

BEFORE THE ILLINOIS POLLUTION CONTROL BOARD

IN THE MATTER OF:)
)
AMENDMENTS TO 35 ILL. ADM. CODE 219,) R21-18
ORGANIC MATERIAL EMISSION) (Rulemaking-Air)
STANDARDS FOR THE METRO EAST AREA,)
AND 35 ILL. ADM. CODE 211, DEFINITIONS)
AND GENERAL PROVISIONS)

NOTICE

To: Illinois Pollution Control Board
Don Brown, Clerk
James R. Thompson Center
100 West Randolph, Suite 11-500
Chicago, Illinois 60601-3218

SEE ATTACHED SERVICE LIST

PLEASE TAKE NOTICE that I have today filed with the Office of the Pollution Control Board the POST-HEARING COMMENTS, a copy of which is herewith served upon you.

Respectfully submitted,

ILLINOIS ENVIRONMENTAL
PROTECTION AGENCY

By: /s/ Charles E. Matoesian
Charles E. Matoesian
Assistant Counsel

DATED: December 30, 2020

1021 N. Grand Ave. East
P.O. Box 19276
Springfield, IL 62794-9276
(217) 782-5544

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Post-Hearing Comments

NOW COMES the Proponent, the ILLINOIS ENVIRONMENTAL PROTECTION AGENCY ("Illinois EPA" or "Agency"), by its attorneys, and offers these post-hearing comments to the public hearing held on December 10, 2020.

1. The Agency was asked at hearing to confirm that facilities that "came under proposed Section 219.208(f)(1), that take a limit of under 25 tons per year of volatile organic material...before the compliance date of the rule, are exempted from the entire Subpart F, which includes the cleaning requirements in Section 219.219." (Transcript, P22).

Answer: No, such facilities are not exempt from "the entire Subpart F." Subpart F contains coating limitations, cleaning requirements, and work practice standards for various categories of coatings, with varying applicability thresholds. A source exempt from the aerospace provisions pursuant to Section 219.208(f)(1) may still be subject to other provisions in Subpart F.

Facilities that fall below the applicability threshold set forth in proposed Section 219.208(f)(1) are exempted from the bulk of the new proposed provisions for aerospace operations, including the cleaning requirements for such operations set forth in Section 219.219. But they must still comply with the recordkeeping/reporting requirements in Section 219.211(k), via 219.208(f)(4).

2. The Agency was asked whether it will be proposing to amend the compliance deadline of January 1, 2021. (Transcript, P22-23).

Answer: The Agency recognizes that the compliance date listed in the proposed rule is not feasible and intends to recommend a more suitable date following the second hearing in this matter.

3. The Agency was asked to provide a copy of comments regarding a 2015 review of the aerospace National Emission Standards for Hazardous Air Pollutions (“NESHAP”), referenced in the Agency’s technical support document. (Transcript, P25-26).

Answer: The comments by the Eastern Research Group, Inc. are attached.

4. The Agency was asked to clarify if any of the sources potentially impacted by this rulemaking are covered by federal NESHAP rules. (Transcript, P26).

Answer: The Agency can confirm that none of the sources noted in the technical support document are currently subject to the Aerospace NESHAP, based on information available to the Agency (40 CFR 60 Subpart GG).

Respectfully submitted,

ILLINOIS ENVIRONMENTAL
PROTECTION AGENCY

By: /s/ Charles E. Matoesian
Charles E. Matoesian
Assistant Counsel

DATED: December 30, 2020

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CERTIFICATE OF E-MAIL SERVICE

I, the undersigned, on affirmation, state the following:

That I have served the attached Post-Hearing Comments by e-mail upon:

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Electronic Filing: Received, Clerk's Office 12/30/2020

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That my e-mail address is charles.matoesian@illinois.gov.

That the number of pages in this e-mail transmission is 9.

That the e-mail transmission took place before 5:00 p.m. on the date of December 30, 2020.

