STATE OF MISSISSIPPI
AIR POLLUTION CONTROL
TITLE V PERMIT

TO OPERATE AIR EMISSIONS EQUIPMENT

THIS CERTIFIES THAT

Gulf Coast Shipyard Group
13085 Industrial Seaway Road
Gulfport, Mississippi
(Harrison County)

has been granted permission to operate air emissions equipment in accordance with emission limitations, monitoring requirements and conditions set forth herein. This permit is issued in accordance with Title V of the Federal Clean Air Act (42 U.S.C.A. § 7401 - 7671) and the provisions of the Mississippi Air and Water Pollution Control Law (Section 49-17-1 et. seq., Mississippi Code of 1972), and the regulations and standards adopted and promulgated thereunder.

Permit Issued: **September 2, 2015**

Effective Date: As specified herein.

MISSISSIPPI ENVIRONMENTAL QUALITY PERMIT BOARD

AUTHORIZED SIGNATURE
MISSISSIPPI DEPARTMENT OF ENVIRONMENTAL QUALITY

Expires: **August 31, 2020** **Permit No.: 1020-00027**

3166 PER20150001.1

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SECTION 1. GENERAL CONDITIONS

1.1 The permittee must comply with all conditions of this permit. Any permit noncompliance constitutes a violation of the Federal Act and is grounds for enforcement action; for permit termination, revocation and reissuance, or modification; or for denial of a permit renewal application. (Ref.: 11 Miss. Admin. Code Pt. 2, R. 6.3.A(6)(a).)

1.2 It shall not be a defense for a permittee in an enforcement action that it would have been necessary to halt or reduce the permitted activity in order to maintain compliance with the conditions of this permit. (Ref.: 11 Miss. Admin. Code Pt. 2, R. 6.3.A(6)(b).)

1.3 This permit and/or any part thereof may be modified, revoked, reopened, and reissued, or terminated for cause. The filing of a request by the permittee for a permit modification, revocation and reissuance, or termination, or of a notification of planned changes or anticipated noncompliance does not stay any permit condition. (Ref.: 11 Miss. Admin. Code Pt. 2, R. 6.3.A(6)(c).)

1.4 (a) This permit shall be reopened and revised under any of the following circumstances:

(1) Additional applicable requirements under the Federal Act become applicable to a major Title V source with a remaining permit term of 3 or more years. Such a reopening shall be completed no later than 18 months after promulgation of the applicable requirement. No such reopening is required if the effective date of the requirement is later than the date on which the permit is due to expire, unless the original permit or any of its terms and conditions has been extended.

(2) Additional requirements (including excess emissions requirements) become applicable to an affected source under the acid rain program. Upon approval by the Administrator, excess emissions offset plans shall be deemed to be incorporated into the permit.

(3) The Permit Board or EPA determines that the permit contains a material mistake or that inaccurate statements were made in establishing the emission standards or other terms or conditions of the permit.

(4) The Administrator or the Permit Board determines that the permit must be revised or revoked to assure compliance with the applicable requirements.

(b) Proceedings to reopen and issue this permit shall follow the same procedures as apply to initial permit issuance and shall only affect those parts of the permit for which cause to reopen exists. Such reopening shall be made as expeditiously as practicable.

(c) Reopenings shall not be initiated before a notice of such intent is provided to the Title V source by the DEQ at least 30 days in advance of the date that the permit is to be reopened, except that the Permit Board may provide a shorter time period in the case

of an emergency.

(Ref.: 11 Miss. Admin. Code Pt. 2, R. 6.4.G)

1.5 The permittee shall furnish to the DEQ within a reasonable time any information the DEQ may request in writing to determine whether cause exists for modifying, revoking and reissuing, or terminating the permit or to determine compliance with the permit. Upon request, the permittee shall also furnish to the DEQ copies of records required to be kept by the permittee or, for information to be confidential, the permittee shall furnish such records to DEQ along with a claim of confidentiality. The permittee may furnish such records directly to the Administrator along with a claim of confidentiality. (Ref.: 11 Miss. Admin. Code Pt. 2, R. 6.3.A(6)(e).)

1.6 This permit does not convey any property rights of any sort, or any exclusive privilege. (Ref.: 11 Miss. Admin. Code Pt. 2, R. 6.3.A(6)(d).)

1.7 The provisions of this permit are severable. If any provision of this permit, or the application of any provision of this permit to any circumstances, is challenged or held invalid, the validity of the remaining permit provisions and/or portions thereof or their application to other persons or sets of circumstances, shall not be affected thereby. (Ref.: 11 Miss. Admin. Code Pt. 2, R. 6.3.A(5).)

1.8 The permittee shall pay to the DEQ an annual permit fee. The amount of fee shall be determined each year based on the provisions of regulated pollutants for fee purposes and the fee schedule specified in the Commission on Environmental Quality's order which shall be issued in accordance with the procedure outlined in Regulation 11 Miss. Admin. Code Pt. 2, Ch. 6.)

(a) For purposes of fee assessment and collection, the permittee shall elect for actual or allowable emissions to be used in determining the annual quantity of emissions unless the Commission determines by order that the method chosen by the applicant for calculating actual emissions fails to reasonably represent actual emissions. Actual emissions shall be calculated using emission monitoring data or direct emissions measurements for the pollutant(s); mass balance calculations such as the amounts of the pollutant(s) entering and leaving process equipment and where mass balance calculations can be supported by direct measurement of process parameters, such direct measurement data shall be supplied; published emission factors such as those relating release quantities to throughput or equipment type (e.g., air emission factors); or other approaches such as engineering calculations (e.g., estimating volatilization using published mathematical formulas) or best engineering judgments where such judgments are derived from process and/or emission data which supports the estimates of maximum actual emission. (Ref.: 11 Miss. Admin. Code Pt. 2, R. 6.6.A(2).)

