



State of Ohio Environmental Protection Agency

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November 20, 2007

CERTIFIED MAIL

Mr. Scott Becker, President
Plasticolors, Inc.
P. O. Box 816
Ashtabula, Ohio 44005-0816

RE: **Notice of Violation – Pending High Priority Facility (Pending Synthetic Minor PTI 02-22571)** - Division of Air Pollution Control Compliance Monitoring Inspection of the plant located at 2600 Michigan Avenue, Ashtabula, Ohio, DAPC Facility ID # (0204010285)

Dear Mr. Becker:

On 9/20/07 and 9/26/07, an inspection of the plant was conducted by Ohio EPA representative, Christine McPhee, to determine compliance with the requirements of permits issued by the Division of Air Pollution Control (DAPC) and other applicable requirements. We appreciate the time given by Mr. Edward Trenn, Environmental Affairs Manager, and HzW Environmental Consultants Representatives, Barbara Knecht and David Konrad. On 10/02/07, additional copies of records, requested by Ohio EPA, were received by our office.

The purpose of this letter is to provide a follow-up to the inspection. A copy of the inspection report is enclosed for your information. We will discuss permit application requirements within the DAPC program, address current permit requirements and provide guidance on the applicability of Ohio Administrative Code (OAC) rule 3745-21-07, which is cited in many of Plasticolors' permits. Areas of non-compliance that need to be addressed include the following: submittal of Permit-to-Operate (PTO) applications for P008, P020, P024, P030 and P031; and quarterly deviation reporting requirements for P008, P020, P030, P031 and possibly P023 and P024. Some additional information may be required as discussed below.

Permit-to-Operate (PTO) Requirements

An owner or operator must apply for and obtain a PTO for the operation of any air contaminant source (air pollutant emissions unit), as required by OAC rule 3745-35-02(A). An application for a PTO must be filed within ninety (90) days after commencement of operation, per OAC rule 3745-35-02(B)(5). A PTO application has not been received for P008, P024, P030 & P031 and is a violation of OAC rule 3745-35-02(B)(5).

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1. For each of the following emissions units, please submit an application for a PTO with the appropriate Emissions Activity Category (EAC) form. Permit application forms are available at www.epa.state.oh.us/dapc/files/files.html.
 - a. (P008) pigment dispersion/resin dispersion high sheer mixer 11 with DC007 dust control device to control particulate emissions (PE). A PTO application for the modification allowed by PTI 02-16412, issued on 12/20/02, has not been received.
 - b. (P020) pigment dispersion tank mixer 25 (750 gallon paddle pot) with ?DC00_ dust control device to control PE. A PTO application for the modification allowed by PTI 02-16412, issued on 12/20/02, has not been received.
 - c. (P024) pigment dispersion/chemical dispersion high sheer mixer 19 w DC003 to control PE; co. id: Mixer 19, Hockmeyer 125HP, MNHVII25/997. A PTO application for P024, allowed by PTI 02-11723, issued on 3/25/98, has not been received.
 - d. (P030) pigmented resin mixer 10 w baghouse DC007; co. id.: Mixer 10, Ashland mixer. A PTO application for P030, allowed by PTI 02-22040, issued on 8/24/06, has not been received.
 - e. (P031) pigmented resin mixer 7 w baghouse DC004; co. id.: Mixer 7, Hockmeyer 150 hp, MN9HVII 50-4190. A PTO application for P031, allowed by PTI 02-22040, issued on 8/24/06, has not been received.
2. Plasticolors' emissions units are listed within a spreadsheet, Plasticolors_Ashtabula_EU.xls, updated on 9/20/07, which notes that the following have been permanently shut down. Please tell us the month and year when the emissions units was shut down, so that we may withdraw the PTO application and/or permit from our permit systems.
 - a. (P007) pigment dispersion/chemical dispersion mixer no. 10; company id: Cowles 520 VHY. (The PTO application was uploaded to the STARS permit system on 6/12/97 in STP004.)
 - b. (P011) tank/paddle mixer 22; co. id.: Lightnin 74C-7.5. (During our recent site visits, we were told that P011 has not been used in at least seven years.) If you wish to retain the option to operate P011, the equipment must be operationally ready so that minimal time would be needed to resume operations (i.e. connections to lines for materials, fuel, utilities, etc.). Additionally, let us know the plans for using P011 within the next three years, if you wish to have the option to operate it.

