

Iowa Department of Natural Resources

Air Quality Construction Permit

Permit Holder

Firm: Union Tank Car Company-Muscatine Repair Shop

Contact:

David Herrin
Manger-Environmental Compliance

(312)431-3111 Ext. 3168

175 West Jackson Blvd., Suite 2100
Chicago, Illinois 60604

Responsible Party:

Troy McKim
Plant Manager

2603 Dick Drake Way
Muscatine, Iowa 52761

Permitted Equipment

Emission Unit(s): Inline Tank Car Qualification Process
Welding & Metal Arc Cutting (EU 8)
Maximum Capacity: 30 Railcars per day

Control Equipment: Mini-pleat Filters (CEM3)

Emission Point: EPM3

Equipment Location: 2603 Dick Drake Way
Muscatine, Iowa 52761

Plant Number: 70-01-048

Issuance of this permit shall not relieve the owner or operator of the responsibility to comply fully with applicable provisions of the State Implementation Plan (SIP), and any other requirements of local, state, and federal law.

| Permit No. | Project No. | Description | Date | Stack Testing |
|--------------|-------------|--|----------|---------------|
| 00-A-1088-S3 | 14-097 | Modify Stack Configuration & Control Install Date | 09/02/14 | No |

Under the Direction of the Director of
the Department of Natural Resources

PERMIT CONDITIONS

1. Departmental Review

This permit is issued based on information submitted by the applicant. Any misinformation, false statements or misrepresentations by the applicant or by the applicant's representative(s) shall cause this permit to be void. In addition, the applicant may be subject to criminal penalties according to Iowa Code Section 455B.146A.

This permit is issued under the authority of 567 Iowa Administrative Code (IAC) 22.3. The proposed equipment has been evaluated for conformance with Iowa Code Chapter 455B; 567 IAC Chapters 20 – 35; and 40 Code of Federal Regulations (CFR) Parts 51, 52, 60, 61, and 63 and has the potential to comply.

No review has been undertaken on the engineering aspects of the equipment or control equipment other than the potential of that equipment for reducing air contaminant emissions. The Department assumes no liability, directly or indirectly, for any loss due to damage to persons or property caused by, resulting from, or arising out of the design, installation, maintenance or operation of the proposed equipment.

2. Owner and Operator Responsibility

This permit is for the construction and operation of specific emission unit(s), control equipment, and emission point as described in this permit and in the application for this permit. The permit holder, owner, and operator of the facility shall assure that the installation of the equipment listed in this permit conforms to the design in the application (i.e. type, maximum rated capacity, etc.). No person shall construct, install, reconstruct or alter this emission unit(s), control equipment, or emission point without the required amended permit.

Any owner or operator of the specified emission unit(s), control equipment, or emission point, including any person who becomes an owner or operator subsequent to the date on which this permit is issued, is responsible for assuring that the installation, operation, and maintenance of the equipment listed in this permit is in compliance with the provisions of this permit and all other applicable requirements.

The owner or operator of any emission unit or control equipment shall maintain and operate the equipment and control equipment at all times in a manner consistent with good practice for minimizing emissions, as required by paragraph 567 IAC 24.2(1) "*Maintenance and Repair*".

3. Transferability

As limited by 567 IAC 22.3(3)"F", this permit is not transferable from one location to another or from one piece of equipment to another, unless the equipment is portable. When portable equipment for which a permit has been issued is to be transferred from one location to another, the Department shall be notified in writing at least seven (7) days prior to transferring to the new location unless the equipment will be located in an area which is classified as nonattainment for the National Ambient Air Quality Standards (NAAQS) or is a maintenance area for the NAAQS in which case notification shall be given fourteen (14) days prior to the relocation of equipment¹ (See Permit Condition 8.A.2). The owner or operator will be notified at least ten (10) days prior to the scheduled relocation if the relocation will cause a violation of the (NAAQS). In such case, a supplemental permit shall be required prior to the initiation of construction of additional control equipment or modifications to equipment needed to meet the standards.

¹ A list of nonattainment areas and maintenance areas for the NAAQS can be obtained from the Department.

4. Construction

A. General Requirements

It is the owner's responsibility to ensure that construction conforms to the final plans and specifications as submitted, and that adequate operation and maintenance is provided to ensure that no condition of air pollution is created.

