

**LANE REGIONAL AIR POLLUTION AUTHORITY (LRAPA)
TITLE V OPERATING PERMIT REVIEW REPORT
REVIEW REPORT**

**Monaco Coach Corporation B Coburg
91320 Coburg Industrial Way
Coburg, Oregon 97408**

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Permit No. 205160

Review Report

Expiration Date: December 16, 2006

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INTRODUCTION

1. The proposed permit is a new Title V Operating Permit for this source. In accordance with OAR 340-028-2200(1)(f), this review report is intended to provide the legal and factual basis for the draft permit conditions. In most cases, the legal basis for a permit condition is included in the permit by citing the applicable regulation. In addition, the factual basis for the requirement may be the same as the legal basis. However, when the regulation is not specific and only provides general requirements, this review report is used to provide a more thorough explanation of the factual basis for the draft permit conditions.
2. This permit action incorporates the construction and operation requirements of the PSD ACDP issued to Monaco Coach on July 23, 1999 (ACDP 205160).

PERMITTEE IDENTIFICATION

3. Monaco Coach Corporation (Monaco) owns and operates a motor coach manufacturing facility located at 91320 Coburg Industrial Way in Coburg, Oregon.

FACILITY DESCRIPTION

4. The original facility in Coburg was built in 1995 to produce luxury or **A**high-line@ motor coaches. In 1999 Monaco completed a major expansion to accommodate production of **A**mid-line@ motor coaches (the new facility).
The expected production of the plant is about 1000 high-line coaches and 3,750 mid-line coaches per year. The coaches are fabricated using a variety of processes. These initial processes produce parts that are brought to the main assembly line where they are assembled into a coach. The assembled coach is then painted before leaving the plant. For the high-line product, the chassis is constructed as the initial step in the production process. Following is a brief summary of each process:
 1. The first process is chassis construction for the

high-line product. For the mid-line product, purchased and constructed chassis are used. Chassis construction involves welding various metal components together to form the chassis frames. Various components, such as wiring, wheels, engine, drive train, and other items are attached to the frames. The completed chassis are then painted in the chassis painting area.

2. Another process is the cabinet shop. The facility uses lumber, plywood, and other wood products to make cabinetry and other pieces for the motor coaches. The cabinet shop operation includes sawing wood, assembling cabinet components with glues and adhesives, sanding wood surfaces, and finishing cabinetry and other wood pieces with various wood coatings.
3. At the assembly line, the components produced on-site and those that are purchased are attached to the chassis to form complete motor coaches. The assembly line consists of several distinct work stations where the coach components are assembled onto the bare chassis. The finished coaches are driven from the assembly area to the painting area.
4. The final process is coach painting. Monaco paints the coaches in a variety of paint booths. For the high-line coaches, there are one (1) small parts booth, two (2) prep booths, five (5) paint booths, and two (2) final finish booths, and one (1) repair booth. The facility also has two (2) undercoat booths used for both production lines. For the mid-line coaches, there are four (4) paint booths, one (1) parts booth, one (1) repair booth, one (1) final finish booth, and (1) paint prep booth. There are also two (2) service painting booths at the facility. The coaches are initially sanded and repaired of exterior flaws in the paint prep area prior to entering a paint booth. Once inside a booth, painting is done in a multi-step process. The coach is first cleaned by hand by wiping a solvent over the exterior surface. An etching primer is applied to the surface to help with surface adhesion. Surface sealer is applied to cover up any remaining flaws in the surface. Each coach receives several coats of base coat color. Once the last coat of base is dry, the exterior is

masked and a graphic design is laid out on the coaches. The coaches are painted with multiple colors per the design layout. Finally, multiple clearcoat layers are applied to the coaches to improve the appearance of the surface and to act as a protectant. Once all the coatings are applied, the coaches are cured at 140 degrees Fahrenheit. After curing, the coaches are driven out to the final inspection area.

OPERATING SCENARIO

5. The facility has one (1) operating scenario.

EMISSIONS UNIT AND CONTROL DEVICE IDENTIFICATION

6. The source includes the original facility (Paint 96, Assembly 96, and Cabinet Shop 96) and the new facility (Paint 98, Assembly 98, and Cabinet Shop 98). The following emissions units and control devices are present at the source:

Description of Emissions Unit	Emissions Unit ID	Pollution Control Device (PCD)	PCD ID
Paint Prep Final Paint Paint Repair Undercoating Final After Paint	Paint 96 and Paint 98	Work Practices Exhaust Filters	PP-17, PP-98(1&2), PB-98 (3-10), PB-1, PB-2, PB-3, PB-4, SPB-5, PB-18, RB-11, UC-6, UC-98-11, DC-98-13, \$ cfm @ 99.9% HV-1, SPB-98-1

Description of Emissions Unit	Emissions Unit ID	Pollution Control Device (PCD)	PCD ID
Millroom Wood Finish	Cabinet Shop 96 and Cabinet Shop 98	Work Practices Baghouses Exhaust Filters	<u>BH-9 and BH-10</u> Installed: 1995 \$ 98% rated removal efficiency \$ 5000 acfm design flow rate \$ 8" water design pressure drop <u>BH98(11)</u> \$ 98% rated removal efficiency \$ 7000 acfm design flow rate \$ 2" water design pressure drop DC-98-12, CS-7, CS-8, CS-98-1, CS-98-2, CS-98-3, CS-98-4
Welding Chassis Paint General Assembly	Assembly 96 and Assembly	Work Practices Exhaust	CB-1, CB-98-1, CB-98-2, DC-