- c. (P016) pigment/polyol dispersion high sheer mixer 13 with a dust control device for PE. P016 has been dismantled, according to your comments in the emissions unit's spreadsheet. Unless the equipment can be made ready for operation with minor equipment adjustments (i.e. connections to lines for materials, fuel, utilities, etc.), the registration PTO will be withdrawn from the permit system.
- d. (P022) chemical dispersion/pigment dispersion paddle pot/tank no. 29; co. id.: 850 gallon tank filled with a mixer. (The PTO application was uploaded to STARS on 2/27/98 in STP001.)
- e. (T014) 8,800 gal unsaturated polyester resin storage tank. The registration PTO will be withdrawn from the permit system; and
- f. (T015) storage tank #16; co. id.: wastewater tank. The registration PTO will be withdrawn from the permit system.

Request for Information to Determine Compliance

- 3. Some information was not available in the permit applications, or some changes have occurred and information needs to be updated. Please provide the requested information so that compliance with emissions limits or operational restrictions may be determined.
 - a. (P012) pigment dispersion/chemical dispersion process tank/mixer 21. No dust control device was indicated in the PTI nor the PTO applications. Yet Plasticolors_Ashstabula_EU.xls file includes your comments that does have the potential to emit a PE rate of 0.095 tons/yr. Is a dust control device is currently used for production operations at tank/mixer 21? If yes, provide control equipment information, as indicated in item no. 2.h. of the PTO application form. (The final exhaust gas flow rate, in cubic feet per minute, and the maximum exhaust gas temperature are needed to determine compliance with the 0.01 grains/dscf limit for the PE rate.)
 - b. (P026) 2-roll mill for cellulose acetate butyrate (CAB) production with fabric filter to control PE. What is the dust control device equipment identification (i.e. DC003) for this operation?
 - c. (P027) CMX-100 Solvent Potwash. What is the vapor pressure, in pounds per square inch (psia) at 100°F (37.8°C), of the light aromatic solvent naphtha (petroleum) solvent (CAS # 64742-95-6) that is currently used at the Potwash operation? Is solvent gallon use per cleaning a set value or is it different for each job?

Monitoring and Record Keeping Requirements

The purpose of monitoring and record keeping requirements is to provide assurance and documentation of the compliance status with emissions limits, operational restrictions or control equipment monitoring requirements. Monitoring and record keeping are also required for a federally enforceable permit. Our review of your records was for randomly selected emissions units and was not a comprehensive review of records for each emissions unit that has an active PTO and an effective PTI.

4. Please respond to the following items regarding monitoring and record keeping requirements. (Also, do review the discussion on OAC rule 3745-21-07.)

- a. (P001) Mixer 1, Hockmeyer HVR50, white room; with DC002 to control PE; Mixer 2, Hockmeyer HVR25, mill area w no PE control device; Mixer 3, Hockmeyer HVR25, blend w no PE control device; and Mixer 4, Hockmeyer HV10, blend area w no PE control device.

Daily records are kept of material identification, material batch weight, operating time and daily volatile organic compound (VOC) emissions per product in the "Mixer 1 Throughput and Emissions" spreadsheet maintained at the plant and comply with the requirements of the PTO, issued on 9/01/04. Term 3.a. of the PTO also requires a record of the hourly and daily VOC emissions from P001.

- i. Are records kept for the daily VOC/OC emissions from mixers 2, 3 and 4 and the of sum emissions from mixers 1-4 combined?
 - ii. Are hourly VOC emissions from mixers 1-4 estimated and recorded?
 - iii. The Plasticolors_Ashtabula_EU.xls spreadsheet, updated on 9/20/07, notes that the mixers are located in different areas of the plant. Do you wish to keep all four mixers currently designated as emissions unit P001?
 1. If not, please state whether the mixers are independently operated; and
 2. State the potential PE, OC & HAP emissions, in lbs/day and tons/year, according to equipment design and maximum materials throughput rates for each mixer that you wish to consider as an emissions unit, separate from P001.
- b. (P015) 25 hp low speed mixer 14 w baghouse DC007. Are the VOC emissions from all lots summed for each day for a daily VOC emissions rate, as required in PTI 02-8592, issued on 8/24/94? Would this information be in the "MX014" spreadsheet or another file?

- c. (P030) Pigmented resin mixer 10 w baghouse DC007. In the "Mixer 10 Throughput and Emissions" spreadsheet, are total VOC emissions from all cleaning (materials) and production materials included in the Daily VOC Emissions column?
- d. (P027) CMX-100 (Solvent Potwash). The 2005 and 2006 annual VOC emissions from P027 were reported as less than 1 lb/yr and 7 lbs/yr, respectively. Please submit hard copies of monthly inventory records for calendar years 2005 and 2006, and OC emissions estimates from solvent usage so that the annual emissions estimates can be verified.

Reporting Requirements

Quarterly VOC Reports

The PTO, and for some emissions units the PTI as well, require quarterly reports that state the daily and hourly VOC emissions for the following emissions units: P001, P004-P006, P009-P013 and P021. A review of quarterly reports received during the 01/05 – 9/07 period found that no quarterly VOC reports were submitted for P001, P004-P006 and P009-P013, which is a violation of the permit requirements. Quarterly reports for the fourth quarter of 2006 (4Q06) through the third quarter of 2007 (3Q07) declared no deviations at P021.