4. Construction (Continued)

In permit amendments, all provisions of the original permit remain in full force and effect unless they are specifically changed by the permit amendment. If a proposed project is not timely completed, the owner or operator shall seek a permit amendment in order to revert back to the most recent previous version of the permit. The previous, unchanged permit provisions are included in the amendment for your convenience only and are unappealable.

This permit or amendment shall become void if any one of the following conditions occurs:

- (1) the construction or implementation of the proposed project, as it affects the emission point permitted herein, is not initiated within eighteen (18) months after the permit issuance date; or
- (2) the construction or implementation of the proposed project, as it affects the emission point permitted herein, is not completed within thirty-six (36) months after the permit issuance date; or
- (3) the construction or implementation of the proposed project, as it affects the emission point permitted herein, is not completed within a time period specified elsewhere in this permit.

B. Changes to Plans and Specifications

The owner or operator shall amend this permit or amendment prior to startup of the equipment if:

- (1) Any changes are made to the final plans and specifications submitted for the proposed project; or
- (2) This permit becomes void.

Changes to the final plans and specification shall include changes to plans and specifications for permitted equipment and control equipment and the specified operation thereof.

C. Amended Permits

The owner or operator may continue to act under the provisions of the previous permit for the affected emission unit(s) and emission point, together with any previous amendment to the permit, until one of the following conditions occurs:

- (1) The proposed project authorized by this amendment is completed as it affects the emission unit(s) and emission point permitted herein; or
- (2) This current amendment becomes void.

5. Credible Evidence

As stated in 567 IAC 21.5 and also in 40 CFR Part §60.11(g), where applicable, any credible evidence may be used for the purpose of establishing whether a person has violated or is in violation of any provisions specified in this permit or any provisions of 567 IAC Chapters 20 through 35.

6. Excess Emissions

Per 567 IAC 24.1(1), excess emissions during a period of startup, shutdown, or cleaning of control equipment are not a violation of the emission standard if it is accomplished expeditiously and in a manner consistent with good practice for minimizing emissions except when another regulation applicable to the unit or process provides otherwise. Cleaning of control equipment, which does not require the shutdown of process equipment, shall be limited to one (1) six-minute period per one (1) hour period.

An incident of excess emissions other than the above is a violation and may be subject to criminal penalties according to Iowa Code 455B.146A. If excess emissions are occurring, either the control equipment causing the excess shall be repaired in an expeditious manner, or the process generating the emissions shall be shutdown within a reasonable period of time, as specified in 567 IAC 24.1.

An incident of excess emissions shall be orally reported by telephone, electronic mail or in person to the appropriate field office within eight (8) hours of, or at the start of, the first working day following the onset of the incident (See Permit Condition 8.B.1). A written report of an incident of excess emissions shall be submitted as a follow-up to all required initial reports within seven (7) days of the onset of the upset condition (See Permit Condition 8.B.2).

7. Permit Violations

Knowingly committing a violation of this permit may carry a criminal penalty of up to \$10,000 per day fine and two (2) years in jail according to Iowa Code Section 455B.146A.

8. Notification, Reporting, and Recordkeeping

A. The owner or operator shall furnish the Department the following written notifications:

- (1) Per 567 IAC 22.3(3)"b":
 - (a) The date construction, installation, or alteration is initiated postmarked within thirty (30) days following initiation of construction, installation, or alteration;
 - (b) The actual date of startup, postmarked within fifteen (15) days following the start of operation;
- (2) Per 567 IAC 22.3(3)"P", when portable equipment for which a permit has been issued is to be transferred from one location to another, the Department shall be notified:
 - (a) at least fourteen (14) days before equipment relocation if the equipment will be located in a nonattainment area for the National Ambient Air Quality Standards (NAAQS) or a maintenance area for the NAAQS;
 - (b) at least seven (7) days before equipment relocation.
- (3) Per 567 IAC 22.3(8), a new owner shall notify the Department of the transfer of equipment ownership within thirty (30) days of the occurrence. The notification shall be mailed to:

Air Quality Bureau
Iowa Department of Natural Resources
7900 Hickman Road, Suite 1
Windsor Heights, IA 50324

and include the following information:

- The date of ownership change,
 - The name, address, and telephone number of the responsible official, the contact person, and the owner of the equipment both before and after the ownership change; and
 - The construction permit number(s) of the equipment changing ownership.
- (4) Unless specified per a federal regulation, notification of each compliance test required by Permit Condition 12 shall be done not less than thirty (30) days before the required test or performance evaluation of a continuous emission monitor [567 IAC 25.1(7)]. The notification shall include:
 - the time,
 - the place,
 - the name of the person who will conduct the tests,
 - and other information as required by the Department;

If the owner or operator does not provide timely notice to the Department, the Department shall not consider the test results or performance evaluation results to be a valid demonstration of compliance with the applicable rules or permit conditions. Upon written request, the Department may allow a notification period of less than thirty (30) days.

B. The owner or operator shall furnish the Department with the following reports:

- (1) Per 567 IAC 24.1(2), an incident of excess emissions as defined in 567 IAC 20.2 shall be reported within eight (8) hours or at the start of the first working day following the onset of the incident. The report may be made by electronic mail, in person or by telephone.
- (2) Per 567 IAC 24.1(3), a written report of an incident of excess emissions as defined in 567 IAC 20.2 shall be submitted as a follow-up to all required initial reports to the Department within seven (7) days of the onset of the upset condition.
- (3) Operation of this emission unit(s) or control equipment outside of those operating parameters specified in Permit Condition 14 in accordance to the schedule set forth in 567 IAC 24.1.
- (4) Per 567 IAC 25.1(6), the owner or operator of any facility required to install a continuous monitoring system or systems shall provide quarterly reports to the Director, no later than thirty (30) calendar days following the end of the calendar quarter, on forms provided by the Director.

8. Notification, Reporting, and Recordkeeping (Continued)

(5) Per 567 IAC 25.1(7), a written compliance demonstration report for each compliance testing event, whether successful or not, postmarked not later than six (6) weeks after the completion of the test period unless other regulations provide for other notification requirements. In that case, the more stringent reporting requirement shall be met;

C. All data, records, reports, documentation, construction plans, and calculations required under this permit shall be available at the plant during normal business hours for inspection and copying by federal, state, or local air pollution regulatory agencies and their authorized representatives, for a minimum of two (2) years from the date of recording unless otherwise required by another applicable law (i.e. NSPS, NESHAP, etc.)

D. The owner or operator shall send correspondence regarding this permit to the following address:

Construction Permit Supervisor
Air Quality Bureau
Iowa Department of Natural Resources
7900 Hickman Road, Suite 1
Windsor Heights, IA 50324
Telephone: (515) 725-9549
Fax: (515) 725-9501

E. The owner or operator shall send correspondence concerning stack testing to:

Stack Testing Coordinator
Air Quality Bureau
Iowa Department of Natural Resources
7900 Hickman Road, Suite 1
Windsor Heights, IA 50324
Telephone: (515) 725-9545
Fax: (515) 725-9502

F. The owner or operator shall send reports and notifications to:

| | |
|---|---|
| Compliance Unit Supervisor Air Quality Bureau Iowa Department of Natural Resources 7900 Hickman Road, Suite 1 Windsor Heights, IA 50324 Telephone: (515) 725-9550 Fax: (515) 725-9502 | DNR Field Office 6 1023 West Madison Washington, IA 52353 Telephone: (319) 653-2135 Fax: (319) 653-2856 |
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9. Appeal Rights

All conditions within an original permit may be appealed, subject to the appeal rights set forth in 561 IAC Chapter 7. Amended conditions within a permit amendment may be appealed, subject to the appeal rights set forth in 561 IAC Chapter 7. In permit amendments, all provisions of the original permit remain in full force and effect unless they are specifically changed by the permit amendment. The previous, unchanged permit provisions are included in the amendment for your convenience only and are unappealable.