Description of Emissions Unit	Emissions Unit ID	Pollution Control Device (PCD)	PCD ID
Lamination Dash Assembly Fiberglass Cutting	98	Filters	15, GB-98-15
Service Center	Service	Exhaust Filters	SC-12, SC-12A
Natural Gas Combustion \$ One 2 MMBtu/hr boiler \$ Twenty-four 1-3 MMBtu/hr heaters for make-up air for paint booths and other production facilities	CU	None	N/A

CATEGORICALLY INSIGNIFICANT ACTIVITIES

7. Monaco has the following categorically insignificant activities on site:
 - \$ Constituents of a chemical mixture present at less than 1% by weight of any chemical or compound regulated under Divisions 20 through 32 of this chapter, or less than 0.1% by weight of any carcinogen listed in the U.S. Department of Health and Human Service's Annual Report on Carcinogens when usage of the chemical mixture is less than 100,000 pounds/year
 - \$ Evaporative and tail pipe emissions from on-site motor vehicle operation
 - \$ Distillate oil, kerosene, and gasoline fuel burning equipment rated at less than or equal to 0.4 million Btu/hr
 - \$ Natural gas and propane burning equipment rated at less than or equal to 2.0 million Btu/hr

- \$ Office activities
- \$ Food service activities
- \$ Janitorial activities
- \$ Personal care activities
- \$ Groundskeeping activities including, but not limited to building painting and road and parking lot maintenance
- \$ Maintenance and repair shop
- \$ Automotive repair shops or storage garages
- \$ Air cooling or ventilating equipment not designed to remove air contaminants generated by or released from associated equipment
- \$ Refrigeration systems with less than 50 pounds of charge or ozone depleting substances regulated under Title VI, including pressure tanks used in refrigeration systems but excluding any combustion equipment associated with such systems
- \$ Bench scale laboratory equipment and laboratory equipment used exclusively for chemical and physical analysis, including associated vacuum producing devices but excluding research and development facilities
- \$ Temporary construction activities
- \$ Warehouse activities
- \$ Accidental fires
- \$ Air vents from air compressors
- \$ Air purification systems
- \$ Electrical charging stations
- \$ Instrument air dryers and distribution
- \$ Blueprint making
- \$ Routine maintenance, repair, and replacement such as anticipated activities most often associated with and performed during regularly scheduled equipment outages to maintain a plant and its equipment in good operating condition, including but not limited to steam cleaning, abrasive use, and woodworking
- \$ Electric motors
- \$ Storage tanks, reservoirs, transfer and lubricating equipment used for ASTM grade distillate or residual fuels, lubricants, and hydraulic fluids
- \$ On-site storage tanks not subject to any New Source Performance Standards (NSPS), including underground storage tanks (UST), storing gasoline or diesel used exclusively for fueling of the facility's fleet of vehicles
- \$ Natural gas, propane, and liquefied petroleum gas (LPG) storage tanks and transfer equipment
- \$ Pressurized tanks containing gaseous compounds

- \$ Emissions from wastewater discharge to publicly owned treatment works (POTW) provided the source is authorized to discharge to the POTW, not including on-site wastewater treatment and/or holding facilities
- \$ Storm water settling basins
- \$ Fire suppression and training
- \$ Paved roads and paved parking lots within an growth boundary
- \$ Hazardous air pollutant emissions of fugitive dust from paved and unpaved roads except for those sources that have processes or activities that contribute to the deposition and entrainment of hazardous air pollutants from surface soils
- \$ Health, safety, and emergency response activities
- \$ Emergency generators and pumps used only during loss of primary equipment or utility service
- \$ Oil/water separators in effluent treatment systems

AGGREGATE INSIGNIFICANT EMISSIONS

8. The emissions estimates from the activities included in aggregate insignificant emissions are contained in the attached emissions detail sheets and are listed in the following table. These emissions are equal to the amounts allowed by LRAPA 34-060.

Activity	Pollutant Emissions (ton/yr)	
	TSP/PM ₁₀	VOC
Coatings Used in Assembly 96, Paint 96, and Cabinet 96	0.247	NA
Coatings Used in Assembly 98, Paint 98, and Cabinet 98	0.439	NA
Cutting Torch Activity Performed in Assembly 96	0.009	NA
Cutting Torch Activity Performed in Assembly 98	0.032	NA
Woodworking Performed in Cabinet 96	0.009	NA

Activity	Pollutant Emissions (ton/yr)	
	TSP/PM ₁₀	VOC
Woodworking Performed in Cabinet 96	0.015	NA
Preparation of Purchased Fiberglass End Caps in Assembly 96	0.038	NA
Preparation of Purchased Fiberglass End Caps in Assembly 98	0.141	NA
Paint Prep Body Work	0.05	NA
Service Center Activities (Except Paint)	NA	< 1.0
Total	1.00	< 1.0

EMISSION LIMITS AND STANDARDS

9. The following federal and/or LRAPA enforceable rules that have specific limits and standards have been determined to be applicable to this facility:
 1. LRAPA rules: 32-010, 32-015, 32-030, 32-045, 32-055, 33-030, 38-010, 38-020, 48-015(2), 50-020, and 51-015.
 2. The facility is not subject to the federal New Source Performance Standards (NSPS) in 40 CFR Part 60.
 3. The facility is subject to 40 CFR Part 63, Subpart JJ - National Emission Standards for Hazardous Air Pollutants (NESHAP) for Wood Furniture Manufacturing Operations. The specific emissions units subject to the provisions of Subpart JJ are Cabinet Shop 96 and Cabinet Shop 98. Both emissions units are new sources, as specified in the rule, since they started operation after proposal of the rule.