(b) If the Commission determines that there is not sufficient information available on a facility's emissions, the determination of the fee shall be based upon the permitted

allowable emissions until such time as an adequate determination of actual emissions is made. Such determination may be made anytime within one year of the submittal of actual emissions data by the permittee. (Ref.: 11 Miss. Admin. Code Pt. 2, R. 6.6.A(2).) If at any time within the year the Commission determines that the information submitted by the permittee on actual emissions is insufficient or incorrect, the permittee will be notified of the deficiencies and the adjusted fee schedule. Past due fees from the adjusted fee schedule will be paid on the next scheduled quarterly payment time. (Ref.: 11 Miss. Admin. Code Pt. 2, R. 6.6.D(2).)

(c) The fee shall be due September 1 of each year. By July 1 of each year the permittee shall submit an inventory of emissions for the previous year on which the fee is to be assessed. The permittee may elect a quarterly payment method of four (4) equal payments; notification of the election of quarterly payments must be made to the DEQ by the first payment date of September 1. The permittee shall be liable for penalty as prescribed by State Law for failure to pay the fee or quarterly portion thereof by the date due. (Ref.: 11 Miss. Admin. Code Pt. 2, R. 6.6.D.)

(d) If in disagreement with the calculation or applicability of the Title V permit fee, the permittee may petition the Commission in writing for a hearing in accordance with State Law. Any disputed portion of the fee for which a hearing has been requested will not incur any penalty or interest from and after the receipt by the Commission of the hearing petition. (Ref.: 11 Miss. Admin. Code Pt. 2, R. 6.6.C.)

1.9 No permit revision shall be required under any approved economic incentives, marketable permits, emissions trading and other similar programs or processes for changes that are provided for in this permit. (Ref.: 11 Miss. Admin. Code Pt. 2, R. 6.3.A(8).)

1.10 Any document required by this permit to be submitted to the DEQ shall contain a certification by a responsible official that states that, based on information and belief formed after reasonable inquiry, the statements and information in the document are true, accurate, and complete. (Ref.: 11 Miss. Admin. Code Pt. 2, R. 6.2.E.)

1.11 The permittee shall allow the DEQ, or an authorized representative, upon the presentation of credentials and other documents as may be required by law, to perform the following:

(a) enter upon the permittee's premises where a Title V source is located or emissions-related activity is conducted, or where records must be kept under the conditions of this permit;

(b) have access to and copy, at reasonable times, any records that must be kept under the conditions of this permit;

(c) inspect at reasonable times any facilities, equipment (including monitoring and air pollution control equipment), practices, or operations regulated or required under the permit; and

(d) as authorized by the Federal Act, sample or monitor, at reasonable times, substances or parameters for the purpose of assuring compliance with the permit or applicable requirements. (Ref.: 11 Miss. Admin. Code Pt. 2, R. 6.3.C(2).)

1.12 Except as otherwise specified or limited herein, the permittee shall have necessary sampling ports and ease of accessibility for any new air pollution control equipment, obtained after May 8, 1970, and vented to the atmosphere. (Ref.: 11 Miss. Admin. Code Pt. 2, R. 1.3.I(1).)

1.13 Except as otherwise specified or limited herein, the permittee shall provide the necessary sampling ports and ease of accessibility when deemed necessary by the Permit Board for air pollution control equipment that was in existence prior to May 8, 1970. (Ref.: 11 Miss. Admin. Code Pt. 2, R. 1.3.I(2).)

1.14 Compliance with the conditions of this permit shall be deemed compliance with any applicable requirements as of the date of permit issuance where such applicable requirements are included and are specifically identified in the permit or where the permit contains a determination, or summary thereof, by the Permit Board that requirements specifically identified previously are not applicable to the source. (Ref.: 11 Miss. Admin. Code Pt. 2, R. 6.3.F(1).)

1.15 Nothing in this permit shall alter or affect the following:

(a) the provisions of Section 303 of the Federal Act (emergency orders), including the authority of the Administrator under that section;

(b) the liability of an owner or operator of a source for any violation of applicable requirements prior to or at the time of permit issuance;

(c) the applicable requirements of the acid rain program, consistent with Section 408(a) of the Federal Act.

(d) the ability of EPA to obtain information from a source pursuant to Section 114 of the Federal Act. (Ref.: 11 Miss. Admin. Code Pt. 2, R. 6.3.F(2).)

1.16 The permittee shall comply with the requirement to register a Risk Management Plan if permittee's facility is required pursuant to Section 112(r) of the Act to register such a plan. (Ref.: 11 Miss. Admin. Code Pt. 2, R. 6.3.H.)

1.17 Expiration of this permit terminates the permittee's right to operate unless a timely and complete renewal application has been submitted. A timely application is one which is submitted at least six (6) months prior to expiration of the Title V permit. If the permittee submits a timely and complete application, the failure to have a Title V permit is not a violation of regulations until the Permit Board takes final action on the permit application. This protection shall cease to apply if, subsequent to the completeness determination, the permittee fails to submit by the deadline specified in writing by the DEQ any additional

information identified as being needed to process the application. (Ref.: 11 Miss. Admin. Code Pt. 2, R. 6.4.C(2)., R. 6.4.B., and R. 6.2.A(1)(c).)

1.18 The permittee is authorized to make changes within their facility without requiring a permit revision (ref: Section 502(b)(10) of the Act) if:

(a) the changes are not modifications under any provision of Title I of the Act;

(b) the changes do not exceed the emissions allowable under this permit;

(c) the permittee provides the Administrator and the Department with written notification in advance of the proposed changes (at least seven (7) days, or such other time frame as provided in other regulations for emergencies) and the notification includes:

(1) a brief description of the change(s),

(2) the date on which the change will occur,

(3) any change in emissions, and

(4) any permit term or condition that is no longer applicable as a result of the change;

(d) the permit shield shall not apply to any Section 502(b)(10) change. (Ref.: 11 Miss. Admin. Code Pt. 2, R. 6.4.F(1).)