NEDO Comment: A report of daily and hourly VOC emissions is not required by the modern standard permit terms and conditions. Future PTO terms would require a listing of the emissions deviations and typically the actual emissions for each deviation period. Please do review the "Applicability of OAC rule 3745-21-07(G)(2) to mixers" section of this letter.

Quarterly Deviation Reports

The PTO, and for most emissions units the PTI as well, require quarterly reports that identify the deviations with the OC/VOC emissions limits and any deviations with control equipment operating parameter requirements for the following emissions units: P008, P020, P023, P024, P026, P027, P028, P030 and P031. A review of quarterly reports received during the 1Q05 – 3Q06 period found that no quarterly deviation reports were submitted for P008, P020, P023, P024, P028, P030 and P031, and is a violation of the permit requirements. Quarterly reports for the 4Q06 - 3Q07 period declared no OC/VOC emissions limit deviations at P008, P020, P023, P024, P026, P027, P028, P030 and P031.

Quarterly deviation reports noted periods when a dust control device was operating outside the range specified in a permit for the following dust control devices: DC004 for an undisclosed number of days during 1Q07, 2Q07 and 3Q07; and DC007 for an undisclosed number of days during 3Q07. Part I – General Terms and Conditions, Section A.2. of a PTI requires the following information: an identification of the deviation; the probable cause of the deviation; and any corrective actions or preventive

measures that have been or will be taken. Part II – Terms and Conditions for Specific Emissions Units of a PTI also require that the deviation report include the particular date and/or period during a day when the deviation occurred.

The current format of quarterly deviation report does not include the particular date and period of time of the deviation nor the probable cause of the deviation. Earlier formats did not identify corrective actions/preventative measures included, as required by the respective permits. For example, the 3Q07 report states,

“...a weekly magnahelic gauge reading for DC007 indicated this unit was briefly just below the permitted pressure drop operating parameters. Likewise was the case with P031 (DC004). These units, however, did not malfunction during the quarter and are also part of a regular preventative maintenance program, which also indicated no malfunction of this unit. Plasticolors does not believe that this slight deviation resulted in visible emissions, or decreased operating efficiency of the dust collector.”

5. Beginning with the report for the fourth quarter of 2007, which is due on January 31, 2008, please revise the quarterly deviation report format to include the following information for each deviation of an emissions limit, operational restriction and control equipment parameter requirement:
 - a. the date(s) of occurrence;
 - b. the specific time period of the incident, if known;
 - c. the probable cause of the deviation; and
 - d. the corrective actions or preventive measures that have been or will be taken.
6. Please discuss current procedures if available, or future plans to identify differential pressure drop ranges or a maximum pressure drop level, that better indicate the optimum performance level for the following dust control devices: DC004 and DC007.

Applicability of OAC rule 3745-21-07(G)(2) to mixers

A court case, initiated by Ashland Chemical, was settled by a decision that stated that the requirements of OAC rule 3745-21-07 are not applicable to a mix vessel, which do not have a chemical reaction of the mixed materials. Ohio EPA DAPC created a "White Paper" to discuss implications of proposed changes which will remove much of the current language in OAC rule 3745-21-07. This white paper, found in <http://www.epa.state.oh.us/dapc/regs/3745-21/WhitePaper.pdf>, is the starting point for interpreting requirements of older PTIs that do cite OAC rule 3745-21-07. Page 16, item 24, of the white paper states,

"... if the PTI has organic compound emissions limits cited under Rule 3745-21-07, which are typically expressed as 8 lbs/hr and 40 lbs/day, an amended Rule 3745-21-07 would cause such PTI limits to be void (i.e., no longer applicable). Also, for PTI s that specify no use of PRM (photochemically reactive material) or no emission of PRM, such requirements on PRM would no longer be applicable...."

We encourage you to review the examples in Appendix A of the White Paper on pages 20-22, which essentially state that 21-07(G) requirements of 8 lbs/hr, 40 lbs/day and any restrictions or requirements regarding photochemically reactive materials will not be applicable.

Evaluation of Older PTI Requirements

There are currently about 18 mixer emissions units at Plasticolors that generate OC/VOC emissions. As requested during a 11/06/07 telephone meeting between Plasticolors representatives and Ohio EPA, the Northeast District Office has asked our Central Office on which date record keeping and reporting requirements were no longer needed for some older emissions units.

The PTIs for about thirteen mix operations cite both OAC rule 3745-21-07(G)(2) and the Ohio Best Available Technology (BAT) rule in the same paragraph so that it is not obvious whether the emissions limits are BAT or not. If -21-07(G)(2) is not applicable, then just BAT limits would apply. Ohio EPA's evaluation of the older PTIs to determine the current applicable requirements follows.