4. 40 CFR Part 63, Subpart B - Requirements for Control Technology applies to new major sources of hazardous air pollutants (HAPs) that construct or reconstruct after the effective date (June 29, 1998) of the regulation. The original facility (Assembly 96 and Paint 96) is a major source of HAPs, it was built before the effective date of 40 CFR Part 63, Subpart B and, therefore, is not subject to the rule. The expansion of the facility emits a quantity of HAPs that makes it a major source. And, since EPA is scheduled to promulgate regulations under Part 63 for both the miscellaneous metal parts and products and miscellaneous plastic parts and products subcategories, those new portions of the facility (emissions units Assembly 98 and Paint 98) would be subject to the requirements of Subpart B. However, LRAPA has determined that Assembly 98 and Paint 98 are not subject to the requirements of Subpart B since the new emissions units satisfy the criteria in 40 CFR 63.41(2)(i) through (vi), and therefore Monaco did not construct a major source as defined in 40 CFR 63.41(2). A discussion of this determination is included in this review report in the section titled Hazardous Air Pollutants.
5. The facility is not subject to any other Maximum Achievable Control Technology (MACT) standards in 40 CFR Part 63.

PLANT SITE EMISSION LIMIT (PSEL) INFORMATION

FACILITY HISTORY

10. Before building the plant in Coburg, Monaco operated a small facility in Junction City. Production, as reported by the applicant, at that time was less than ten percent (10%) of current production. The company began operations at Coburg in late 1995 without obtaining an Air Contaminant Discharge Permit (ACDP). LRAPA notified the facility in February 1996 that an ACDP was required for the operation. Later that month, a complete ACDP application was submitted. In April 1996, during review

of the emissions information presented in the ACDP application, LRAPA became aware that the facility may be subject to the PSD requirements of LRAPA Title 38. LRAPA requested additional information and the facility submitted a complete PSD application in May 1996. In July 1997, the facility submitted a complete application for a Title V permit. On October 22, 1998, Monaco applied for a permit to expand the original facility. The expansion was subject to PSD review. A PSD permit (ACDP 205160) was issued to the source on July 22, 1999.

BASELINE EMISSIONS RATE (BER) AND NETTING BASELINE

11. The original facility was constructed in 1995 with an expansion of the facility in 1999. Therefore, the baseline emission rate (BER) for the source is zero for all pollutants. ACDP 205160 established a VOC netting baseline of 240.5 tons per year for the source.

PLANT SITE EMISSIONS LIMITS (PSELs)

12. The plant can be operated as much as 18 hours per day, 6 days per week, and 50 weeks per year. This equates to 5400 hours per year.
13. The projected annual production at the facility is 1000 high-line units per year and 3750 mid-line units.
14. The maximum projected monthly production of high-line units is 300. The maximum projected monthly production of mid-line units is 508.
15. The annual PSEL is based on the maximum projected emissions from the source when Assembly 98, Paint 98, and Cabinet 98 are in full operation. These estimates are contained in the attached emissions details sheets.
16. A PSEL has not been established for SO₂ emissions from natural gas combustion (EU CU) since the projected emissions are less than 0.5 ton per year. This is consistent with ODEQ permitting guidance. Although the PM/PM₁₀ emissions from Assembly 96 are less than 0.5 ton

per year, the emissions have been included in the determination of the PM/PM₁₀ PSEL.

17. The PSELS for the combustion units are based on natural gas usage of 100,000 MMBtu per year, which was suggested by the source as being reasonably representative of actual natural gas usage, while still allowing for possible increases in usage.
18. The **Annual PSEL (tons per year)** is shown below:

Emissions Unit ID	PM (ton/yr)	PM ₁₀ (ton/yr)	CO (ton/yr)	NO _x (ton/yr)	SO ₂ (ton/yr)	VOC (ton/yr)
Assembly 96	0.3	0.3	NA	NA	NA	36
Assembly 98	0.5	0.5	NA	NA	NA	42
Paint 96	<0.1	<0.1	NA	NA	NA	32
Paint 98	<0.1	<0.1	NA	NA	NA	74
Cabinet Shop 96	2.5	2.5	NA	NA	NA	27
Cabinet Shop 98	9.4	9.4	NA	NA	NA	28
CU	0.6	0.6	2.0	5.0	NA.	0.5
Aggregate Insignificant	1.0	1.0	NA	NA	NA	1.0
Total	14.3	14.3	2 .0	5.0	NA	240.5

NA = A PSEL need not be established for the emissions unit for the pollutant.
 Insig. = The emissions unit is not a significant source for the pollutant.

19. The **Monthly PSEL** is based on the maximum projected emissions from the source when Assembly 98, Paint 98, and Cabinet 98 are in full operation. These estimates are contained in the attached Emission Details Sheets. Short-term PSELs were not established for the combustion units because of variability in the equipment and the fact that the projected emissions are relatively low. The **Short-term PSEL (pounds per month)** is shown below:

Emissions Unit ID	PM (lbs/mo)	PM ₁₀ (lbs/mo)	CO (lbs/mo)	NO _x (lbs/mo)	SO ₂ (lbs/mo)	VOC (lbs/mo)
Assembly 96	150	150	NA	NA	NA	21,800
Assembly 98	125	125	NA	NA	NA	11,400
Paint 96	Insig	Insig	NA	NA	NA	22,200
Paint 98	Insig	Insig	NA	NA	NA	20,100
Cabinet Shop 96	1500	1500	NA	NA	NA	16,400
Cabinet Shop 98	2540	2450	NA	NA	NA	7570
CU	NA	NA	NA	NA	NA	NA
Total	4315	4315	NA	NA	NA	99,470

NA = A PSEL need not be established for the emissions unit for the pollutant.

Insig. = The emissions unit is not a significant source for the pollutant.