1.19 Should the Executive Director of the Mississippi Department of Environmental Quality declare an Air Pollution Emergency Episode, the permittee will be required to operate in accordance with the permittee's previously approved Emissions Reduction Schedule or, in the absence of an approved schedule, with the appropriate requirements specified in 11 Miss. Admin. Code Pt. 2, Ch. 3., "Regulations for the Prevention of Air Pollution Emergency Episodes" for the level of emergency declared. (Ref.: 11 Miss. Admin. Code Pt. 2, Ch. 3.)

1.20 Except as otherwise provided herein, a modification of the facility may require a Permit to Construct in accordance with the provisions of Regulations 11 Miss. Admin. Code Pt. 2, Ch. 2., "Permit Regulations for the Construction and/or Operation of Air Emissions Equipment", and may require modification of this permit in accordance with Regulations 11 Miss. Admin. Code Pt. 2, Ch. 6., "Air Emissions Operating Permit Regulations for the Purposes of Title V of the Federal Clean Air Act". Modification is defined as "[a]ny physical change in or change in the method of operation of a facility which increases the actual emissions or the potential uncontrolled emissions of any air pollutant subject to regulation under the Federal Act emitted into the atmosphere by that facility or which results in the emission of any air pollutant subject to regulation under the Federal Act into the atmosphere not previously emitted. A physical change or change in the method of operation shall not include:

(a) routine maintenance, repair, and replacement;

(b) use of an alternative fuel or raw material by reason of an order under Sections 2 (a) and (b) of the Federal Energy Supply and Environmental Coordination Act of 1974 (or any superseding legislation) or by reason of a natural gas curtailment plan pursuant to the Federal Power Act;

(c) use of an alternative fuel by reason of an order or rule under Section 125 of the Federal Act;

(d) use of an alternative fuel or raw material by a stationary source which:

(1) the source was capable of accommodating before January 6, 1975, unless such change would be prohibited under any federally enforceable permit condition which was established after January 6, 1975, pursuant to 40 CFR 52.21 or under regulations approved pursuant to 40 CFR 51.166; or

(2) the source is approved to use under any permit issued under 40 CFR 52.21 or under regulations approved pursuant to 40 CFR 51.166;

(e) an increase in the hours of operation or in the production rate unless such change would be prohibited under any federally enforceable permit condition which was established after January 6, 1975, pursuant to 40 CFR 52.21 or under regulations approved pursuant to 40 CFR Subpart I or 40 CFR 51.166; or

(f) any change in ownership of the stationary source."

1.21 Any change in ownership or operational control must be approved by the Permit Board. (Ref.: 11 Miss. Admin. Code Pt. 2, R. 6.4.D(4).)

1.22 This permit is a federally approved operating permit under Title V of the Federal Clean Air Act as amended in 1990. All terms and conditions, including any designed to limit the source's potential to emit, are enforceable by the Administrator and citizens under the Federal Act as well as the Commission. (Ref.: 11 Miss. Admin. Code Pt. 2, R. 6.3.B(1).)

1.23 Except as otherwise specified or limited herein, the open burning of residential, commercial, institutional, or industrial solid waste, is prohibited. This prohibition does not apply to infrequent burning of agricultural wastes in the field, silvicultural wastes for forest management purposes, land-clearing debris, debris from emergency clean-up operations, and ordnance. Open burning of land-clearing debris must not use starter or auxiliary fuels which cause excessive smoke (rubber tires, plastics, etc.); must not be performed if prohibited by local ordinances; must not cause a traffic hazard; must not take place where there is a High Fire Danger Alert declared by the Mississippi Forestry Commission or Emergency Air Pollution Episode Alert imposed by the Executive Director and must meet the following buffer zones.

(a) Open burning without a forced-draft air system must not occur within 500 yards of an occupied dwelling.

(b) Open burning utilizing a forced-draft air system on all fires to improve the combustion rate and reduce smoke may be done within 500 yards of but not within 50 yards of an occupied dwelling.

(c) Burning must not occur within 500 yards of commercial airport property, private air fields, or marked off-runway aircraft approach corridors unless written approval to conduct burning is secured from the proper airport authority, owner or operator. (Ref.: 11 Miss. Admin. Code Pt. 2, R. 1.3.G.)

1.24 Except as otherwise specified herein, the permittee shall be subject to the following provision with respect to emergencies.

(a) Except as otherwise specified herein, an "emergency" means any situation arising from sudden and reasonably unforeseeable events beyond the control of the source, including acts of God, which situation requires immediate corrective action to restore normal operation, and that causes the source to exceed a technology-based emission limitation under the permit, due to unavoidable increases in emissions attributable to the emergency. An emergency shall not include noncompliance to the extent caused by improperly designed equipment, lack of preventative maintenance, careless or improper operation, or operator error.

(b) An emergency constitutes an affirmative defense to an action brought for noncompliance with such technology-based emission limitations if the conditions specified in (c) following are met.

(c) The affirmative defense of emergency shall be demonstrated through properly signed contemporaneous operating logs, or other relevant evidence that include information as follows:

(1) an emergency occurred and that the permittee can identify the cause(s) of the emergency;

(2) the permitted facility was at the time being properly operated;

(3) during the period of the emergency the permittee took all reasonable steps to minimize levels of emissions that exceeded the emission standards, or other requirements in the permit; and

(4) the permittee submitted notice of the emergency to the DEQ within 2 working days of the time when emission limitations were exceeded due to the emergency. This notice must contain a description of the emergency, any steps taken to mitigate emissions, and corrective actions taken.

(d) In any enforcement proceeding, the permittee seeking to establish the occurrence of an emergency has the burden of proof.

(e) This provision is in addition to any emergency or upset provision contained in any applicable requirement specified elsewhere herein. (Ref.: 11 Miss. Admin. Code Pt. 2, R. 6.3.G.)

