ILLINOIS POLLUTION CONTROL BOARD
April 6, 2004

IN THE MATTER OF:	)	
	)	
PETITION OF CROWNLINE BOATS, INC.	)	AS 04-01
FOR AN ADJUSTED STANDARD FROM 35	)	(Adjusted Standard)
ILL. ADM. CODE 215.301	)	

HEARING OFFICER ORDER

On April 1, 2004, the parties participated in a telephone status conference with the hearing officer. To facilitate the Board's decision on this adjusted standard, petitioner should be prepared to answer the following questions at the hearing set for April 23, 2004.

AS 2004-1 Crownline Boat, Inc.

35 IAC 104.406 (e)

1. In the Federal Register, the United States Environmental Protection Agency (USEPA) estimates there are approximately 119 existing facilities that will be subject to the Federal rule 40 C.F.R. 63 Subpart VVVV. Annual compliance costs for all existing facilities were estimated at $14 million. This included capital, materials, monitoring, recordkeeping, and reporting costs (66 FR 44222). Petition at 8 notes that USEPA estimates that complying with 40 C.F.R. Subpart VVVV will cost $4,060/ton of Hazardous Air Pollutant (HAP) reduced/year.

   USEPA also estimated the capital costs for new equipment:

   - Resin Application Equipment (flowcoaters): $6000/unit
   - Adhesive application Equipment: $6000/unit
   - Resin and Gel Coat Mixer Covers: $180/container

   (66 FR 44222)

   (a) Would you please quantify the costs Crownline has spent on replacing the atomized spray guns with flow-coat guns and switching to a lower styrene resin? Crownline has already made the change in the lamination process. Does Crownline consider switching to flow-coat guns in the gel coat process an alternative as well?

   (b) What other costs have Crownline incurred to meet the Federal rule?

   (c) Has Crownline estimated the additional compliance costs associated with monitoring, recordkeeping and reporting?

2. Petition at 2 (Pet. at 2) states, "Crownline took steps early to comply with the [Federal] Maximum Achievable Control Technology (MACT) and came into compliance with the MACT emission limits more that a year prior to the deadline." Pet. at 2. Furthur down on that same page, the petition states that the costs to install tail-stack controls to comply with the 8 lb/hr Rule would range from approximately $7 million to $14 million and that "this equates to approximately $35,000 to $58,000 per ton of pollutant removed on top of the costs Crownline *will* have to incur to comply with the newly promulgated MACT standard" (emphasis added). Pet. at 2.

   (a) Would you please clarify whether Crownline has already incurred costs to come into compliance with the Federal standard? If so, what was the cost incurred to comply with the Federal standard? Does Crownline expect to incur additional costs?

   (b) Could you please calculate a total cost/ton HAP reduced/year that Crownline will incur as a result of complying with 40 C.F.R. Subpart VVVV.

35 IAC 104.406 (f)

3. Petition at 2 states, "Crownline took steps early to comply with the MACT and came into compliance with the MACT emission limits more than a year prior to the deadline." Pet. at 2.

   (a) Could you please indicate if Crownline has made a demonstration of compliance with the new NESHAP regulations under 40 C.F.R. Part 64 Subpart VVVV to USEPA yet? Did USEPA respond to the compliance demonstration, and if so, how?

   (b) Since Crownline is proposing replacing the 1-hour averaging time under the 8 lb/hr rule, would you please describe over what time period emissions will be averaged under 40 C.F.R. Subpart VVVV? Since the boat-building process takes an average of 22 days, would it be technically feasible and economically reasonable to average emissions on a 1-day, 7-day or 30-day rolling average instead of a 12-month rolling average? Would this help to more closely monitor the daily and seasonal impact of the emissions that the 1-hour averaging required under the 8 lb/hr rule?

4. Petition at 3 quotes the definition of "emission source" from 35 IAC 201.102 as "any equipment or facility of a type capable of emitting specified air contaminants to the atmosphere." The Petition's Technical Document in Appendix 5 is a letter from Crownline's environmental consultant to IEPA seeking to resolve the issue of properly defining the term "emission source" for purposes of applying the 8 lb/hr rule.

   (a) Could you please explain how Crownline is regulated under 35 IAC 215.301 in the context of the definition of "emission source." Is the whole facility regulated as one source or do individual sources exist within the facility that are regulated

as separate sources? Could you please identify the individual emission source(s) at Crownline regulated under 35 IAC 215.301? Is each boat line or model line considered an emission source? Is the process of building each boat considered an emission source? Is each spray gun considered an emission source?

