3) Title V of the Clean Air Act Amendments of 1990. Its purpose is to identify and consolidate existing District and Federal air requirements and to provide methods of determining continued compliance with these requirements.

This permit action removes GHG limits to comply with the U.S. Supreme Court’s June 2014 opinion in Utility Air Regulatory Group v. EPA. This action also updates company name, permit format and equipment lists.

Jefferson County is classified as an attainment area for lead (Pb), nitrogen dioxide (NO₂), carbon monoxide (CO), particulate matter less than 10 microns (PM₁₀), and particulate matter less than 2.5 microns (PM_{2.5}). Jefferson County is classified as a nonattainment area for ozone (O₃). This facility is located in the portion of Jefferson County that is an attainment area for sulfur dioxide (SO₂).

Permit Application Type:

- Initial issuance
- Permit Revision
 - Administrative
 - Minor
 - Significant
- Permit renewal

Compliance Summary:

- Compliance certification signed
- Compliance schedule included
- Source is out of compliance
- Source is operating in compliance

I Source Information

1. **Product Description:** Conco manufactures and refurbishes steel ammunition cans and boxes according to US Military specifications.
2. **Process Description:** Welded sheet metal ammunition cans are cleaned, coated with pretreatment, dried, spray painted or dipped, and then baked.
3. **Site Determination:** There are no other facilities that are contiguous or adjacent to this facility.
4. **Emission Unit Summary:**

Emission Unit	Equipment Description
U1 & U2	North paint system (U1) is used to paint ammunition cans. South paint system (U2) is used to paint ammunition boxes.
U3	Parts washers used to maintain the tools that operate the manufacturing process.
IA-NG	Natural Gas Indirect Heat Exchangers used to operate their facility.

5. **Fugitive Sources:** The facility uses filters for the paint booths under Emission Units U1 and U2. The remaining emission points are fugitive sources.
6. **Permit Revisions and Changes:**

Permit No.	Public Notice Date	Issue Date	Change Type	Description/Scope
88-97-TV	10/17/1999	12/15/1999	Initial	Initial Permit Issuance
88-97-TV(R1)	11/16/2012	12/19/2012	Renewal	Permit renewal; R.O. addition; Add MACT, 40 CFR 63, Subpart MMMM; incorporate Permit 274-01-C [North Coating Line: One (1) paint dip tank.]
O-0047-19-V	04/25/2019	06/12/2019	Renewal	Updated permit with new style template. Also updated equipment and insignificant activities lists, TAC language; and add District Regulation 6.07 and 7.06 for indirect heat exchangers.

7. **Construction Permit History since Last Title V Permit Renewal:** There were no construction permits issued since the last Title V permit renewal, 88-97-TV(R1).

8. Application and Related Documents

Document Number	Date Received	Description
APCD-00061184	12 Dec 2013	Initial Notification for Federal Regulation 40 CFR 63 Subpart MMMM
APCD-00086481	28 Aug 2017	Permit renewal application
APCD-00087248	14 Sep 2017	The District's Title V permit renewal application administratively complete review letter
APCD-00087270	15 Sep 2017	Certificate of Authorization
APCD-00090141	22 Jan 2018	Additional AP-100D form (<i>Exhaust Stack Information</i>) for Stack S23 of Emission Point E14 (South Inside Glue Booth), Emission Unit U2 (South Paint System)
APCD-00090898	15 Feb 2018	Safety Data Sheets (SDS) of products used at the facility
APCD-00090899	19 Feb 2018	Updated AP-150B form (<i>Definition of Raw Material Usage and Production Rate</i>) to include additional paints
APCD-00091912	10 May 2018	TAC De Minimis Calculations provided by Conco
APCD-00096449	11 Dec 2018	Updated 1.05 Compliance Plan
APCD-00096575	11 Dec 2018	The District's approval for the updated 1.05 Compliance Plan

9. Emission Summary:

Pollutant	Actual Emissions (tpy) 2017 Data	Pollutant that triggered Major Source Status (based on PTE)
CO	1.3881	No
NO _x	1.6525	No
SO ₂	0.0099	No
PM	0.0053	No
PM ₁₀	0.45	No
PM _{2.5}	0.45	No
VOC	31.96	Yes
Total HAPs	7.95	Yes
Single HAP > 1 tpy		
Diethylene Glycol Monobutyl Ether	5.97	Yes
Triethylamine	1.08	No

10. Applicable Requirements:

PSD 40 CFR 60 SIP 40 CFR 63
 NSR 40 CFR 61 District-Origin Other

11. Referenced MACT Federal Regulations: 40 CFR 63 Subpart MMMM.

12. Referenced non-MACT Federal Regulations: There are no federal regulations.

13. Applicable Federal Regulations in Permit:**a. Emission Unit U1 and U2 – Two (2) Paint Systems**

- i. **40 CFR 63 Subpart MMMM, *National Emission Standards for Hazardous Air Pollutants for Surface Coating of Miscellaneous Metal Parts and Products*** – Conco, Inc. coats ammunition cans and boxes for the US Military. Painting cans and boxes for the US Military is not regarded as military munition explained under 40 CFR 63.3881(c)(4).

