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TITLE 326 AIR POLLUTION CONTROL BOARD

FIRST NOTICE OF COMMENT PERIOD

#05-166(APCB)

DEVELOPMENT OF NEW RULES CONCERNING FIBER REINFORCED PLASTIC MANUFACTURERS

PURPOSE OF NOTICE

The Indiana Department of Environmental Management (IDEM) is soliciting public comment on new rule 326 IAC 8-5-6 concerning volatile organic compound (VOC) emissions from fiber reinforced plastic manufacturers. IDEM seeks comment on the affected citations listed and any other provisions of Title 326 that may be affected by this rulemaking.

CITATIONS AFFECTED: 326 IAC 8-1-6; 326 IAC 8-5-1; 326 IAC 8-5-6.

AUTHORITY: IC 13-14-8; IC 13-14-9-7; IC 13-17-3-4; IC 13-17-3-11.

SUBJECT MATTER AND BASIC PURPOSE OF RULEMAKING

Basic Purpose and Background

The purpose of this rulemaking is to increase the clarity, predictability, and timeliness of air permits for certain new sources of VOC emissions. Currently, new facilities not regulated by a provision in 326 IAC 8 and which have potential emissions of 25 tons or more per year of VOC are required to reduce VOC emissions using best available control technology (BACT). Establishing BACT is a case-by-case determination based on the maximum reduction in emissions that is technically feasible, while taking into account energy, environmental, and economic impact. Uncertainty is inherent in most of these analyses. Establishing specific standards in place of case-by-case analyses improves the clarity, predictability, and timeliness of permit decisions involving emissions units that are currently subject to 326 IAC 8-1-6.

This rulemaking will establish that fiber reinforced plastic manufacturing sources that must comply with either of the existing National Emission Standards for Hazardous Air Pollutants (NESHAP) are no longer subject to 326 IAC 8-1-6. These NESHAPs, 40 CFR 63, Subpart WWWW and 40 CFR 63, Subpart VVVV regulate styrene emissions from Reinforced Plastic Composite (RPC) Producers and boat manufactures respectively. Styrene is classified as both a Hazardous Air Pollutant (HAP) and a Volatile Organic Compound (VOC) and is the predominantly regulated air pollutant from these facilities.

Numerous case-by-case analyses have been submitted to, and approved by, IDEM that establish that the emission limitations in the applicable NESHAP does in fact satisfy the requirement for BACT for VOC. However, under the current rule, the applicant must compile the analyses of the energy, environmental, and economic analyses of alternative controls; and IDEM staff must review and approve those analyses. This rulemaking will reduce the administrative burden on both the applicant and IDEM.

All fiber reinforced plastic manufacturers meeting the applicability of 326 IAC 8-1-6 will comply with the applicable NESHAP in lieu of 326 IAC 8-1-6. The Boat Manufacturing NESHAP's compliance date was August 22, 2004. The RPC NESHAP does not apply to HAP emitters until April 21, 2006, and this rulemaking will not take effect until that date.

Alternatives To Be Considered Within the Rulemaking

Specify emission standards for RPC manufacturers in lieu of the case-by-case BACT analysis required by 326 IAC 8-1-6. <u>Alternative 1.</u>

- Is this alternative an incorporation of federal standards, either by reference or full text incorporation? No. Both NESHAPs have already been incorporated by reference. However, this rulemaking would have RPC manufacturers meet the requirements of 326 IAC 8-1-6 by following the incorporated NESHAPs.
- Is this alternative imposed by federal law or is there a comparable federal law? No.
- If it is a federal requirement, is it different from federal law? N/A
- If it is different, describe the difference. N/A

Continue to have RPC manufacturers comply with 326 IAC 8-1-6.

Alternative 2.

- Is this alternative an incorporation of federal standards, either by reference or full text incorporation? No.
- Is this alternative imposed by federal law or is there a comparable federal law? No.

- If it is a federal requirement, is it different from federal law? N/A
- If it is different, describe the difference. N/A

Applicable Federal Law

This rulemaking will require new (as of January 1, 1980) fiber reinforced plastic manufacturers with potential emissions of 25 tons or more per year of VOC to comply with 40 CFR Part 63, Subpart WWWW and 40 CFR Part 63, Subpart VVVV in lieu of doing a BACT analysis. 40 CFR Part 63, Subpart WWWW is a federal NESHAP covering HAP emissions for RPC production. 40 CFR Part 63, Subpart VVVV is a federal NESHAP covering HAP emissions for boat manufacturing. The HAP covered in 40 CFR Part 63, Subpart VVVV, is styrene, which is also classified as a VOC.

