STATEMENT OF BASIS

For the issuance of Draft Air Permit # 0401-AR-21 AFIN: 03-00027

1. PERMITTING AUTHORITY:

Arkansas Department of Environmental Quality 5301 Northshore Drive North Little Rock, Arkansas 72118-5317

2. APPLICANT:

American Epoxy Scientific, LLC 500 East 16th Street Mountain Home, Arkansas 72653

3. PERMIT WRITER:

John Mazurkiewicz

4. NAICS DESCRIPTION AND CODE:

NAICS Description: Institutional Furniture Manufacturing

NAICS Code: 337127

5. ALL SUBMITTALS:

The following is a list of ALL permit applications included in this permit revision.

| Date of Application | Type of Application | Short Description of Any Changes |
|---------------------|------------------------------|---|
| | (New, Renewal, Modification, | That Would Be Considered New or |
| | Deminimis/Minor Mod, or | Modified Emissions |
| | Administrative Amendment) | |
| 10/22/2018 | New | Production increases will cause emissions |
| | | to exceed minor source thresholds |

6. REVIEWER'S NOTES:

Except for the pre-mix, which contains maleic anhydride, the facility does not process materials containing HAPs or air contaminants with a TLV less than 1 mg/m³, and is limited to less than 10 tpy of emissions.

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7. COMPLIANCE STATUS:

The following summarizes the current compliance of the facility including active/pending enforcement actions and recent compliance activities and issues.

There are not current or pending enforcement issues associated with the facility.

8. PSD/GHG APPLICABILITY:

- a) Did the facility undergo PSD review in this permit (i.e., BACT, Modeling, etc.)? No. If yes, were GHG emission increases significant? N/A.
- b) Is the facility categorized as a major source for PSD? No.
- Single pollutant \geq 100 tpy and on the list of 28 or single pollutant \geq 250 tpy and not on list

If yes for 8(b), explain why this permit modification is not PSD. N/A.

9. SOURCE AND POLLUTANT SPECIFIC REGULATORY APPLICABILITY:

| Source | Pollutant | Regulation (NSPS, NESHAP or PSD) |
|--------|-----------|-------------------------------------|
| SN-11 | HAPs | NESHAP ZZZZ |

10. PERMIT SHIELD – TITLE V PERMITS ONLY:

Did the facility request a permit shield in this application? No.

11. EMISSION CHANGES AND FEE CALCULATION:

See emission change and fee calculation spreadsheet in Appendix A.

12. AMBIENT AIR EVALUATIONS:

The following are results for ambient air evaluations or modeling.

a) NAAOS

A NAAQS evaluation is not required under the Arkansas State Implementation Plan, National Ambient Air Quality Standards, Infrastructure SIPs and NAAQS SIP per Ark. Code Ann. § 8-4-318, dated March 2017 and the ADEQ Air Permit Screening Modeling Instructions.

b) Non-Criteria Pollutants:

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The non-criteria pollutants listed below were evaluated. Based on Department procedures for review of non-criteria pollutants, emissions of all other non-criteria pollutants are below thresholds of concern.

1st Tier Screening (PAER)

Estimated hourly emissions from the following sources were compared to the Presumptively Acceptable Emission Rate (PAER) for each compound. The Department has deemed the PAER to be the product, in lb/hr, of 0.11 and the Threshold Limit Value (mg/m³), as listed by the American Conference of Governmental Industrial Hygienists (ACGIH).

| Pollutant | TLV (mg/m ³) | $PAER (lb/hr) = 0.11 \times TLV$ | Proposed lb/hr | Pass? |
|------------------|--------------------------|----------------------------------|----------------|-------|
| Maleic anhydride | 0.01 | 0.0011 | 0.00103 | Yes |

c) H₂S Modeling: N/A.

13. CALCULATIONS:

| SN | Emission Factor Source (AP-42, testing, etc.) | Emission Factor (lb/ton, lb/hr, etc.) | Control Equipment | Control Equipment Efficiency | Comments |
|----|---|---|--------------------------|------------------------------------|---|
| 01 | | Material usage 100% | | | Assumes 100% of monthly |
| 02 | Mass Balance & 1998 emission testing | VOC/HAP/Acetone (lb/hr) <u>Pre-mix</u> | | | material usage is emitted over a 24- |
| 03 | (pre-mix) | 2.2E-02 lb/lb pre-mix Phthalic anhydrate 99.7% Maleic anhydride 0.05% | | | 9,375 lb/hr pre-mix max |
| 04 | Minimum control expected for dust collection/control system | 0.01 gr/dscf 2,500 cfm | Filter/dust collector | | |
| 05 | Minimum control expected for dust collection/control system | 0.01 gr/dscf 850 cfm | Filter/dust collector | | |
| 06 | Minimum control expected for dust | 0.01 gr/dscf 28,350 cfm | Filter/dust collector | | |

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| SN | Emission Factor Source (AP-42, testing, etc.) | Emission Factor (lb/ton, lb/hr, etc.) | Control Equipment | Control Equipment Efficiency | Comments |
|----|---|---|-----------------------|------------------------------------|----------|
| | collection/control system | | | | |
| 07 | Minimum control expected for dust collection/control system | 0.01 gr/dscf 5,000 cfm | Filter/dust collector | | |
| 08 | Minimum control expected for dust collection/control system | 0.01 gr/dscf 10,000 cfm | Filter/dust collector | | |
| 09 | Minimum control expected for dust collection/control system | 0.01 gr/dscf 2,250 cfm | Filter/dust collector | | |
| 10 | Minimum control expected for dust collection/control system | 0.01 gr/dscf 1000 cfm | Filter/dust collector | | |
| 11 | AP-42 Chapter 3.2 | PM 1.94E-02 lb/MMBtu PM ₁₀ 9.50E-03 lb/MMBtu SO ₂ 5.88E-04 lb/MMBtu VOC 2.96E-02 lb/MMBtu CO 3.72 lb/MMBtu NOx 2.27 lb/MMBtu | | | |