40 CFR Part 63, Subpart MMMM applies to the following items that are used for surface coating of miscellaneous metal parts and products: [40 CFR 63.3882(b)]

1. All coating operations as defined in 40 CFR 63.3981; [40 CFR 63.3882(b)(1)]
2. All storage containers and mixing vessels in which coatings, thinners and/or other additives, and cleaning materials are stored or mixed; [40 CFR 63.3882(b)(2)]
3. All manual and automated equipment and containers used for conveying coatings, thinners and/or other additives, and cleaning materials; and [40 CFR 63.3882(b)(3)]
4. All storage containers and all manual and automated equipment and containers used for conveying waste materials generated by a coating operation. [40 CFR 63.3882(b)(4)]

Work Practice Standards. For any coating operation(s) for which you use the compliant material option or the emission rate without add-on controls, the owner or operator is not required to meet any work practice standards. [40 CFR 63.3893(a)]

Operating Limits. For any coating operation for which you use the compliant material option or the emission rate without add-on controls option, you are not required to meet any operating limits. [40 CFR 63.3892(a)]

14. Non-Applicable Regulations:**a. Emission Unit U1 and U2 – Two (2) Paint Systems**

- i. **40 CFR 63 Subpart GG, *National Emission Standards for Aerospace Manufacturing and Rework Facilities*** – Conco, Inc. coats ammunition cans and boxes for the US Military. They do not manufacture or rework commercial, civil, or military aerospace vehicles or components as explained in the applicability section of 40 CFR 63.741(a).
- ii. **40 CFR 63 Subpart II, *National Emission Standards for Shipbuilding and Ship Repair (Surface Coating)*** – Conco, Inc. coats ammunition cans and boxes for the US Military. They do not perform any shipbuilding or ship repair operations as explained in the applicability section of 40 CFR 63.781(a).
- iii. **40 CFR 63 Subpart III, *National Emission Standards for Hazardous Air Pollutants: Surface Coating of Automobiles and Light-Duty Trucks*** – Conco, Inc. coats ammunition cans and boxes for the US Military. They do not surface coat automobile or light-duty truck bodies or body parts.
- iv. **40 CFR 63 Subpart KKKK, *National Emission Standards for Hazardous Air Pollutants: Surface Coating of Metal Cans*** – Conco, Inc. coats ammunition cans and boxes for the US Military. The metal cans in this subpart refer to the ones predominantly used in the food and beverage industry. In addition, 40 CFR 63.3481(c)(2) in the applicability section allows the company to not be subject to this regulation since they are following 40 CFR 63 Subpart MMMM.
- v. **40 CFR 63 Subpart HHHHHH, *National Emission Standards for Hazardous Air Pollutants: Paint Stripping and Miscellaneous Surface Coating Operations at Area Sources*** – Conco, Inc. is a major source of HAP, not an area source.
- vi. **40 CFR 63 Subpart XXXXXX, *National Emission Standards for Hazardous Air Pollutants Area Source Standards for Nine Metal Fabrication and Finishing Source Categories*** – Conco, Inc. is a major source of HAP, not an area source. In addition, the company SIC and NAICS codes do not match with one of the nine source categories listed in the applicability section, 40 CFR 63.11514.

b. IA-NG – Natural Gas Indirect Heat Exchangers

- i. **40 CFR 63 Subpart DDDDD, *National Emission Standards for Hazardous Air Pollutants for Major Sources: Industrial, Commercial, and Institutional Boilers and Process Heaters*** – The heat capacity inputs for each boiler are all under 10 MMBtu/hr;

therefore, the boilers at Conco, Inc. cannot meet the applicability requirements of 60.40c(e).