1.25 Except as otherwise specified herein, the permittee shall be subject to the following provisions with respect to upsets, startups, shutdowns and maintenance.

(a) Upsets (as defined by 11 Miss. Admin. Code Pt. 2, R. 1.2.KK.)

(1) The occurrence of an upset constitutes an affirmative defense to an enforcement action brought for noncompliance with emission standards or other requirements of Applicable Rules and Regulations or any applicable permit if the permittee demonstrates through properly signed contemporaneous operating logs, or other relevant evidence that include information as follows:

(i) an upset occurred and that the permittee can identify the cause(s) of the upset;

(ii) the source was at the time being properly operated;

(iii) during the upset the permittee took all reasonable steps to minimize levels of emissions that exceeded the emission standards, or other requirements of Applicable Rules and Regulations or any applicable permit;

(iv) the permittee submitted notice of the upset to the DEQ within 5 working days of the time the upset began; and

(v) the notice of the upset shall contain a description of the upset, any steps taken to mitigate emissions, and corrective actions taken.

(2) In any enforcement proceeding, the permittee seeking to establish the occurrence of an upset has the burden of proof.

(3) This provision is in addition to any upset provision contained in any applicable requirement.

(b) Startups and Shutdowns (as defined by 11 Miss. Admin. Code Pt. 2, R. 1.2.HH. & R. 1.2.CC.)

(1) Startups and shutdowns are part of normal source operation. Emissions limitations applicable to normal operation apply during startups and shutdowns

except as follows:

(i) when sudden, unavoidable breakdowns occur during a startup or shutdown, the event may be classified as an upset subject to the requirements above;

(ii) when a startup or shutdown is infrequent, the duration of excess emissions is brief in each event, and the design of the source is such that the period of excess emissions cannot be avoided without causing damage to equipment or persons; or

(iii) when the emissions standards applicable during a startup or shutdown are defined by other requirements of Applicable Rules and Regulations or any applicable permit.

(2) In any enforcement proceeding, the permittee seeking to establish the applicability of any exception during a startup or shutdown has the burden of proof.

(3) In the event this startup and shutdown provision conflicts with another applicable requirement, the more stringent requirement shall apply.

(c) Maintenance.

(1) Maintenance should be performed during planned shutdown or repair of process equipment such that excess emissions are avoided. Unavoidable maintenance that results in brief periods of excess emissions and that is necessary to prevent or minimize emergency conditions or equipment malfunctions constitutes an affirmative defense to an enforcement action brought for noncompliance with emission standards, or other regulatory requirements if the permittee can demonstrate the following:

(i) the permittee can identify the need for the maintenance;

(ii) the source was at the time being properly operated;

(iii) during the maintenance the permittee took all reasonable steps to minimize levels of emissions that exceeded the emission standards, or other requirements of Applicable Rules and Regulations or any applicable permit;

(iv) the permittee submitted notice of the maintenance to the DEQ within 5 working days of the time the maintenance began or such other times as allowed by DEQ; and

(v) the notice shall contain a description of the maintenance, any steps taken to mitigate emissions, and corrective actions taken.

(2) In any enforcement proceeding, the permittee seeking to establish the applicability of this section has the burden of proof.

(3) In the event this maintenance provision conflicts with another applicable requirement, the more stringent requirement shall apply. (Ref.: 11 Miss. Admin. Code Pt. 2, R. 1.10.)

1.26 The permittee shall comply with all applicable standards for demolition and renovation activities pursuant to the requirements of 40 CFR Part 61, Subpart M, as adopted by reference in Regulation 11 Miss Admin. Code Pt. 2, R. 1.8. The permittee shall not be required to obtain a modification of this permit in order to perform the referenced activities.

SECTION 2. EMISSION POINTS & POLLUTION CONTROL DEVICES

Emission Point	Description
AA-100	Facility-Wide Cutting Operations
AB-100	Facility-Wide Welding Operations
AC-100	Facility-wide Abrasive Blasting Operations [Including, but not limited to sand.]
AD-100	Facility-wide Surface Coating Operations

SECTION 3. EMISSION LIMITATIONS & STANDARDS

A. Facility-Wide Emission Limitations & Standards

3.A.1 Except as otherwise specified or limited herein, the permittee shall not cause, permit, or allow the emission of smoke from a point source into the open air from any manufacturing, industrial, commercial or waste disposal process which exceeds forty (40) percent opacity subject to the exceptions provided in (a) & (b).

(a) Startup operations may produce emissions which exceed 40% opacity for up to fifteen (15) minutes per startup in any one hour and not to exceed three (3) startups per stack in any twenty-four (24) hour period.

(b) Emissions resulting from soot blowing operations shall be permitted provided such emissions do not exceed 60 percent opacity, and provided further that the aggregate duration of such emissions during any twenty-four (24) hour period does not exceed ten (10) minutes per billion BTU gross heating value of fuel in any one hour. (Ref.: 11 Miss. Admin. Code Pt. 2, R. 1.3.A.)

3.A.2 Except as otherwise specified or limited herein, the permittee shall not cause, allow, or permit the discharge into the ambient air from any point source or emissions, any air contaminant of such opacity as to obscure an observer's view to a degree in excess of 40% opacity, equivalent to that provided in Paragraph 3.A.1. This shall not apply to vision obscuration caused by uncombined water droplets. (Ref.: 11 Miss. Admin. Code Pt. 2, R. 1.3.B.)

3.A.3 Except as otherwise specified or limited herein, the permittee shall cause, allow, or permit the emission of particulate matter in total quantities in any on hour from any manufacturing process, which includes any associated stacks, vents, outlets, or combination thereof, to exceed the amount determined by the relationship $E = 4.1\ (p)^{0.67}$, where E is the emission rate in pounds per hour and p is the process weight input rate in tons per hour. (Ref.: 11 Miss. Admin. Code Pt. 2, R. 1.3.F(1).)