14. TESTING REQUIREMENTS:

The permit requires testing of the following sources.

| SN | Pollutants | Test Method | Test Interval | Justification | |
|-------|------------|-------------|---------------|---------------|--|
| None. | | | | | |

15. MONITORING OR CEMS:

The permittee must monitor the following parameters with CEMS or other monitoring equipment (temperature, pressure differential, etc.)

| SN | Parameter or Pollutant to be Monitored | Method (CEM, Pressure Gauge, etc.) | Frequency | Report (Y/N) |
|----|--|------------------------------------|-----------|--------------|
| | | | | |

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16. RECORDKEEPING REQUIREMENTS:

The following are items (such as throughput, fuel usage, VOC content, etc.) that must be tracked and recorded.

| SN | Recorded Item | Permit Limit | Frequency | Report (Y/N) |
|----------|--|---|--------------|--------------|
| Facility | VOC, Acetone, and HAP emissions | AP emissions 9.01 tpy Total HAP 9.01 tpy 9.01 tpy Maleic Anhydride 0.01 tpy | | N |
| | Pre-mix throughput | 75,000 lbs/day | Daily | N |
| | TLV | 1 mg/m^3 | Monthly | N |
| | Fuel usage | Natural gas only | Monthly | N |
| SN-11 | Hours of operation | 500 hours per calendar year | Monthly | N |
| | Subpart ZZZZ records (Specific Conditions 24 through 27) | N/A | As necessary | N |

17. OPACITY:

| SN | Opacity | Justification for limit | Compliance Mechanism | |
|---------------|---------|-------------------------|-------------------------|--|
| 04 through 10 | 5% | Department standards | Inspector observation | |
| 11 | 5% | Department standards | Natural gas only | |

18. DELETED CONDITIONS:

| Former SC | Justification for removal |
|-----------|---------------------------|
| | N/A |

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19. GROUP A INSIGNIFICANT ACTIVITIES:

The following is a list of Insignificant Activities including revisions by this permit.

| | Group A | | | Emiss | sions (tp | y) | | |
|------------------------------------|------------------|-------------------------|--------|-------|-----------|-----------------|--------|-------|
| Source Name | Group A Category | PM/PM ₁₀ | SO_2 | VOC | СО | NO_x | HAPs | |
| | Category | FIVI/FIVI ₁₀ | SO_2 | VOC | CO | NO _x | Single | Total |
| Curing Oven (0.25 MMBtu/hr) | A-1 | 0.008 | 0.001 | 0.006 | 0.090 | 0.107 | 0.002 | 0.002 |
| NG Boiler (5.175 MMBtu/hr) | A-1 | 0.169 | 0.013 | 0.122 | 1.867 | 2.222 | 0.042 | 0.042 |
| NG Boiler (4.164 MMBtu/hr) | A-1 | 0.136 | 0.011 | 0.098 | 1.502 | 1.788 | 0.034 | 0.034 |
| Heat Cleaning Oven (0.15 MMBtu/hr) | A-1 | 0.005 | 0.001 | 0.004 | 0.054 | 0.064 | 0.001 | 0.001 |
| Pre Heat Gas Oven (0.99 MMBtu/hr) | A-1 | 0.032 | 0.003 | 0.023 | 0.357 | 0.425 | 0.008 | 0.008 |
| Total | A-1 | 0.350 | 0.029 | 0.253 | 3.870 | 4.606 | 0.087 | 0.087 |
| Phthalic Anhydride Particulate | A-13 | 0.86 | - | - | - | - | 0.86 | 0.86 |

20. VOIDED, SUPERSEDED, OR SUBSUMED PERMITS:

The following is a list of all active permits voided/superseded/subsumed by the issuance of this permit.

| Permit # | |
|----------|--|
| N/A | |



Fee Calculation for Minor Source

Revised 03-11-16

American Epoxy Scientific, LLC

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| | | | Old Permit | New Permit |
|-----------------------------------|-------|--|------------|------------|
| \$/ton factor | 23.93 | Permit Predominant Air Contaminant | 0 | 19.2 |
| Minimum Fee \$ | 400 | Net Predominant Air Contaminant Increase | 0 | |
| Minimum Initial Fee \$ | 500 | | | |
| | | Permit Fee \$ | 500 | |
| Check if Administrative Amendment | | Annual Chargeable Emissions (tpy) | 19.2 | |

| Pollutant (tpy) | Old Permit | New Permit | Change |
|------------------|------------|------------|--------|
| PM | 0 | 19.2 | 19.2 |
| PM_{10} | 0 | 19.2 | 19.2 |
| $PM_{2.5}$ | 0 | 0 | 0 |
| SO ₂ | 0 | 0.1 | 0.1 |
| VOC | 0 | 9.1 | 9.1 |
| CO | 0 | 1 | 1 |
| NO_X | 0 | 0.6 | 0.6 |
| Acetone | 0 | 9 | 9 |
| Maleic anhydride | 0 | 0.01 | 0.01 |
| Single HAP | 0 | 9.01 | 9.01 |
| Total HAPs | 0 | 9.01 | 9.01 |