(PTI 02-2404) P001 - 8 lbs/hr and 40 lbs/day of photochemically reactive materials. Only the 7.3 TPY OC limit is an effective requirement, no record keeping nor reporting are needed for short term limits.

(PTI 02-4169) P004 - P011- 8 lbs/hr and 40 lbs/day VOC. Only the 2.0 TPY VOC limit would be effective, no record keeping nor reporting are needed for short term limits.

(PTI 02-4312) P012 - 8 lbs/hr and 40 lbs/day VOC emissions. Only 2.0 TPY VOC limit would be effective, no records nor reporting are needed for short term limits.

(PTI 02-7715) P013 - 8 lbs/hr and 40 lbs/day VOC emissions. Only 2.0 TPY OC limit would be effective, no records nor reporting for short term limits.

(PTI 02-8639) P016, P018 & P019 - 0.10 lb/hr OC at P016; 2.74 lbs/hr OC at P018; and 1.3 lb/hr & 31.2 lbs/day OC at P019 will require records and reporting to document compliance.

(PTI 02-9310) P021 - 17.0 lbs/day and 3.10 TPY OC emissions will require records and reporting for short term limits.

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(PTI 02-10733 issued as PTI 02-0733) P023- 13.2 lbs/day and 2.41 TPY OC emissions will require records and reporting for short term limits.

(PTI 02-11723 issued as PTI 02-1723) P024- 8 lbs/hr, 40 lbs/day and 7.3 TPY OC emissions will require not require records nor reporting for short term limits

Evaluation of Newer PTI Requirements

The permits-to-install for four mixers P008, P020, P030 and P031 do have clearly identified short and annual OC emissions limits attributed to the Ohio BAT rule, OAC rule 3745-31-05(A)(3). These PTIs include record keeping and reporting requirements, which are required to document compliance with the BAT emissions limits.

(PTI 02-16412) P008 - 8 lbs/hr, 40 lbs/day and 5.2 TPY OC emissions, and P020 - 8 lbs/hr, 31.2 lbs/day and 5.7 TPY OC limits, require records and reporting for short term limits.

(PTI 02-22040) P030- 88.69 lbs/day and 16.2 TPY OC limits, and P031 - 26.12 lbs/day and 4.8 tons/year OC limits, require records and reporting for short term limits.

(PTI 02-19304) P027, CMX-100 Potwasher- 8 lbs/hr, 40 lbs/day and 7.3 TPY OC limits requires records and reporting for short term limits.

Pending and Future Projects

The application for PTI 02-22571 to install P032 - P036 is pending review in Central Office for a draft permit. Please review the draft permit for any changes that may be made.

The application for PTI 02-16412 for the administrative modification P028 to just include mix tank (MT-32), thinning tank (MT-34) and holding tank (MT-31). Since the permit will require the same language in PTI 02-22571 to limit facility-wide VOC and hazardous air pollutant (HAP) usage and emissions, the application cannot be processed as a registration PTI. Proposed permit terms and conditions will be sent to you for review.

During the 11/06/07 telephone call, Plasticolors representatives said that consistent record keeping and reporting requirements among the emissions units is desired. Some record keeping and reporting requirements changes may require a PTI modification. You are encouraged to contact the Northeast District Office to discuss your options, prior to the submittal of an application(s) to modify a PTI.

The PTO applications must be reviewed by this office. Many PTO terms will need to include the same language in PTI 02-22571 to limit facility-wide VOC and HAP usage and emissions. Changes regarding the applicability of OAC rule 3745-21-07 must be included. Proposed permit terms and conditions will be sent to you for review.

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The receipt of the information, requested in item nos. 1 – 4 and 6 to our Twinsburg office, is requested by **December 28, 2007**. A revised quarterly deviation report format is due by **January 31, 2008**. If you are unable to respond to any part of this request within the time frame(s) discussed above, please inform this Agency. Should you have any comments or questions about this correspondence, please do not hesitate to contact me at (330) 963-1205, or via e-mail at christine.mcphée@epa.state.oh.us.

The submission of the requested information does not constitute a waiver of Ohio EPA's authority to seek civil penalties as provided in ORC 3704.06 or for U.S. EPA to seek civil penalties pursuant to federal law. Ohio EPA will decide whether to pursue or decline to pursue penalties regarding this matter at a later date.

Sincerely,



Christine McPhee
Environmental Specialist
Division of Air Pollution Control

CM:bo

enclosure(s)

cc: Bob Princic, Ohio EPA, NEDO, DAPC
Tom Kalman, Enforcement Section, DAPC, Ohio EPA, CO
Lisa Holscher, U.S. EPA, Region 5
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