3.A.4 The permit term for this permit shall not exceed a period of more than five (5) years in accordance with 40 CFR Part 70.6(a)(2) – Permit Duration. (Ref.: 40 CFR 70.6(a)(2)).

B. Emission Point Specific Emission Limitations & Standards

Emission Point(s)	Applicable Requirement	Condition Number(s)	Pollutant/ Parameter	Limit/Standard
AD-100	40 CFR Part 63, Subpart II – NESHAP for Shipbuilding and Ship Repair (Surface Coating); specifically 40 CFR 63.783	3.B.1, 3.B.2 & 3.B.3	VOHAP	An as-applied VOHAP content limit dependent on the type of coating
Entire Facility	11 Miss. Admin. Code Pt. 2, R. 1.3.C.; 11 Miss. Admin. Code Pt. 2, R. 6.3.A(1).	3.B.4	$PM/PM_{10}/PM_{2.5}$	Minimization of fugitive particulate matter emissions.

3.B.1 For Emission Point AD-100, marine surface coating operations are affected by and shall comply with 40 CFR Part 63, Subpart II – National Emission Standards for Hazardous Air Pollutants for Shipbuilding and Ship Repair and 40 CFR Part 63, Subpart A – General Provisions. (Ref.: 40 CFR 63.781(a))

3.B.2 For Emission Point AD-100, the permittee shall not cause or allow the application of any coating to a ship with an as-applied VOHAP content exceeding the applicable limit given in Table 2 of Appendix C of the federally enforceable permit herein, as determined by the procedures described in Conditions 5.B.2(a) through (d) of the federally enforceable permit herein. For compliance procedures described in Conditions 5.B.2(a) through (c) of the federally enforceable permit herein, VOC shall be used as a surrogate for VOHAP, and EPA Reference Method 24 of 40 CFR Part 60, Appendix A, shall be used as the definitive measure for determining compliance. For the compliance procedure described in Condition 5.B.2(d) of the federally enforceable permit herein, the permittee shall use an alternative test method capable of measuring independent VOHAP to determine compliance. The method must be submitted to and approved by the MDEQ. (Ref.: 40 CFR 63.783(a))

3.B.3 For Emission Point AD-100, the coatings which are used in volumes of less than 52.8 gallons per year for one coating and a total of less than 264 gallons per year for all exempted coatings, shall be required to meet only the requirements of Condition 5.B.5 of the federally enforceable permit herein. (Ref.: 40 CFR 63.781(b))

3.B.4 For the entire facility, the permittee shall comply with best management practices, as stated in the permittee's site specific dust control plan (dated July 20, 2015; located in Appendix D of the federally enforceable permit herein), for the minimization of fugitive particulate matter emissions. (Ref.: 11 Miss. Admin. Code Pt. 2, R. 1.3.C.; 11 Miss. Admin. Code Pt. 2, R. 6.3.A(1).)

C. Insignificant and Trivial Activity Emission Limitations & Standards

Applicable Requirement	Condition Number(s)	Pollutant/ Parameter	Limit/Standard
11 Miss. Admin. Code Pt. 2, R. 1.3.D(1)(a).	3.C.1	PM	0.6 lbs/MMBTU
11 Miss. Admin. Code Pt. 2, R. 1.4.A(1).	3.C.2	SO_2	4.8 lbs/MMBTU

3.C.1 The maximum permissible emission of ash and/or particulate matter from fossil fuel burning installations of less than 10 million BTU per hour heat input shall not exceed 0.6 pounds per million BTU per hour heat input. (Ref.: 11 Miss. Admin. Code Pt. 2, R. 1.3.D(1)(a).)

3.C.2 The maximum discharge of sulfur oxides from any fuel burning installation in which the fuel is burned primarily to produce heat or power by indirect heat transfer shall not exceed 4.8 pounds (measured as sulfur dioxide) per million BTU heat input. (Ref.: 11 Miss. Admin. Code Pt. 2, R. 1.4.A(1).)

D. Work Practice Standards

Emission Point(s)	Applicable Requirement	Condition Number(s)	Pollutant/ Parameter	Limit/Standard
AD-100	40 CFR 63.783(b)	3.D.1	VOHAP	Handling and transfer procedures for VOHAP-containing coatings, and inspection of equipment.

3.D.1 For Emission Point AD-100, the permittee shall ensure that:

(a) All handling and transfer of VOHAP-containing materials to and from containers, tanks, vats, drums, and piping systems is conducted in a manner that minimizes spills. (Ref. 40 CFR 63.783(b)(1))

(b) All containers, tanks, vats, drums, and piping systems are free of cracks, holes, and other defects and remain closed unless materials are being added to or removed from them. (Ref. 40 CFR 63.783(b)(2))

SECTION 4. COMPLIANCE SCHEDULE

4.1 Unless otherwise specified herein, the permittee shall be in compliance with all requirements contained herein upon issuance of this permit.

4.2 Except as otherwise specified herein, the permittee shall submit to the Permit Board and to the Administrator of EPA Region IV a certification of compliance with permit terms and conditions, including emission limitations, standards, or work practices, by January 31 for the preceding calendar year. Each compliance certification shall include the following:

(a) the identification of each term or condition of the permit that is the basis of the certification;

(b) the compliance status;

(c) whether compliance was continuous or intermittent;

(d) the method(s) used for determining the compliance status of the source, currently and over the applicable reporting period;

(e) such other facts as may be specified as pertinent in specific conditions elsewhere in this permit. (Ref.: 11 Miss. Admin. Code Pt. 2, R. 6.3.C(5)(a), (c), & (d).)

SECTION 5. MONITORING, RECORDKEEPING & REPORTING REQUIREMENTS

A. General Monitoring, Recordkeeping and Reporting Requirements

5.A.1 The permittee shall install, maintain, and operate equipment and/or institute procedures as necessary to perform the monitoring and recordkeeping specified below.