Respectfully submitted,

ILLINOIS ENVIRONMENTAL
PROTECTION AGENCY

By: /s/ Charles E. Matoesian
Charles E. Matoesian
Assistant Counsel

DATED: December 30, 2020

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MEMORANDUM

TO: Kim Teal and Keith Barnett, U.S. Environmental Protection Agency
FROM: Eastern Research Group, Inc. (ERG)
DATE: January 12, 2015
SUBJECT: Estimated Cost Impacts for Proposed Amendments to 40 CFR 63, Subpart GG, National Emission Standards for Aerospace Manufacturing and Rework Facilities

1.0 INTRODUCTION AND SUMMARY OF COSTS

This memorandum describes the methodology and summarizes the results of estimating the annual costs of compliance for the proposed amendments to the Aerospace NESHAP. Cost impacts were calculated for complying with the requirements to meet VOC and HAP content limits for specialty coating operations, and for complying with requirements to use high efficiency application methods for spray applied specialty coatings. The cost impact for the proposed compliance demonstration alternative using coating manufacturers' supplied data to document VOC and HAP content is also discussed.

The proposed amendments would not affect compliance costs for operations already being regulated by the NESHAP.

Of the 144 existing sources currently covered by this standard, 109 facilities have specialty coating operations. Therefore, the annual costs affecting specialty coating operations are calculated for only the 109 aerospace manufacturing and rework facilities that reported having these operations.

The recordkeeping and reporting costs were estimated for each facility based on data reported by industry in the information collection request (ICR) sent to all known facilities in February 2011. The ICR requested information on material usage and control techniques used on all of the regulated and unregulated emission sources at aerospace facilities for 2008.

The estimated annual costs for the industry to comply with the proposed amendments are about \$848,000 in the first year and about \$590,000 in succeeding years. The estimated average cost per facility is about \$7,800 in the first year and about \$5,400 per year in succeeding years.

2.0 INPUTS FOR SPECIALTY COATING COST ESTIMATES

Appendix 1 includes tables summarizing the activities and cost elements used to estimate the compliance costs in Year 1 and in Years 2 and later. These activities are the same as those

required in the Office of Management and Budget (OMB) burden estimate and the supporting statement for the proposed amendments, which is also included in docket EPA-HQ-OAR-2014-0830 for the proposed amendments.¹ Labor rates for this cost estimate were assumed to be \$127.72 per hour for executive, administrative, and managerial labor; \$101.60 per hour for technical labor, and \$38.58 per hour for clerical labor.² These rates account for operating overhead and benefit packages. A significant number of the compliance activities usually considered in the OMB burden estimate are already accounted for under the compliance costs for existing coating operations and would not be repeated to comply with the proposed amendments.

Year-1 costs include one-time costs plus annual costs that apply in Year 1. One-time costs are assumed to be incurred by all 109 facilities and include "start-up" activities such as reading instructions, planning activities, developing a record system, and training personnel. Annual costs in both Year-1 and subsequent years include only compliance costs associated with maintaining records to demonstrate compliance with the specialty coating VOC and HAP content limits. These costs vary for each facility, and are calculated assuming one hour per year per specialty coating used by each facility. Appendix 2 shows the estimated number of specialty coatings used per facility, based on the 2011 ICR survey responses, and the estimated cost per facility in Year 1 and in following years.

The EPA expects that the proposed amendments will not require any capital costs, other than the possible purchase of high efficiency coating application equipment for spray applied coatings. The EPA assumed that specialty coatings operations would not require installation of additional spray booths to control inorganic HAP emissions, because these spray booths are already present as part of the existing primer and topcoat application operations. The EPA does not estimate any additional startup or operation and maintenance costs.

3.0 SPECIALTY COATING COST IMPACTS ON THE INDUSTRY

The estimated annual costs to comply with the organic HAP and VOC content limits for specialty coatings in this proposed rule are about \$848,000 in the first year and about \$590,000 in succeeding years. Thus, the average cost per facility is about \$7,800 in the first year and about \$5,400 per year in succeeding years. These costs are based on the need to maintain records of the HAP or VOC content and the annual volume purchased of each specialty coating at a facility. The costs are higher in the first year because they include some activities that do not need to be repeated in following years, such as reading the rule amendments and setting up recordkeeping systems for specialty coatings. Appendix 2 also includes sales data for some of the 109 facilities that reported specialty coating operations, when that information could be located from an on-line search. The 2011 ICR did not request sales data for responding facilities.