II Regulatory Analysis

1. **Acid Rain Requirements:** Conco, Inc. is not subject to the Acid Rain Program.
2. **Stratospheric Ozone Protection Requirements:** Title VI of the CAAA regulates ozone depleting substances and requires a phase-out of their use. This rule applies to any facility that manufactures, sells, distributes, or otherwise uses any of the listed chemicals. Conco, Inc. does not manufacture, sell, or distribute any of the listed chemicals. The source's use of listed chemicals is that in fire extinguishers, chillers, air conditioners and other HVAC equipment.
3. **Prevention of Accidental Releases 112(r):** Conco, Inc. does not manufacture, process, use, store, or otherwise handle one or more of the regulated substances listed in 40 CFR Part 68, Subpart F, and District Regulation 5.15, *Chemical Accident Prevention Provisions*, in a quantity in excess of the corresponding specified threshold amount.
4. **40 CFR Part 64 Applicability Determination:** Conco, Inc. is not subject to 40 CFR Part 64 - *Compliance Assurance Monitoring for Major Stationary Sources*.
5. **Basis of Regulation Applicability**

- a. **Plantwide**

Conco, Inc. is a potential major source for VOC, single HAP, and total HAPs. Regulation 2.16 - *Title V Operating Permits* establishes requirements for major sources to provide methods of continued compliance with all applicable requirements.

Regulations 5.00 5.20, 5.21, and 5.23 (STAR Program) establishes requirements for environmental acceptability of toxic air contaminants (TACs) and the requirement to comply with all applicable emission standards. The uncontrolled potential emissions for most emission points at Conco, Inc. were below the de minimis level. There were emission points that were above the de minimis level for diethylene glycol monobutyl ether (DGME) and nitric acid, but Conco did not report these Category 2 TAC emissions in the 2006 TRI; therefore, DGME and nitric acid emissions can be excluded from the environmental acceptability demonstration (EA Demo) in accordance with District Regulation 5.21, section 4.14. The emissions for each wash system, E1 and E10, were above the de minimis level for nickel. There is a nickel concentration of 0.01% found in the wash solution used by both wash systems. This concentration is below the 0.1% listed for TAC carcinogens under District Regulation 5.21, section 2.1; therefore, nickel can be excluded from the EA Demo.

Regulation 2.16, section 4.1.9.1 and 4.1.9.2 requires monitoring and record keeping to assure ongoing compliance with the terms and conditions of the permit. The owner or operator shall maintain all the required records for a minimum of 5 years and make the records readily available to the district upon request.

Regulation 2.16, section 4.3.5, requires stationary sources for which a Title V is issued to submit an Annual Compliance Certification by April 15, of the following calendar year. In addition, as required by Regulation 2.16, section 4.1.9.3, the source shall submit compliance reports at least every six months to show compliance with the permit. Compliance reports and compliance certifications shall be signed by a responsible official and shall include a certification statement per Regulation 2.16, section 3.5.11.

b. Basis of Regulation Applicability

Regulation	Basis for Applicability
5.00, 5.01, 5.20, 5.21, 5.22, 5.23 (STAR Program)	Establishes the requirements for Environmental Acceptability of toxic air contaminants (TACs) and the requirement to comply with all applicable emission standards
6.18	Regulation 6.18 applies to each cold cleaner that use VOCs to remove soluble impurities from metal surfaces
6.09	Establishes the requirements for PM emissions from existing processes that commenced construction on or before September 01, 1976
6.31	Establishes the requirements for VOC emissions from existing paint spray booths for metal parts commenced before May 20, 1981
7.08	Establishes the requirements for PM emissions from new processes that commenced construction after September 01, 1976
7.59	Establishes the requirements for VOC emissions from new paint spray booths for metal parts commenced on or after May 20, 1981
Subpart MMMM	Applies to miscellaneous metal parts and products surface coating facilities which annually uses 250 gallon or more HAP-containing coatings and is located at a major source of HAP emissions

c. Emission Unit U1 and U2 – Two (2) Paint Systems

i. U1 Equipment:

EP	Capacity	Install Date	Applicable Regulations
E1: North wash system	360 cans/hr	1967	6.09, 6.31, STAR, 40 CFR 63 Subpart MMMM
E4: North omega booth	7.0 gal/hr	1986	7.08, 7.59, STAR, 40 CFR 63 Subpart MMMM

EP	Capacity	Install Date	Applicable Regulations
E5: North inside gun spray booth	5.5 gal/hr	1967	6.09, 6.31, STAR, 40 CFR 63 Subpart M MMM
E6: North touch up spray booth	5.5 gal/hr	1967	6.09, 6.31, 7.59, STAR, 40 CFR 63 Subpart M MMM
E7: North cover and bottom dip tank	20 gal. tank	1983	7.08, 7.59, STAR, 40 CFR 63 Subpart M MMM
E25: North bottom dip tank	125 gal. tank	2001	7.08, 7.59, STAR, 40 CFR 63 Subpart M MMM