5.A.2 In addition to the recordkeeping specified below, the permittee shall include with all records of required monitoring information the following:

(a) the date, place as defined in the permit, and time of sampling or measurements;

(b) the date(s) analyses were performed;

(c) the company or entity that performed the analyses;

(d) the analytical techniques or methods used;

(e) the results of such analyses; and

(f) the operating conditions existing at the time of sampling or measurement. (Ref.: 11 Miss. Admin. Code Pt. 2, R. 6.3.A(3)(b)(1).)

5.A.3 Except where a longer duration is specified in an applicable requirement, the permittee shall retain records of all required monitoring data and support information for a period of at least five (5) years from the date of the monitoring sample, measurement, report, or application. Support information includes all calibration and maintenance records, all original strip-chart recordings for continuous monitoring instrumentation, and copies of all reports required by the permit. (Ref.: 11 Miss. Admin. Code Pt. 2, R. 6.3.A(3)(b)(2).)

5.A.4 Except as otherwise specified herein, the permittee shall submit reports of any required monitoring by July 31 and January 31 for the preceding six-month period. All instances of deviations from permit requirements must be clearly identified in such reports and all required reports must be certified by a responsible official consistent with 11 Miss. Admin. Code Pt. 2, R. 6.2.E. (Ref.: 11 Miss. Admin. Code Pt. 2, R. 6.3.A(3)(c)(1).)

5.A.5 Except as otherwise specified herein, the permittee shall report all deviations from permit requirements, including those attributable to upsets, the probable cause of such deviations, and any corrective actions or preventive measures taken. Said report shall be made within five (5) days of the time the deviation began. (Ref.: 11 Miss. Admin. Code Pt. 2, R. 6.3.A(3)(c)(2).)

5.A.6 Except as otherwise specified herein, the permittee shall perform emissions sampling and analysis in accordance with EPA Test Methods and with any continuous emission monitoring requirements, if applicable. All test methods shall be those versions or their equivalents approved by the DEQ and the EPA.

5.A.7 The permittee shall maintain records of any alterations, additions, or changes in equipment or operation.

B. Specific Monitoring and Recordkeeping Requirements

Emission Point(s)	Pollutant/Parameter Monitored	Monitoring/Recordkeeping Requirement	Condition Number	Applicable Requirement
AA-012	VOHAP	Determination of VOHAP limit and certification of compliance.	5.B.1 & 5.B.2	40 CFR 63.785
	VOHAP	Test methods and procedures.	5.B.3	40 CFR 63.786(a), (b) and (c)
	VOHAP	Use of forms and procedures.	5.B.4	40 CFR 63.786(d)
	VOHAP	General Provisions recordkeeping requirements and standard specific recordkeeping.	5.B.5	40 CFR 63.788(a) and (b)
	VOHAP	"Low usage exempt" recordkeeping requirements.	5.B.6	40 CFR 63.781(b) and 63.788(b)(1)
Entire Facility	$PM/PM_{10}/PM_{2.5}$	Utilization of Best Management Practices for Compliance Demonstration	5.B.7	11 Miss. Admin. Code Pt. 2, R. 1.3.C.; 11 Miss. Admin. Code Pt. 2, R. 6.3.A(3).

5.B.1 For each batch of coating received (*for Emission Point AD-100)*, the permittee shall:

(a) determine the coating category and applicable VOHAP limit as specified in Condition 3.B.2 of the federally enforceable permit herein; and

(b) certify the as-supplied VOC content of the batch of coating in accordance with 40 CFR 63.785(a)(2), using a certification supplied by the manufacturer or by performing certification testing personally.

(Ref.: 40 CFR 63.785(a))

5.B.2 For Emission Point AD-100, as an alternative to testing each batch of coating, *as applied*, the permittee may determine compliance with the applicable limits determined in Condition 5.B.1 of the federally enforceable permit herein using any combination of the following procedures. The procedure used for each coating shall be determined and documented prior

to application. (Ref.: 40 CFR 63.785(b))

(a) For coatings to which thinning solvent (or any other material) will not be added under any circumstance or to which only water is added, the permittee shall:

(1) Certify the as-applied VOC content of each batch of coating.

(2) Notify the persons responsible for applying the coating that no thinning solvent may be added to the coating by affixing a label to each container of coating in the batch or through another means described in the implementation plan required in 40 CFR 63.787(b).

(3) If the certified as-applied VOC content of each batch of coating used during a calendar month is less than or equal to the applicable VOHAP limit in 40 CFR 63.783(a) (either in terms of g/L of coating or g/L of solids), then compliance is demonstrated for that calendar month, unless a violation is revealed using Method 24 of Appendix A to 40 CFR Part 60.

(Ref.: 40 CFR 63.785(c)(1))

(b) For a coating to which thinning solvent is routinely or sometimes added, the permittee shall:

(1) Prior to the first application of each batch, designate a single thinner for the coating and calculate the maximum allowable thinning ratio (or ratios) using the equation and procedures specified in 40 CFR 63.785(c)(2)(i).

(2) Prior to the first application of each batch, notify painters and other persons, as necessary, of the designated thinner and maximum allowable thinning ratio(s) for each batch of the coating by affixing a label to each container of coating or through another means described in the implementation plan required in 40 CFR 63.787(b).

(3) By the 15th day of each calendar month, determine the volume of each batch of the coating used, as supplied during the previous month.

(4) By the 15th day of each calendar month, determine the total allowable volume of thinner for the coating used during the previous month using the equation specified in 40 CFR 63.785(c)(2)(iv).

(5) By the 15th day of each calendar month, determine the volume of thinner actually used with the coating during the previous month.

(Ref.: 40 CFR 63.785(c)(2))

(c) For coatings to which the same thinning solvent (or other material) is routinely or sometimes added, the permittee shall:

(1) Designate a single thinner to be added to each coating during the month and "group" coatings according to their designated thinner.