SIGNIFICANT EMISSION RATE (SER)

20. This permitting action does not change the PSELs or the VOC netting baseline established by ACDP 205160.

BACT DETERMINATIONS FROM ACDP 205160

21. With three (3) exceptions (discussed below), LRAPA determined that the emission limits in SCAQMD's Rule 1151 - Motor Vehicle and Mobile Equipment Non-Assembly Line Coating Operations, applicable since July 1, 1993, to coating of non-assembly Group II vehicles, represent BACT for Assembly 96, Paint 96, Assembly 98, and Paint 98. LRAPA also determined that the emission limits in Rule 1151, applicable since January 1, 1997, represent BACT for general topcoats, multi-colored topcoats, and multi-colored multi-stage systems. Rule 1151, applicable since July 1, 1993, does not specify emission limits for multi-colored topcoats and multi-colored multistage systems. Specialty coatings are any of the following coatings: adhesion promoters, uniform finish blenders, elastometric materials, anti-glare safety coatings, impact resistant coatings, rubberized asphaltic underbody coatings, water hold-out coatings, weld-thru coatings, and bright metal trim repair coatings.
22. LRAPA also determined that the work practice standards contained in SCAQMD Rule 1151 represent BACT. These work practice standards limit the methods of application of coatings to electrostatic coating processes, high-volume, low-pressure spray, or other equivalent methods.
23. The permittee must install BACT controls on Assembly 96 and Paint 96 no later than October 31, 2000. The permit will be reopened to include the schedule of compliance.
24. The BACT requirements for Cabinet Shop 96 and Cabinet Shop 98 are the reference control technologies found in EPA's *Control Techniques Guideline* (CTG) for VOC emissions. The CTG specifies the reasonably available control technology (RACT) for VOC. At the minimum, the source must achieve RACT since BACT can not be less stringent than RACT.
25. As part of BACT, personnel training on proper application and pollution prevention techniques, using closed containers, and draining line cleaning solvent into closed containers are all required for both the original and proposed portions of the facility.

HAZARDOUS AIR POLLUTANTS

26. The facility is a major source of Hazardous Air Pollutants (HAPs).

112(g) Case-by-Case MACT

27. 40 CFR 63 Subpart B applies to any owner or operator who constructs or reconstructs a major source of hazardous air pollutants after the effective date of Section 112(g)(2)(B). Assembly 98 and Paint 98 were constructed after the effective date of 112 (g)(2)(B) and have the potential to emit hazardous air pollutants above major source thresholds. However, these units are not required to receive a case-by-case MACT determination since the new facilities do not meet the definition of "Construct a major source" in 40 CFR 63.41. The definition of "Construct a major source" provides that units satisfying the criteria in paragraphs (2)(i) through (vi) of the definition did not construct a major source.
28. The following summarizes how Assembly 98 and Paint 98 satisfy the criteria in 40 CFR 63.41(2)(i) through (vi);
- (i) All HAP emitted by Assembly 98 and Paint 98 will be controlled by emission control equipment which was previously installed at the same site as Assembly 98 and Paint 98. Although the actual controls were not previously installed, they were required by the best available control technology (BACT) determination in the PSD ACDP (ACDP 205160) issued to Monaco Coach on July 23, 1999.
 - (ii) LRAPA has determined within 5 years prior to the fabrication, erection, or installation of Assembly 98 and Paint 98 that the existing emission control equipment represents best available control technology (BACT). Also, LRAPA has determined that the control of HAP emissions provided by the existing equipment will be equivalent to that level of control currently achieved by other well-controlled similar sources.
 - (iii) LRAPA has determined that the percent control

efficiency for emissions of HAP from all sources to be controlled by the existing control equipment will be equivalent to the percent control efficiency provided by the control equipment prior to the inclusion of the Assembly 98 and Paint 98. Since the existing controls are emissions limitations and work practice requirements, the addition of Assembly 98 and Paint 98 will not reduce the control efficiency.

(iv) This permit incorporates all emission limitations, work practice requirements, and other terms and conditions from the PSD ACDP (ACDP 205160) as applicable requirements.

29. The usage of volatile organic HAP- (VHAP) containing compounds at Assembly 98 and Paint 98 are excluded from a case-by-case MACT determination based on the determination that Monaco did not construct a major source. Since all VHAPs emitted by the process, that would otherwise be controlled under the requirements of the case-by-case MACT provisions of 40 CFR 63 Subpart B, will be controlled by emission control technology which represents best available control technology (BACT) for VOCs. LRAPA has determined that Assembly 98 and Paint 98 satisfy the criteria for exemption from case-by-case MACT found in paragraphs (2)(i) through (2)(vi) under the definition of "Construct a major source" in 40 CFR 63.41. All emission limitations, work practice requirements, or other terms and conditions that are included in the permit as BACT are applicable requirements under Section 504(a) of Title V under the Clean Air Act and are incorporated into this Title V permit.

Wood Furniture Manufacturing NESHP

30. Both the original facility (emissions unit Cabinet Shop 96) and the expansion (emissions unit Cabinet Shop 98) perform wood furniture manufacturing operations and are therefore subject to 40 CFR 63 Subpart JJ (National Emission Standards for Hazardous Air Pollutants from Wood Furniture Manufacturing Operations). Conditions have been added to the permit which detail the coating formulation requirements, work practice standards,

compliance monitoring, testing, record keeping, and reporting requirements that apply to the wood furniture operations.