¹ However, the OMB burden estimate differs slightly from this cost estimate in two respects. First, it did not consider Federal government-operated facilities the same as privately owned facilities, and their compliance costs are counted as part of the annual Federal government (Agency) cost. Second, the OMB estimate used different labor rates for privately-operated facilities and Federal government-operated facilities. For the OMB estimate, the EPA estimated that approximately 27 Federal government-operated facilities and 82 privately-operated facilities have specialty coating operations.

² U.S. Department of Labor, Bureau of Labor Statistics, March 2013, Table 2. Civilian Workers, by Occupational and Industry group.

4.0 COMPLIANCE COSTS FOR HIGH EFFICIENCY COATING APPLICATION METHODS

The EPA does not have sufficient data from the 2011 ICR to estimate the total cost impacts for specialty coatings having to comply with the proposed high-efficiency application equipment requirement. Because high-efficiency application equipment generates less coating overspray than conventional equipment, the costs of upgrading to new equipment can be offset by cost savings from reduced coating consumption and reduced spray booth filter maintenance. For these reasons, many facilities are likely to have already switched to high-efficiency application methods for specialty coating operations, as they are already required to for primer and topcoat application operations. The 2011 ICR did not request information on which specialty coatings were being applied with spray application equipment, or on the types of spray application equipment being used.

However, it is possible to estimate the savings that would be needed to offset the costs of purchasing new spray guns for a typical facility. Based on the 2011 ICR data, the average volume of specialty coatings used per facility is 3,000 gallons per year. The estimated purchase cost for an industrial-quality high-volume, low-pressure (HVLP) spray gun is \$700 for the gun and accessories (e.g., larger diameter hoses, gauges, extra air caps), based on vendor information.³ If a typical facility had to purchase three new HVLP spray guns, and the facility was spending an average of \$30 per gallon of spray applied coating, the facility would need to see a decrease in coating consumption of only 70 gallons per year to recover the initial cost of those three spray guns in one year:

$$\text{Three HVLP spray guns @ \$700 per gun} = \$2,100$$

$$(\$2,100 \text{ for three guns}) \div (\$30/\text{gallon specialty coating}) = 70 \text{ gallons of specialty coatings saved to recover the cost of three HVLP spray guns}$$

This reduction in coating consumption needed to recover the cost of the spray guns would be equal to 2.3 percent of coating consumption at a facility using 3,000 gallons of specialty coatings per year. Therefore, the EPA expects that the requirement to apply specialty coatings with high-efficiency methods when spray applying these coatings would not have negative cost impact on facilities using spray applied specialty coatings.

5.0 COMPLIANCE COST IMPACTS FROM ALTERNATIVE COMPLIANCE DEMONSTRATION PROVISIONS

The EPA expects some additional potential cost savings from the proposed alternative compliance demonstration provision included in 40 CFR 63.750(c), (e), (k) and (m). This provision would allow owners or operators using primers, topcoats, specialty coatings and

³ For the cost of HVLP spray guns, see the memo, Estimate of Capital and Annual Costs For Automotive Refinishing Operations and Miscellaneous Surface Coating Operations Subject to the Proposed National Emission Standards for Hazardous Air Pollutants for Paint Stripping and Miscellaneous Surface Coating Operations at Area Sources, May, 2007, included in the docket for the proposed amendments to subpart GG, EPA-HQ-OAR-2014-0830.

chemical milling maskants to use coating manufacturer's supplied data to demonstrate compliance with the VOC and HAP content limits for those coatings, instead of using EPA Method 24 and performing certain compliance calculations to determine VOC and HAP content. We do not have sufficient data to estimate the cost savings associated with the proposed alternative compliance demonstration for individual facilities or for the industry as a whole. However, the estimated cost to perform an analysis of VOC content according to EPA Method 24, based on published vendor data, is about \$575 per sample.⁴ Because the proposed alternative compliance demonstration would allow facilities to use coating manufacturers' supplied data to determine the VOC or HAP content of coatings, based on coating formulation, the cost of these coating analyses using EPA Method 24 would be avoided.

⁴ See, for example, <http://www.cleanair.com/Home/downloads/DocServerRequest.php?short=Analytical-Price-Schedule.pdf>, accessed January 9, 2015.