(2) Prior to the first application of each batch, calculate the maximum allowable thinning ratio (or ratios, if the affected source complies with the cold weather limits in addition to the other limits specified in Table 2 of Appendix C of the federally enforceable permit herein) for each batch of coating in the group using the equations in 40 CFR 63.785 (c)(2).

(3) Prior to the first application of each "batch," notify painters and other persons, as necessary, of the designated thinner and maximum allowable thinning ratio(s) for each batch in the group by affixing a label to each container of coating or through another means described in the implementation plan required in 40 CFR 63.787(b).

(4) By the 15th day of each calendar month, determine the volume of each batch of the group used, as supplied, during the previous month.

(5) By the 15th day of each calendar month, determine the total allowable volume of thinner for the group for the previous month using the equation specified in 40 CFR 63.785(c)(2)(iv)(Equation 3).

(6) By the 15th day of each calendar month, determine the volume of thinner actually used with the group during the previous month.

(Ref.: 40 CFR 63.785(c)(3))

(d) For demonstrating compliance through alternative test methods, the permittee shall follow the requirements of 40 CFR 63.785(c)(4). (Ref.: 40 CFR 63.785(c)(4))

5.B.3 For Emission Point AD-100, the permittee shall use the following test methods and procedures as applicable:

(a) When using the compliance procedures described in Conditions 5.B.2(a) through (c) of the federally enforceable permit herein, the permittee shall use test methods and procedures as described in 40 CFR 63.786(a).

(b) When using the compliance procedure described in Condition 5.B.2(d), the permittee shall use test methods and procedures as described in 40 CFR 63.786(b).

(c) When using batch formulation data as a test method, the permittee shall use test

methods and procedures as described in 40 CFR 63.786(c).

5.B.4 For Emission Point AD-100, the permittee shall use the forms and procedures as referenced in 40 CFR 63.786(d).

5.B.5 For Emission Point AD-100, the permittee shall adhere to the applicable recordkeeping:

(a) the recordkeeping requirements specified in 40 CFR 63.10(a), (b), and (f); (Ref.: 40 CFR 63.788(a))

(b) the recordkeeping requirements specified in 63.10(c), if the permittee uses add-on control systems; and
(Ref.: 40 CFR 63.788(a))

(c) the applicable recordkeeping requirements specified in 40 CFR 63.788(b).

5.B.6 For Emission Point AD-100, the coatings which are used in volumes of less than 52.8 gallons per year, provided the total volume of coatings exempted under this condition does not exceed 264 gallons per year, shall be required to meet only the following:

(a) the permittee shall clearly label the coating as "low-usage exempt". (Ref.: 40 CFR 63.781(b))

(b) the permittee shall record the total volume of coating applied at the source to ships. Such records shall be compiled monthly and maintained for a minimum of five (5) years. (Ref.: 40 CFR 63.788(b)(1))

5.B.7 For the entire facility, the permittee shall utilize best management practices, as stated in the permittee's site specific dust control plan (dated July 20, 2015; located in Appendix D of the federally enforceable permit herein), for demonstrating compliance with Condition 3.B.4 of the federally enforceable permit herein, minimization of fugitive particulate matter emissions. (Ref.: 11 Miss. Admin. Code Pt. 2, R. 1.3.C.; 11 Miss. Admin. Code Pt. 2, R. 6.3.A(3).)

C. Specific Reporting Requirements

Emission Point(s)	Pollutant/Parameter Monitored	Reporting Requirement	Condition Number	Applicable Requirement
AD-100	VOHAP	General Provisions notification requirements and implementation plan	5.C.1	40 CFR 63.787
	VOHAP	General Provisions reporting requirements and standard specific reporting	5.C.2	40 CFR 63.788(a) and (c)
Entire Facility	$PM/PM_{10}/PM_{2.5}$	Semiannual Reporting for Compliance Demonstration	5.C.3	11 Miss. Admin. Code Pt. 2, R. 1.3.C.; 11 Miss. Admin. Code Pt. 2, R. 6.3.A(3).

5.C.1 For Emission Point AD-100, the permittee shall perform the applicable notifications:

(a) notifications in accordance with 40 CFR 63.9(a) through (d) and (i) through (j); (Ref.: 40 CFR 63.787(a))

(b) notifications in accordance with 40 CFR 63.9(e) through (h) if the permittee uses add-on controls systems; and
(Ref.: 40 CFR 63.787(a))

(c) an implementation plan in accordance with 40 CFR 63.787(b).

5.C.2 For Emission Point AD-100, the permittee shall perform the applicable reporting:

(a) the reporting requirements specified in 40 CFR 63.10(a), (d), and (f);
(Ref.: 40 CFR 63.788(a))

(b) the reporting requirements specified in 40 CFR 63.10(e), if the permittee uses add-on control systems; and
(Ref.: 40 CFR 63.788(a))

(c) the applicable reporting requirements specified in 40 CFR 63.788(c).

5.C.3 For the entire facility, the permittee shall submit semiannual reports certifying that the permittee implemented and followed its site specific dust control plan (dated July 20, 2015; located in Appendix D of the federally enforceable permit herein), for the minimization of fugitive particulate emissions, for the previous consecutive 12-month period, demonstrating compliance with Conditions 3.B.4 and 5.B.7 of the federally enforceable permit herein. (Ref.: 11 Miss. Admin. Code Pt. 2, R. 1.3.C.; 11 Miss. Admin. Code Pt. 2, R. 6.3.A(3).)

SECTION 6. ALTERNATIVE OPERATING SCENARIOS

6.1 None permitted.

SECTION 7. TITLE VI REQUIREMENTS

The following are applicable or potentially applicable requirements originating from Title VI of the Clean Air Act – Stratospheric Ozone Protection. The full text of the referenced regulations may be found on-line at **http://ecfr.gpoaccess.gov** under Title 40, or DEQ shall provide a copy upon request from the permittee.