TOXIC AND FLAMMABLE SUBSTANCE USAGE

31. The following toxic and flammable substances are used at the facility in the approximate quantities listed below:

CAS Number	Chemical Name	Insignificant	1,001-10,000 lbs/yr	10,001-20,000 lbs/yr	20,001-50,000 lbs/yr	>50,000 lbs/yr
108-88-3	Toluene				X	
1330-20-7	Xylene					X
78-93-3	2-Butanone				X	
108-10-1	4-Methyl 2-Pentanone			X		
71-36-3	Butyl Alcohol	X				
98-82-8	Cumene	X				
110-82-7	Cyclohexane	X				
100-41-4	Ethyl Benzene		X			
50-00-0	Formaldehyde	X				
101-68-8	Isocyanic Acid					X
67-63-0	Isopropyl Alcohol		X			
67-56-1	Methanol		X			
7664-38-2	Phosphoric Acid	X				
85-68-7	Phthalic Acid Benzyl Ester	X				
117-81-7	Phthalic Acid Bis Ester	X				

CAS Number	Chemical Name	Insignificant	1,001-10,000 lbs/yr	10,001-20,000 lbs/yr	20,001-50,000 lbs/yr	>50,000 lbs/yr
84-74-2	Phthalic Acid Dibutyl Ester		X			
78-92-2	Sec-Butyl Alcohol		X			
100-42-5	Styrene			X		

STRATOSPHERIC OZONE-DEPLETING SUBSTANCES

32. The facility does not manufacture, sell, distribute, or use in the manufacturing of a product any stratospheric ozone-depleting substances and the 1990 Clean Air Act, as amended, Sections 601-618, do not apply to the facility except that air conditioning units and fire extinguishers containing Class I or Class II substances must be serviced by certified repairmen to ensure that the substances are recycled or destroyed appropriately.

TEST METHODS AND PROCEDURES

33. This section is provided so that the permittee and LRAPA will know what test methods should be used to measure pollutant emissions in the event that testing is conducted for any reason. Although the permit may not require testing because other routine monitoring is used to determine compliance, LRAPA and EPA always have the authority to require testing if deemed necessary to determine compliance with an emission limit or standard.

In addition, the permittee may elect to voluntarily conduct testing to confirm the compliance status. In either case, the methods to be used for testing in the event that testing is conducted are included in the permit.

34. The permittee is subject to 40 CFR 63 Subpart JJ, which requires that the permittee use EPA Method 311 of Appendix A of 40 CFR Part 63, in conjunction with

formulation data to determine the VHAP (except for styrene and formaldehyde) content of liquid coatings, and EPA Method 24 of Appendix A of 40 CFR Part 63 to determine the solids content by weight of coatings.

MONITORING REQUIREMENTS

35. The permittee is required to conduct routine visual emissions inspections of the facility. These are not compliance tests, but the information will be used to initiate corrective action if visible emissions are observed from any source at the facility. Since corrective action is triggered by any visible emissions, a non-certified observer can determine if visible emissions are present. Compliance with the visible emissions limit in LRAPA 32-010 will be considered compliance with the grain-loading limit in LRAPA 32-105 and the process weight limit in LRAPA 32-045.
36. The permittee is required to keep a log of complaints received pertaining to odors and PM fallout. The facility is required to investigate each complaint and resolve it within at most five (5) days of receiving the complaint. If the complaint cannot be resolved, the facility shall notify LRAPA of the complaint within ten (10) days. The complaint, investigation, and resolution shall be recorded in the complaint log.
37. The permittee is required to disclose any information related to new construction that could be used by LRAPA to determine compliance with the prohibition against concealment and masking of emissions.
38. The permittee is required to calculate annual TSP, PM₁₀, CO, NO_x, and VOC emissions for emissions unit CU using AP-42 emission factors.
39. The permittee is required to keep records of all VOC-containing raw materials used in the manufacturing process. Pertinent information on the properties and amount of each material shall be recorded. This will allow for a calculation of monthly and annual VOC emissions.
40. The permittee is required to keep records of the quantity

of material collected from Cabinet Shop 96 and Cabinet Shop 98 particulate control equipment and calculate the monthly and annual PM emissions based on an assumed removal efficiency for the baghouses.

41. The permittee is required to keep records of quantity of welding rod consumed and to calculate the monthly and annual PM emissions using an emission factor that was obtained from AP-42.
42. For the 40 CFR 63 Subpart JJ standard, the facility is required to maintain records of all VHAP containing wood-finishing materials, adhesives, and VOC-containing strippable spray booth coatings to either document that compliant materials are being used or the weighed average of materials used is less than the applicable limits. If continuous coaters are used, the facility may have to analyze the coating materials in order to demonstrate compliance with the applicable limits.
43. In accordance with Section 114(a)(3) of the CAAA, monitoring shall be capable of demonstrating continuous compliance during the applicable reporting period. Such monitoring data shall be of sufficient quality to be used as a basis for enforcing all applicable requirements established under this permit and 40 CFR Part 63, Subpart JJ, including emission limitations.

RECORDKEEPING REQUIREMENTS

44. The permit includes requirements for maintaining records of all monitoring information. These records must be maintained for at least five (5) years.
45. The permittee is required to maintain records to document the information used to estimate PM emissions from emissions units Assembly 96, Paint 96, Assembly 98, and Paint 98.

REPORTING REQUIREMENTS

46. The permit includes a requirement for submitting semi-annual and annual monitoring reports that include semi-

annual compliance certifications. Excess emissions are required to be reported to LRAPA immediately as well as recorded in a log book attached to the annual report. Emissions fees reports are required annually.