Per 561 IAC 7.4(1), the owner or operator shall file any written notice of appeal within thirty (30) days of receipt of the issued permit. The written notice of appeal shall be filed with the Director of the Department with a copy to the Legal Services Bureau Chief at the following addresses:

| | |
|---|--|
| Director Iowa Department of Natural Resources 502 East 9 th Street Des Moines, IA 50319 | Bureau Chief Legal Services Bureau Iowa Department of Natural Resources 502 East 9 th Street Des Moines, IA 50319 |
|---|--|

10. Emission Limits

The following emission limits shall not be exceeded:

| Pollutant | lb/hr ¹ | tons/yr ² | Additional Limits | Reference (567 IAC) |
|------------------------------------|--------------------|----------------------|--------------------|---------------------|
| Particulate Matter (PM) – Federal | NA | NA | NA | NA |
| Particulate Matter (PM) – State | 1.8 | NA | 0.1 gr/scf | 23.3(2)"a" |
| PM ₁₀ | 0.87 ³ | NA | NA | NAAQS |
| PM _{2.5} | 0.033 ⁴ | NA | NA | NAAQS |
| Opacity | NA | NA | 40% ^{5,6} | 23.3(2)"d" |
| Sulfur Dioxide (SO ₂) | NA | NA | NA | NA |
| Nitrogen Oxides (NO _x) | NA | NA | NA | NA |
| Volatile Organic Compounds (VOC) | NA | NA | NA | NA |
| Carbon Monoxide (CO) | NA | NA | NA | NA |
| Lead (Pb) | NA | NA | NA | NA |
| (Single HAP) | NA | NA | NA | NA |
| (Total HAP) | NA | NA | NA | NA |

¹ The emission limit is expressed as the average of three (3) runs.

² The emission limit is a 12-month rolling total.

³ The limit established as part of Project 08-621 that demonstrated predicted compliance with PM₁₀ NAAQS.

⁴ The limit for PM_{2.5} emissions is established to address the "Finding of Substantial Inadequacy of Implementation Plan; Call for Iowa SIP Revision" for PM_{2.5} published in the Federal Register (76 FR 41424) on July 14, 2011.

⁵ The emission limit is a six (6) minute average.

⁶ An exceedance of the indicator opacity of "No Visible Emissions" will require the owner or operator to promptly investigate the emission unit and make corrections to operations or equipment associated with the exceedance. If exceedances continue after the corrections, the Department may require additional proof to demonstrate compliance (e.g., stack testing).

11. Emission Point Characteristics

This emission point shall conform to the specifications listed below:

| Parameter | Value |
|-------------------------------------|------------------------|
| Stack Height, (ft, from the ground) | 27 Feet |
| Discharge Style | Horizontal Discharge |
| Stack Opening (inches) | 72 inches by 96 inches |
| Exhaust Temperature (°F) | Ambient |
| Exhaust Flowrate (scfm) | 25,000 scfm |

The temperature and flowrate are intended to be representative and characteristic of the design of the permitted emission point. The Department recognizes that the temperature and flow rate may vary with changes in the process and ambient conditions. If it is determined that either the temperature or flowrate above are different than the values stated, the owner or operator shall submit a request to the Department within thirty (30) days of the discovery to determine if a permit amendment is required or submit a permit application requesting to amend the permit.

12. Compliance Demonstration(s)

| Pollutant | Compliance Demonstration | Compliance Methodology | Frequency |
|-------------------|--------------------------|------------------------|-----------|
| PM – Federal | No | Performance Testing | NA |
| PM – State | No | Performance Testing | NA |
| PM ₁₀ | No | Performance Testing | NA |
| PM _{2.5} | No | Performance Testing | NA |
| Opacity | No | Performance Testing | NA |
| SO ₂ | No | NA | NA |
| NO _x | No | NA | NA |
| VOC | No | NA | NA |
| CO | No | NA | NA |
| Pb | No | NA | NA |
| HAP | No | NA | NA |

If an initial compliance demonstration specified above is testing, the owner or the owner’s authorized agent shall verify compliance with the emission limitations contained in Permit Condition 10 within sixty (60) days after achieving maximum production rate and no later than one hundred eighty (180) days after the initial startup date of the proposed equipment.

If subsequent testing is specified above, the owner or the owner’s authorized agent shall verify compliance with the emission limitations contained in Permit Condition 10 according to the frequency and timeframe noted above.