U2 Equipment:

EP	Capacity	Install Date	Applicable Regulations
E10: South wash system	360 cans/hr	1967	6.09, 6.31, STAR, 40 CFR 63 Subpart M MMM
E14: South inside glue booth	5.5 gal/hr	1967	6.09, 6.31, STAR, 40 CFR 63 Subpart M MMM
E16: South dip tank	1200 gal tank	1993	7.08, 7.59, STAR, 40 CFR 63 Subpart M MMM
E19: South cover touch up booth	0.2 gal/hr	1986	7.08, 7.59, STAR, 40 CFR 63 Subpart M MMM
E20: Gasket gluing	0.1 gal/hr	1986	7.08, 7.59, STAR, 40 CFR 63 Subpart M MMM

ii. Standards/Operating Limits

1) HAP

The paint systems are subject to 40 CFR 63 Subpart M MMM. All coatings used at this facility are classified as general use coatings under 63.3881(a)(2). This subpart establishes emission limitations, management practices, and requirements to demonstrate compliance for hazardous air pollutants (HAP) for miscellaneous metal parts and products surface coating facilities. The source is required to comply with applicable requirements of 40 CFR Part 63 Subpart M MMM.

2) **Opacity**

- (a) Regulation 6.09 establishes the opacity standards for processes that commenced construction on or before September 01, 1976.
- (b) Regulation 7.08 establishes the opacity standards for processes that commenced construction after September 01, 1976.

3) **PM**

- (a) Regulation 6.09 establishes the PM requirements for processes that commenced construction on or before September 01, 1976.
- (b) Regulation 7.08 establishes the PM requirements for processes that commenced construction after September 01, 1976.

4) **VOC**

- (a) Regulation 6.31 establishes the VOC requirements for paint spray booths for metal parts that commenced construction before May 20, 1981.
- (b) Regulation 7.59 establishes the VOC requirements for paint spray booths for metal parts that commenced construction on or after May 20, 1981.

ii. **Reporting**

1) **HAP**

An initial notification was received by the District on December 12, 2013 as required by 40 CFR 63.3910(b) of Subpart Mmmm.

d. **Emission Unit U3 – Two (2) Parts Washers**

i. **Equipment:**

EP	Capacity	Install Date	Applicable Regulations
E26: cold solvent parts cleaner	10-gallon	2004	6.18, STAR
E27: cold solvent parts cleaner	30-gallon	2004	6.18, STAR

ii. **Standards/Operating Limits**

1) **VOC**

Regulation 6.18 establishes the VOC requirements for solvent metal cleaning equipment.

e. **Emission Unit IA-NG – North Boiler**

i. **Equipment:**

EP	Capacity	Install Date	Applicable Regulations
IA-NG, North boiler	6.6 MMBTU/hr	2015	7.06

ii. **Standards/Operating Limits**

1) **PM**

The emission standard for PM is determined in accordance with Regulation 7.06, section 4.1.4.

2) **Opacity**

Regulation 7.06, section 5.1.1 establishes an opacity standard of less than 20%.

III Other Requirements

1. **Temporary Sources:** The source did not request to operate any temporary facilities.
2. **Short Term Activities:** The source did not report any short term activities.
3. **Emissions Trading:** N/A
4. **Alternative Operating Scenarios:** The source did not request any alternative operating scenarios.
5. **Compliance History:** No Notice of Violation has been issued to the company since the previous permit, 88-97-TV(R1), was issued.
6. **Calculation Methodology or Other Approved Method:**
 Conco, Inc. uses material balance to obtain the emissions for the paint systems under Emission Units U1 and U2.