MONITORING AND RECORDKEEPING FOR INSIGNIFICANT ACTIVITIES

47. Section 70.6(a)(3) of the federal Title V permit rules, requires all monitoring and analysis procedures or test methods required under applicable requirements be contained in Title V permits. In addition, where the applicable requirement does not require periodic testing or monitoring, periodic monitoring must be prescribed that is sufficient to yield reliable data from the relevant time period that is representative of the source's compliance with the permit.
48. However, the requirements to include in a permit testing, monitoring, recordkeeping, reporting, and compliance certification sufficient to assure compliance does not require the permit to impose the same level of rigor with respect to all emissions units and applicable requirement situations. It does not require extensive testing or monitoring to assure compliance with the applicable requirements for emissions units that do not have significant potential to violate emission limitations or other requirements under normal operating conditions. Where compliance with the underlying applicable requirement for an insignificant emission unit is not threatened by a lack of a regular program of monitoring and where periodic testing or monitoring is not otherwise required by the applicable requirement, then in this instance, the status quo (i.e., no monitoring) will meet section 70.6(a)(3). For this reason, this permit does not include any monitoring for insignificant emissions units and activities.

COMPLIANCE ASSURANCE MONITORING

49. The source is not subject to the provisions of 40 CFR Part 64, **Compliance Assurance Monitoring**, since the operations at the source do not meet the criteria in

those provisions.

COMPLIANCE HISTORY

50. LRAPA informed the facility of the requirement to obtain an ACDP on February 1, 1996. On March 15, 1996, LRAPA issued a Notice of Noncompliance (NON) to Monaco Coach Corporation for constructing without first obtaining a permit and failure to install BACT controls. Monaco has applied for the appropriate permits. The enforcement action will include a civil penalty.
51. On March 15, 1996, LRAPA issued to Monaco Notice of Noncompliance (NON) 1216 for failure to obtain an Authority to Construct from LRAPA prior to commencement of construction of the Coburg facility. On March 19, 1996, Monaco submitted a Notice of Construction to LRAPA. By letter dated April 4, 1996, LRAPA informed Monaco that the facility was subject to Title V permitting requirements which mandate that a Title V application must be submitted within one year of commencement of operations. By letter dated April 4, 1996, LRAPA informed Monaco that operating the facility at design capacity would bring applicability of LRAPA Rules and Regulations, Title 38, **ANew Source Review@** (NSR) for VOC and that a Best Available Control Technology (**ABACT@**) analysis must be submitted to the Authority. On May 15, 1996, Monaco submitted a BACT analysis (the **ABACT Analysis@**) to LRAPA. On July 16, 1997, Monaco submitted a Title V application (the **ATitle V Application@**) for the facility. Monaco paid a \$10,000 Level II construction review fee within two days of having received the invoice on April 1, 1996 and paid an additional \$10,000 to upgrade to a Level IV construction review within nine days of receiving the invoice on August 11, 1998.
52. On December 6, 1999, in an action related to NON 1216, LRAPA issued Notice of Violation and Civil Penalty Assessment (NCP) 1798 to Monaco for commencement of construction and operating an air contaminant source

without first obtaining an Air Contaminant Discharge Permit (ACDP) from LRAPA, for failing to, in a timely manner, submit application to obtain a Federal Operating Permit for a **AMajor Source@** as defined in Oregon Administrative Rules (OAR) 340-28-110 and for constructing a **AMajor Source@** as defined in LRAPA 38-005-8 without having satisfied LRAPA Title 38, Sections 38-005 through 38-050. A civil penalty was assessed at \$20,947. Negotiations resulted in LRAPA dropping gravity civil penalty for failing to, in a timely manner, submit application to obtain a Federal Operating Permit for a **AMajor Source@** as defined in Oregon Administrative Rules (OAR) 340-28-110 and gravity penalty for constructing a **AMajor Source@** as defined in LRAPA 38-005-8 without having satisfied LRAPA Title 38, Sections 38-005 through 38-050. Resulted in an amended civil penalty of \$13,747. Monaco paid the civil penalty in a timely manner.

53. On August 7, 2000, LRAPA issued NCP 00-1900 to Monaco for failure to perform monitoring and record-keeping in accordance to 40 CFR 63, Subpart JJ, **ANational Emission Standards for Wood Furniture Manufacturing Operations@** (JJ), as required in Monaco Prevention of Significant Deterioration Air Contaminant Discharge Permit No. 205160. NCP 00-1900 included a civil penalty assessment of \$5400. Monaco paid the civil penalty in a timely manner.
54. On January 8, 2001, LRAPA issued NCP 00-1935 to Monaco for failure to limit VHAP emissions from wood furniture manufacturing finishing operations by meeting the emission limitations as required by 40 C.F.R. ' 63.802 (b)(1) and as required in the Monaco Prevention of Significant Deterioration Air Contaminant Discharge Permit No. 205160. A civil penalty was calculated for a single violation for each semi-annual reporting period from July 6, 1995, through December 31, 1998. NCP 00-1935 included a civil penalty assessment of \$39,900. Closure on NCP 00-1935 has not been achieved.
55. On January 8, 2001, LRAPA issued NCP 00-2104 to Monaco for failure to perform monitoring and record-keeping as required in LRAPA Prevention of Significant Deterioration Air Contaminant Discharge Permit No. 205160. The violations were related to JJ aspects of the permit and to demonstration of permit PSD limits. NCP 00-

1935 included a civil penalty assessment of \$5700.
Closure on NCP 00-2104 has not been achieved.

PUBLIC NOTICE

56. This permit was on public notice from February 22, 2001, to March 30, 2001. A public hearing was held on March 28, 2001. A 45-day extension of the public comment period was granted on March 26, 2001. A number of written comments were received during the comment period. LRAPA reviewed all the comments. LRAPA's responses to the comments can be found in the following section, beginning with number 57.

This proposed permit was sent to EPA on October 19, 2001, for a 45-day review period. The public will have 105 days (45-day EPA review period plus 60 days) from the date the proposed permit was sent to EPA to appeal the permit with EPA.