Potential Fiscal Impact

The potential fiscal impact of complying with the RPC NESHAP and the boat manufacturing NESHAP is outlined at 40 CFR Part 63, Subpart WWWW and 40 CFR Part 63, Subpart VVVV and would be incurred by RPC and boat manufactures irrespective of the state rulemakings that incorporate the federal NESHAPs or the rulemaking that is the subject of this first notice. There will be a cost savings to affected sources because they will not have to do a BACT analysis. The permitting process will be faster and more efficient, reducing the burden on affected sources and IDEM's resources.

Small Business Assistance Information

IDEM established a compliance and technical assistance (CTAP) program under IC 13-28-3. The program provides assistance to small businesses and information regarding compliance with environmental regulations. In accordance with IC 13-28-3 and IC 13-28-5, there is a small business assistance program ombudsman to provide a point of contact for small businesses affected by environmental regulations. Information on the CTAP program, the monthly CTAP newsletter, and other resources available can be found at www.in.gov/idem/ctap.

Small businesses affected by this rulemaking may contact the Small Business Regulatory Coordinator: Sandra El-Yusuf IDEM Compliance and Technical Assistance Program **OPPTA - MC60-04** 100 N. Senate Avenue W-041 Indianapolis, IN 46204-2251 (317) 232-8578 selyusuf@idem.IN.gov The Small Business Assistance Program Ombudsman is: Eric Levenhagen IDEM Small Business Assistance Program Ombudsman External Affairs - MC50-01 100 N. Senate Avenue **IGCN 1301** Indianapolis, IN 46204-2251 (317) 234-3386 elevenha@idem.IN.gov

Public Participation and Workgroup Information

At this time, no workgroup is planned for the rulemaking. If you feel that a workgroup or other informal discussion on the rule is appropriate, please contact Sky Schelle, Rules Section, Office of Air Quality at (317) 234-3533 or (800) 451-6021 (in Indiana).

STATUTORY AND REGULATORY REQUIREMENTS

IC 13-14-8-4 requires the board to consider the following factors in promulgating rules:

- (1) All existing physical conditions and the character of the area affected.
- (2) Past, present, and probable future uses of the area, including the character of the uses of surrounding areas.
- (3) Zoning classifications.
- (4) The nature of the existing air quality or existing water quality, as the case may be.

(5) Technical feasibility, including the quality conditions that could reasonably be achieved through coordinated control of all factors affecting the quality.

(6) Economic reasonableness of measuring or reducing any particular type of pollution.

(7) The right of all persons to an environment sufficiently uncontaminated as not to be injurious to human, plant, animal, or aquatic life or to the reasonable enjoyment of life and property.

REQUEST FOR PUBLIC COMMENTS

At this time, IDEM solicits the following: (1) The submission of alternative ways to achieve the purpose of the rule. (2) The submission of suggestions for the development of draft rule language. Mailed comments should be addressed to: #05-166(APCB) RPC BACT Rule Sky Schelle c/o Rules Section Administrative Assistant Rules Section Office of Air Quality Indiana Department of Environmental Management Indianapolis, Indiana 46204. Hand delivered comments will be accepted by the IDEM receptionist on duty at the tenth floor reception desk, Office of Air Quality, Indiana Government Center-North, 100 North Senate Avenue, Indianapolis, Indiana.

Comments may be submitted by facsimile at the IDEM fax number: (317) 233-2342, Monday through Friday, between 8:15 a.m. and 4:45 p.m. Please confirm the timely receipt of faxed comments by calling the Rules Section at (317) 233-0426.

COMMENT PERIOD DEADLINE

Comments must be postmarked, faxed, or hand delivered by August 1, 2005. Additional information regarding this action may be obtained from Sky Schelle, Rules Section, Office of Air Quality, (317) 234-3533 or (800) 451-6027 (in Indiana).

Kathryn Watson, Chief Air Programs Branch Office of Air Quality