If testing is required, the owner or the owner’s authorized agent shall use the test method and run time listed in the table below unless another testing methodology is approved by the Department prior to testing.

| Pollutant | Test Run Time | Test Method |
|-------------------|---------------|--|
| PM – Federal | 1 hour | 40 CFR 60, Appendix A, Method 5 |
| PM – State | 1 hour | 40 CFR 60, Appendix A, Method 5 40 CFR 51 Appendix M Method 202 |
| PM ₁₀ | 1 hour | 40 CFR 51, Appendix M, 201A with 202 |
| PM _{2.5} | 15 hours | 40 CFR 51, Appendix M, 201A with 202 |
| Opacity | 1 hour | 40 CFR 60, Appendix A, Method 9 |
| SO ₂ | 1 hour | 40 CFR 60, Appendix A, Method 6C |
| NO _x | 1 hour | 40 CFR 60, Appendix A, Method 7E |
| VOC | 1 hour | 40 CFR 60, Appendix A, Method 25A |
| CO | 1 hour | 40 CFR 60, Appendix A, Method 10 |
| Pb | 1 hour | 40 CFR 60, Appendix A, Method 12 |
| HAP | 1 hour | 40 CFR 60, Appendix A, Method 18 |

Each emissions compliance test must be approved by the Department. Unless otherwise specified by the Department, each test shall consist of three (3) separate runs. The arithmetic mean of three (3) acceptable test runs shall apply for compliance, unless otherwise indicated by the Department.

12. Compliance Demonstration(s) (Continued)

Per 567 IAC 25.1(7)"a", at the Department's request, a pretest meeting shall be held not later than fifteen (15) days before the owner or operator conducts the compliance demonstration. A testing protocol shall be submitted to the Department no later than fifteen (15) days before the owner or operator conducts the compliance demonstration. Representatives from the Department shall attend this meeting, along with the owner and the testing firm, if any. It shall be the responsibility of the owner to coordinate and schedule the pretest meeting. A representative of the Department shall be allowed to witness the test(s). The Department shall reserve the right to impose additional, different, or more detailed testing requirements.

The owner shall be responsible for the installation and maintenance of test ports. The unit(s) being sampled shall be operated in a normal manner at its maximum continuous output as rated by the equipment manufacturer, or the rate specified by the owner as the maximum production rate at which this unit(s) will be operated. In cases where compliance is to be demonstrated at less than the maximum continuous output as rated by the manufacturer, and it is the owner's intent to limit the capacity to that rating, the owner may submit evidence to the Department that this unit(s) has been physically altered so that capacity cannot be exceeded, or the Department may require additional testing, continuous monitoring, reports of operating levels, or any other information deemed necessary by the Department to determine whether this unit(s) is in compliance.

13. New Source Performance Standards (NSPS) and National Emission Standards for Hazardous Air Pollutants (NESHAP) Applicability

Union Tank Car Company (Plant No. 70-01-048) is subject to the requirements and conditions of Subpart M-MMM-National Emission Standards for Hazardous Air Pollutants: Surface Coating of Miscellaneous Metal Parts and Products as specified in 40 CFR Part 63 §63.3881. Union Tank Car Company shall comply with all reporting, notification, and recordkeeping requirements as specified 40 CFR Part 63 Subpart M-MMM, specifically §63.3910, §63.3920, §63.3930, and §63.3931.

Union Tank Car Company (Plant No. 70-01-048) is subject to the requirements and conditions of Subpart A-General Provisions as specified in 40 CFR Part 63 §63.3901. Union Tank Car Company (Plant No. 70-01-048) shall comply with all reporting, notification, and recordkeeping requirements as specified 40 CFR Part 60 Subpart A, §63.3901 (Table 2).

14. Operating Limits

Operating limits for this emission unit shall be:

- A. Mini-pleat Filters (CEM3) shall be installed and operational by September 2, 2014.
- B. Mini-pleat Filters (CEM3) shall have a MERV rating of no less than 13.
- C. Mini-pleat Filters (CEM3) shall be maintained and replaced per manufacturer's instructions and specifications.