RESPONSES TO COMMENTS RECEIVED DURING PUBLIC COMMENT PERIOD

57. Comments on Best Available Control Technology (BACT)

The Oregon Center for Environmental Health (OrCEH) submitted the following comments on the BACT determination contained in Potential for Significant Deterioration (PSD) Air Contaminant Discharge Permit (ACDP) (No. 205160):

290 The BACT determination contained in the PSD ACDP (No. 205168), issued on July 23, 1999, should be re-evaluated on the basis that the BACT approval did not comply with applicable procedures established by the Oregon SIP. Specifically, the facility was constructed prior to receiving an ACDP, and the determination of BACT should not be limited by design constraints imposed by constructing a facility prior to receiving a PSD permit; and

300 The economic feasibility portion of the BACT determination was flawed since it did not adequately consider tax credits and depreciation analysis, and it greatly over stated the cost of capital by using a 10% per annum cost as opposed to the OAQPS figure of 7%.

LRAPA Response and Action:

- a. The Oregon DEQ noted during the public comment period for the PSD ACDP that the BACT analysis should consider all control scenarios, and not be constrained by the design of the existing

facilities. As stated in LRAPA's response to comments in the PSD ACDP, such actions would not reduce control costs to a level that would make the installation of add-on controls economically feasible.

- b. The US EPA noted the use of the 10% figure during its review of the PSD ACDP. At that time, the EPA stated that future analyses should be based on the 7% figure. A re-evaluation of BACT using the 7% figure will result in a modest reduction in the cost of controls, but not to a level that would make controls economically feasible.

58. Comments on Maximum Achievable Control Technology (MACT)

The OrCEH had the following comments on the case-by-case MACT analysis that was conducted in conjunction with PSD ACDP (No. 205160):

11 LRAPA should re-evaluate MACT using an analysis that considers the level of HAP controls at similar facilities; and

12 LRAPA should not have exempted Monaco from the requirements of 112(g), case-by-case MACT for the following reasons:

20 The exemption contained in the definition of Construct a Major Source in 40 CFR 63.41 distinguishes between control technology and control equipment, and the controls applied at Monaco, as BACT, are not control equipment. Therefore, the Monaco did not qualify for the exemption to the requirements contained in 40 CFR 63.40 through 63.44;

21 LRAPA failed to properly notify the public of the comment period; the content of the public notice was misleading and/or inaccurate since it indicated that the permit included a case-by-case MACT determination; the BACT determination, relied upon in exempting Monaco from the requirements of 112(g) was flawed (as stated above), and therefore, should not have been considered in the analysis; and

22 It has not been demonstrated that the control of HAP emissions provided by the controls employed by Monaco will be equivalent to that level of control achieved by other well-controlled similar sources. Also, the commentor asserted that monitoring of VOC emissions using material safety data sheets does not demonstrate that HAP will be controlled at the same level as VOC as required by BACT.

LRAPA Response and Action

- a.. LRAPA stands by its determination that all criteria listed in the exemption to case-by-case MACT (40 CFR 63.41) were satisfied, and that Monaco is not subject to the requirements of 40 CFR 63.40 through 63.44. This determination is also included in the Review Report for the PSD/ACDP No. 205160.
- b.1. LRAPA conferred with EPA during the concurrent review of both the PSD application and the MACT determination. At that time, EPA agreed with LRAPA's determination regarding the exemption from case-by-case MACT. Regarding, the use of terms *control equipment* and *control technology* within 40 CFR 63 Subpart B, LRAPA determined that it was EPA's intent to allow sources that apply control technology to qualify for the exemption to 112(g). Therefore, LRAPA stands by its determination that the control technology practices determined to be BACT qualified Monaco for exemption from the case-by-case MACT determination.
- b.2. The draft permit was placed on public notice from June 10, 1999, to July 12, 1999. LRAPA believes the public notification requirements contained in 40 CFR 63.41 were satisfied.
- b.3. In the review report included with the ACDP permit, LRAPA indicated that Monaco satisfied the criteria for exemption from case-by-case MACT found in paragraphs (2)(i) through (2)(iv) under the definition of *construct a major source* in 40 CFR 63.41.

59. Comment on Short-term Plant Site Emissions Limits

The OrCEH had the following comment on the Plant Site Emission Limits established in the PSD ACDP permit and included in the Title V permit:

- a. The short-term plant site emissions limits (PSEL) are not appropriate since they allow monthly emission rates to exceed the average annual rate by 2.5 times.

LRAPA Response and Action

LRAPA's Rules and Regulations require short-term plant site emission limit for all pollutants for which a PSEL is established. It is the policy of LRAPA that where an ambient air quality standard corresponding to the short-term limit is not established, short-term PSELS should be set at or near the capacity of the emission unit so as to not limit production capacity. LRAPA has established monitoring sufficient to demonstrate compliance with both the short and long term emission limits. Monaco will calculate its emissions monthly and maintain a running 12-month emissions summary to demonstrate compliance with the annual emission limits.

60. Comment on Nuisance Conditions

The OrCEH had the following comments on the Nuisance Condition of the Title V permit:

- a. The permit should not be issued since Monaco is not in compliance with the requirement prohibiting a source from operating in a manner that creates a public nuisance; and
- b. The nuisance language in the Title V permit, which requires Monaco to continue seeking a solution to odor problems, is less stringent than the language in the ACDP, and therefore, the Title V permit should be modified to require that Monaco resolve nuisances.

LRAPA Response and Action

- a. LRAPA's nuisance rules require that LRAPA determine whether an odor problem constitutes a public nuisance. This determination of non-compliance has not been made in this case.
- b. LRAPA believes that the language contained in the draft Title V permit still requires Monaco to resolve nuisances.