7.1 If the permittee produces, transforms, destroys, imports or exports a controlled substance or imports or exports a controlled product, the permittee shall comply with the applicable requirements of 40 CFR Part 82, Subpart A – Production and Consumption Controls.

7.2 If the permittee performs service on a motor vehicle for consideration when this service involves the refrigerant in the motor vehicle air conditioner (MVAC), the permittee shall comply with the applicable requirements of 40 CFR Part 82, Subpart B – Servicing of Motor Vehicle Air Conditioners.

7.3 The permittee shall comply with the applicable requirements of 40 CFR Part 82, Subpart E – The Labeling of Products Using Ozone-Depleting Substances, for the following containers and products:

(a) All containers in which a class I or class II substance is stored or transported;

(b) All products containing a class I substance; and

(c) All products directly manufactured with a process that uses a class I substance, unless otherwise exempted by this subpart or, unless EPA determines for a particular product that there are no substitute products or manufacturing processes for such product that do not rely on the use of a class I substance, that reduce overall risk to human health and the environment, and that are currently or potentially available. If the EPA makes such a determination for a particular product, then the requirements of this subpart are effective for such product no later than January 1, 2015.

7.4 If the permittee performs any of the following activities, the permittee shall comply with the applicable requirements of 40 CFR Part 82, Subpart F – Recycling and Emissions Reduction:

(a) Servicing, maintaining, or repairing appliances;

(b) Disposing of appliances, including small appliances and motor vehicle air conditioners; or

(c) Refrigerant reclaimers, technician certifying programs, appliance owners and operators, manufacturers of appliances, manufacturers of recycling and recovery equipment, approved recycling and recovery equipment testing organizations, persons

selling class I or class II refrigerants or offering class I or class II refrigerants for sale, and persons purchasing class I or class II refrigerants.

7.5 The permittee shall be allowed to switch from any ozone-depleting substance to any acceptable alternative that is listed in the Significant New Alternatives Policy (SNAP) program promulgated pursuant to 40 CFR Part 82, Subpart G – Significant New Alternatives Policy Program. The permittee shall also comply with any use conditions for the acceptable alternative substance.

7.6 If the permittee performs any of the following activities, the permittee shall comply with the applicable requirements of 40 CFR Part 82, Subpart H – Halon Emissions Reduction:

(a) Any person testing, servicing, maintaining, repairing, or disposing of equipment that contains halons or using such equipment during technician training;

(b) Any person disposing of halons;

(c) Manufacturers of halon blends; or

(d) Organizations that employ technicians who service halon-containing equipment.

APPENDIX A

List of Abbreviations Used In this Permit

11 Miss. Admin. Code Pt. 2, Ch. 1.	Air Emission Regulations for the Prevention, Abatement, and Control of Air Contaminants
11 Miss. Admin. Code Pt. 2, Ch. 2.	Permit Regulations for the Construction and/or Operation of Air Emissions Equipment
11 Miss. Admin. Code Pt. 2, Ch. 3.	Regulations for the Prevention of Air Pollution Emergency Episodes
11 Miss. Admin. Code Pt. 2, Ch. 4.	Ambient Air Quality Standards
11 Miss. Admin. Code Pt. 2, Ch. 5.	Regulations for the Prevention of Significant Deterioration of Air Quality
11 Miss. Admin. Code Pt. 2, Ch. 6.	Air Emissions Operating Permit Regulations for the Purposes of Title V of the Federal Clean Air Act
11 Miss. Admin. Code Pt. 2, Ch. 7.	Acid Rain Program Permit Regulations for Purposes of Title IV of the Federal Clean Air Act
BACT	Best Available Control Technology
CEM	Continuous Emission Monitor
CEMS	Continuous Emission Monitoring System
CFR	Code of Federal Regulations
CO	Carbon Monoxide
COM	Continuous Opacity Monitor
COMS	Continuous Opacity Monitoring System
DEQ	Mississippi Department of Environmental Quality
EPA	United States Environmental Protection Agency
gr/dscf	Grains Per Dry Standard Cubic Foot
HP	Horsepower
HAP	Hazardous Air Pollutant
lbs/hr	Pounds per Hour
M or K	Thousand
MACT	Maximum Achievable Control Technology
MM	Million
MMBTUH	Million British Thermal Units per Hour
NA	Not Applicable
NAAQS	National Ambient Air Quality Standards
NESHAP	National Emissions Standards For Hazardous Air Pollutants, 40 CFR 61 or National Emission Standards For Hazardous Air Pollutants for Source Categories, 40 CFR 63
NMVOC	Non-Methane Volatile Organic Compounds
NO_x	Nitrogen Oxides
NSPS	New Source Performance Standards, 40 CFR 60
O&M	Operation and Maintenance
PM	Particulate Matter
PM_{10}	Particulate Matter less than 10 μm in diameter
ppm	Parts per Million
PSD	Prevention of Significant Deterioration, 40 CFR 52
SIP	State Implementation Plan
SO_2	Sulfur Dioxide
TPY	Tons per Year
TRS	Total Reduced Sulfur
VEE	Visible Emissions Evaluation
VHAP	Volatile Hazardous Air Pollutant
VOC	Volatile Organic Compound

APPENDIX B

40 CFR PART 60, APPENDIX A, METHOD 24

DETERMINATION OF VOLATILE MATTER CONTENT, WATER CONTENT, DENSITY, VOLUME SOLIDS, AND WEIGHT SOLIDS OF SURFACE COATINGS

APPENDIX C

40 CFR PART 63, SUBPART II

NATIONAL EMISSION STANDARDS FOR HAZARDOUS AIR POLLUTANTS FOR SHIPBUILDING AND SHIP REPAIR (SURFACE COATING)

APPENDIX D

SITE SPECIFIC DUST CONTROL PLAN
(DATED JULY 20, 2015)