7. Insignificant Activities

Equipment	Quantity	PTE (tpy)	Regulation Basis
Internal combustion engines—forklifts	9	-	Regulation 1.02, Appendix A, sec. 2
Robotic welding station controlled with baghouse (Manufacturer: Omega Industrial Services, Model: N/A (Custom Made), Install Date: 2011)	1	0.46 PM ₁₀	Regulation 1.02, Appendix A, sec. 3.4
Dust or particulate collectors that are located in-doors, vent directly indoors into the work space, collect no more than one ton of material per year and do not collect materials listed in Regulation 5.11, 5.12, or 5.14. This is the baghouse controlling the robotic welding station. (Manufacturer: Camfil Farr, Model: GS4, Install Date: 2010)	1	-	Regulation 1.02, Appendix A, sec. 3.21
Brazing, soldering, or welding equipment	46	-	Regulation 1.02, Appendix A, sec. 3.4
Dust or particulate collectors that are located in-doors, vent directly indoors into the work space, collect no more than one ton of material per year and do not collect materials listed in Regulation 5.11, 5.12, or 5.14. Each portable dust collector is used to control the 46 pieces of brazing, soldering, or welding equipment. (Manufacturer: Camfil Farr, Model: GS4, Installation Date: 2016) OR Manufacturer: Kemper, Model: ProfiMaster, Install Date: 2016)	6	-	Regulation 1.02, Appendix A, sec. 3.21
Gas-fired heaters ¹ (Manufacturer: Dayton Infra-red, Input rating: 90,000 Btu/hr)	13	0.50 NO _x	Regulation 1.02, Appendix A, sec. 1.1
North boiler used for heating the water in both the North and South wash system (Emission Points E1 and E10). (Manufacturer: York Shipley, Model: 564C-S3D-200-S150-N/2, Max Capacity: 6.6 MMBtu/hr, Install Date: 2015)	1	2.83 NO _x	Regulation 1.02, Appendix A, sec. 1.1
North dry oven (dry off oven) for washed product. Formerly labeled as E2 under Emission Unit U1 and U2, Two (2) Paint Systems. (Manufacturer: Spra Con, Model: Custom, Max Capacity: 1,500,000 Btu/hr input or 360 cans/hr, Install Date: 1967)	1	0.64 NO _x	Regulation 1.02, Appendix A, sec. 1.1

¹ The heat input capacity for each gas-fired heater is less than 1.0 MMBtu/hr; therefore, it is not subject to District Regulation 6.07 or 7.06.

Equipment	Quantity	PTE (tpy)	Regulation Basis
North bake oven (cure oven) for painted product. Formerly labeled as E8 under Emission Unit U1 and U2, Two (2) Paint Systems. (Manufacturer: Spra Con and Geo, Koch & Sons, Model: Custom, Max Capacity: 2,250,000 Btu/hr input, Install Date: 1967)	1	0.97 NO _x	Regulation 1.02, Appendix A, sec. 1.1
South dry oven (dry off oven) for washed product. Formerly labeled as E11 under Emission Unit U1 and U2, Two (2) Paint Systems. (Manufacturer: Spra Con, Model: Custom, Max Capacity: 1,500,000 Btu/hr input or 360 cans/hr, Install Date: 1967)	1	0.64 NO _x	Regulation 1.02, Appendix A, sec. 1.1
South boiler used as a backup to the North boiler. Formerly labeled as E12 under Emission Unit U1 and U2, Two (2) Paint Systems. ² (Manufacturer: Kewanee, Model: HS 125, Max Capacity: 318,000 Btu/hr, Install Date: 1967)	1	0.14 NO _x	Regulation 1.02, Appendix A, sec. 1.1
South bake oven (cure oven) for painted product. Formerly labeled as E17 under Emission Unit U1 and U2, Two (2) Paint Systems. (Manufacturer: Spra Con, Model: Custom, Max Capacity: 2,250,000 Btu/hr input, Install Date: 1968)	1	0.97 NO _x	Regulation 1.02, Appendix A, sec. 1.1

- 1) Insignificant activities identified in District Regulation 1.02, Appendix A, may be subject to size or production rate disclosure requirements pursuant to Regulation 2.16 section 3.5.4.1.4.
- 2) Insignificant activities identified in District Regulation 1.02, Appendix A shall comply with generally applicable requirements as required by Regulation 2.16 section 4.1.9.4.
- 3) The Insignificant Activities Table is correct as of the date the permit was proposed for review by U.S. EPA, Region 4.
- 4) Emissions from Insignificant Activities shall be reported in conjunction with the reporting of annual emissions of the facility as required by the District.
- 5) The owner or operator shall submit an updated list of insignificant activities that occurred during the preceding year pursuant to Regulation 2.16 section 4.3.5.3.6.
- 6) The owner or operator may elect to monitor actual throughputs for each of the insignificant activities and calculate actual annual emissions, or use Potential to Emit (PTE) to be reported on the annual emission inventory.

² The total heat input capacity is less than 1.0 MMBtu/hr; therefore, it is not subject to District Regulation 6.07.

- 7) The District has determined pursuant to Regulation 2.16 section 4.1.9.4 that no monitoring, record keeping, or reporting requirements apply to the insignificant activities listed, except for the equipment that has an applicable regulation and permitted under an insignificant activity (IA) unit.