61. Comment on Title V Compliance Monitoring

The OrCEH had the following comments on Compliance Monitoring:

- a. The Title V permit does not contain monitoring

sufficient to assure compliance with the applicable requirements.

- b. Ambient air monitoring should be included in the permit.
- c. Since Monaco has been found out of compliance with the ACDP, the Title V permit does not assure compliance with all applicable requirements.

LRAPA Response and Action

- a. The permit does contain monitoring sufficient to assure compliance with each applicable requirement and the adequacy of the monitoring is discussed in the review report.
- b. There are no applicable requirements that would require the source to monitor ambient air quality; therefore the Title V permit is not required to include such provisions.
- c. Monaco certified that it was compliance with all applicable requirements as of the date of its last revision to the Title V permit application.

62. Comments on Startup and Shutdown Provisions of the Title V Permit

The OrCEH had the following comment on the Startup and Shutdown provisions of the Title V permit.

- a. Startup and shutdown provision of the Title V permit may not be adequate to protect the air quality in nearby residential areas.

LRAPA Response and Action

01 The startup and shutdown provisions of the Title V permit are consistent with LRAPA's rules and regulations.

63. Miscellaneous Comments from Other Interested Persons

Four citizens commented individually that LRAPA should

require additional pollution controls as a condition of operation for Monaco.

- b. One citizen submitted a letter during the public comment period that was addressed to the Coburg City Council and requested the council to hold a meeting to discuss Monaco.
- c. One citizen commented that the paint fumes from Monaco prevents her, at times, from going out, and that the fumes are adversely affecting her health. She requested LRAPA further evaluate the health impacts on the local residents due to Monaco's operation.
- d. One citizen commented in support of Monaco as a good corporate citizen that should be issued a permit and allowed to continue operation.

LRAPA Response and Action

- a. The regulatory bases for abatement equipment requirements are contained in NSR/PSD regulations. This operating permit is not the tool for added control requirements.
- a This comment is not relevant to this permitting action.
- c. LRAPA has received information from Monaco indicating that its operation does not represent a risk to public health.
- d. This comment is not relevant to this permitting action.

64. Comments from the Oregon Department of Environmental Quality

LRAPA did not receive written comments by the Oregon Department of Environmental Quality on this permitting action.

65. Comments from the Permittee

Monaco Coach Corporation commented on a number of specific terms and provisions of the Title V permit. Those comments, along with the LRAPA response, are included below:

- a. Monaco commented that LRAPA 50-020 does not track the regulatory language and requested a change to Condition 7.a.

LRAPA Action

This condition is changed to reflect the new nuisance regulation adopted by the LRAPA board of Directors on October 9, 2001. LRAPA 49-010.

- b. Monaco commented that Condition 8.a. contains ambiguous language and requested the language be modified.

LRAPA Action
No change.

- c. Monaco requested changes to Condition 8.b.

LRAPA Action
No change.

- d. Monaco requested changes to Condition 13.a.

LRAPA Action
No change.

- e. Monaco commented that monitoring of control devices should be limited to baghouses and requested a change to the permit replacing the term "all particulate control devices" with baghouses.

LRAPA Action
No change.

- f. Monaco commented that Condition 17 should be deleted since combustion sources are insignificant for particulates.

LRAPA Action
No change.

- g. Monaco suggested the addition of a definition for specialty coating from SCAQMD rule 1151.

LRAPA Action
No change.

- h. Monaco commented that Conditions 19.a., 27.a., and 61.a.i. should be revised to allow the mean value VOC content to be used to demonstrate compliance when the MSDS provides VOC content as a range of values.

LRAPA Action and Response
No change. The mean value VOC content does not provide a reasonable assurance of compliance.

- i. Monaco commented that Conditions 21.b., 21.c., and 25.a. are not necessary and requested they be removed and or changed.

LRAPA Action

No change.

- j. Monaco commented that the reporting requirements in Conditions 31.a., 34.a., 37.a., and 51.a. should be consistent with other reporting requirements in the permit.

LRAPA Action and Response

No change. These requirements are from the MACT standard for wood furniture finishing. 40 CFR 63 Subpart JJ.

- k. Monaco commented that they did not understand the requirements for HAP solvent tracking and reporting.

LRAPA Action

No change.

- l. Monaco commented that it uses catalyzed coatings (reactive) and the equation in Condition 61.a.i. should be modified to account for the VOC that is reacted.

LRAPA Action

No change.

- m. Monaco commented that tracking and calculating PM and PM₁₀ emissions monthly is unreasonable and requested a change to Condition 65.e.

LRAPA Action

No change.

- n. Monaco requested that Conditions 65.f., 65.g., 65.i., and 65.j. be deleted.

LRAPA Action

No change.

- o. Monaco requested revisions to the Reporting and Notification Summary to be consistent with other requested changes.

LRAPA Action

No change.

p. Monaco requested two changes to the Review Report.

LRAPA Action

No change, since the information contained in the review report is relevant.

66. 40 CFR 63 Subpart B excludes HAP-emitting process or production units that normally would otherwise be controlled under the requirements of the case-by-case MACT provisions of 40 CFR 63 Subpart B, if those process or production units will be controlled by emission control technology which represents BACT for VOCs. The BACT determination must have been made within the last five (5) years under another air quality program that requires BACT. LRAPA determined during the review of ACDP 205160 that Assembly 98 and Paint 98 satisfy this criteria for exemption from case-by-case MACT.

EMISSIONS DETAIL SHEETS

67. Following are the estimates for current and projected PM, VOC, CO, NO_x, SO₂, and total HAP emissions from the source (see Attachment). Included with the emissions detail sheets are explanatory notes and the formulas that were used to estimate emissions.

DJ/bp
12/14/01