(b) The Illinois Environmental Protection Agency's (Agency) recommendation (1-22-04) included one condition relating to testing which Crownline found vague and overly broad. In Crownline's Response to the Recommendation of the Agency, Crownline suggests the two parties might reach a compromise on this language in time for hearing. Could you please provide an update on this?

35 IAC 104.406 (g)

5. The Technical Document prepared by Advance Environmental Associates (AEA) on page 7 states, "Estimates of hourly Volative Organic Materials (VOM) emissions from Crownline's gelcoat and lamination operations in compliance with the MACT are set forth in Exhibit 4 of Appendix 6." However, Exhibit 4 of Appendix 6 seems to show the annual total emissions in tons per year (tpy) rather than estimates of the total emissions on an hourly basis in pounds per hour (lb/hr). Appendix 7 shows estimates of hourly VOM emissions (lb/hr), but only from the caulking, adhesive and lacquer operations.

(a) Could you please provide data in a format similar to Appendix 7 in lb/hr for the gelcoat and lamination operations for the sake of comparison to the 8 lb/hr rule?

(b) Appendix 8 of the Technical Document contains a table entitled "Crownline Small Part Usage in Pounds of Material; MACT Compliance Scenario." Could you please specify the units of measurement for each column in the table?

6. The Federal NESHAP regulations at 40 C.F.R. 63.5698 provide a formula to calculate the HAP emission limit based on a 12-month rolling average.

(a) Would you please identify Crownline's HAP Emission Limit per 40 C.F.R. 63.5698 and show how Crownline calculated it.

7. Pet. at 2 references USEPA's discussion of the National Emissions Standards for Hazardous Air Pollutants (NESHAP) for Boat Manufacturing in the Federal Register (66 FR 44222). Referring to the Federal Register discussion, USEPA provides the following figures:

- Existing facilities: 119
- Rate of growth: 5 facilities/year for next 5 years
- 1997 baseline emissions: 9920 tpy
- NESHAP reductions: 3450 tpy
- % total reduction in HAP: 35%
- Total Annual Compliance Costs: $14 million
- Annual Costs: $4060 / ton HAP reduced

- Capital costs:
  - Resin application equipment: $6000/unit
  - Adhesive application equipment: $6000/unit
  - Resin and gel coat mixer covers: $180/year/container

(66 FR 44222)

Based on these figures, the following averages can be calculated:

- 1997 baseline emissions: 9920 tpy/119 facilities = 83.4 tpy/facility
- NESHAP emissions reductions: (9920-3450 tpy)/119 facilities = 54.4 tpy/facility
- Annual Compliance Costs: $14 million / 119 facilities = $117,647/facility
- % total reduction in HAP: 35%

(a) Could you please make a relative comparison of Crownline's figures to the averages calculated above:

i. How do Crownline's 2003 Pre-MACT emissions compare to the average of the facilities as depicted above?

ii. How do Crownline's proposed NESHAP emissions reductions compare to the average of the facilities above?

iii. How do Crownline's annual compliance costs compare with the average of the facilities above?

iv. How does Crownline's annual cost of reduced HAP compare to the USEPA figure of $4060/ton?

v. Comparing the Pre-MACT Scenario to the MACT Standard Compliance Scenario presented as Exhibits 3 and 4 in Appendix 6 of the Technical Document, would you please estimate the % reduction in total HAP emissions. Comparing the Pre-MACT Scenario to the 8 lb/hr Compliance Scenario presented in Exhibits 3 and 5, would you please estimate the % reduction in total HAP emissions. Would you please compare these percentage reduction figures to the 35% overall figure that USEPA estimated? If the percentage reduction proposed by Crownline for this adjusted standard is less than 35%, are there additional measures Crownline could take to improve its reduction to more closely approach the 35%? If you are familiar with other affected facilities in the boat manufacturing industry, could you please comment on how closely their reductions approach USEPA's anticipated overall percent reduction of 35%?

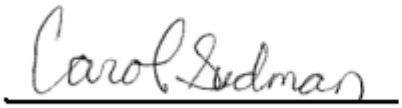
(b) If Crownline were to experience a growth in production, could you please comment on how such growth would affect the VOM emissions:

i. Could you please estimate on an hourly and annual basis how potential growth would affect VOM emissions in comparison to the data provided for the 2003 production year? For example, would Crownline add new production lines? Increase hours/day of production? Build a new facility?

ii. By estimating a larger figure to represent potential increased VOM emissions 5 to 10 years in the future, how would the Ozone Impact Analysis conducted by AEA change in showing an exceedence at the local air monitor?

iii. Would such potential increased VOM emissions from Crownline's operations require the Agency to return to USEPA for another State Implementation Plan revision?

IT IS SO ORDERED.



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