15. Operating Condition Monitoring and Recordkeeping

Unless specified by a federal regulation, all records as required by this permit shall be kept on-site for a minimum of two (2) years and shall be available for inspection by the Department. Records shall be legible and maintained in an orderly manner. These records shall show the following:

- A. Maintain a record of the installation and operation date of Mini-pleat Filters (CEM3).
 - B. Maintain record of MERV Rating of Mini-pleat filters (CEM3).
 - C. The owner or operator shall maintain a record for all maintenance and replacement of the Mini-pleat Filters (CEM3).
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16. Continuous Emission Monitoring

Continuous emission monitoring is not required by this permit at this time.

17. Permit History

| Permit No. | Project No. | Description | Date | Stack Testing |
|-------------------|--------------------|--|-------------|----------------------|
| 00-A-1088 | 00-144 | Original Permit | 12/21/00 | No |
| 00-A-1088-S1 | 08-621 | Amend Operating Limits | 10/29/09 | No |
| 00-A-1088-S2 | 12-409 | Add Particulate Filter, Establish PM2.5 Limits, Add Fan to Increase Flow | 04/08/13 | No |
| | | | | |
| | | | | |

18. Description of Terms and Acronyms

The descriptions below are meant only as a brief explanation of terms contained within the permit and may not be the exact definition of the term or acronym as contained within the regulations.

| | |
|-------------------|--|
| acfm | Actual cubic feet per minute |
| Applicant | The owner, company official or authorized agent |
| Btu | British thermal unit |
| °C | Degrees Celsius |
| Condensable PM | Material that condenses and/or reacts upon cooling and dilution in the ambient air to form particulate matter immediately after discharge from the stack |
| Department | Iowa Department of Natural Resources |
| dia. | Diameter |
| °F | Degrees Fahrenheit |
| ft | Foot |
| g | grams |
| g/dscm | Grams per dry standard cubic meter |
| gr | Grains |
| gr/dscf | Grains per dry standard cubic foot |
| gr/scf | Grains per standard cubic foot |
| HAP | Hazardous Air Pollutant(s) |
| hp | horsepower |
| hr | Hour |
| lb | Pound |
| lb/hr | Pounds per hour |
| m | Meter |
| mg | Milligram |
| MM | Million |
| MW | Megawatt |
| NA | Not Applicable |
| PM _{2.5} | Particulate Matter with an aerodynamic diameter equal to or less than 2.5 microns |
| PM ₁₀ | Particulate Matter with an aerodynamic diameter equal to or less than 10 microns |
| PM – Federal | Particulate Matter that does not include the condensable PM |
| PM – State | Particulate Matter that includes condensable PM |
| ppm | parts per million |
| ppm _v | parts per million by volume |
| ppm _w | parts per million by weight |
| scfm | Standard cubic feet per minute |
| SHAP | Single hazardous air pollutant |
| THAP | Total hazardous air pollutants |
| tons/yr | Tons per year |
| yr | Year |

END OF PERMIT

Source Specific Permits and Orders

EPA Rulemakings

CFR: 40 C.F.R. 52.820(d)
FRM: 79 FR 71025 (12/1/2014) and 80 FR 18133 (4/3/15)
PRM: 79 FR 46742 (8/11/2014) and 80 FR 18179 (4/3/15)
State Submission: 2/18/14 and 11/3/14
State Final: 2/14/14 ACO; permits are individually dated
APDB File: EPA-R07-OAR-2014-0550 and EPA-R07-OAR-2015-0159; IA-167 and IA-167a
Description: IA-167 EPA-R07-OAR-2014-0550, and IA 167a EPA-R07-OAR-2015-0159.
Description: This action approves Iowa's State Implementation Plan to address the 2011 SIP Call for the 2006 24-hour PM2.5 NAAQS for the Muscatine County, Iowa area. The state's plan addresses the requirements of the SIP Call and includes into the SIP permits for Muscatine Power and Water and Union Tank Car. It also includes an Administrative Consent Order for Grain Processing Corporation. IA 167 published December 1, 2014 approved new permits (29)-(109), codified in 52.820(d), IA 167a updates and revises the previously approved permits for administrative errors and approves the updated versions of the permits that were not available when IA-167 was published.

Difference Between the State and EPA-Approved Regulation:

(29) Grain Processing Corporation, Administrative Consent Order NO.2014-AQ-A1, the last sentence of Paragraph 5, Section III and Section VI are not approved by EPA as part of the SIP.