

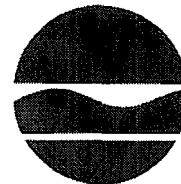
New York State Department of Environmental Conservation

Office of Environmental Quality, Region 4

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Joe Martens
Commissioner

November 10, 2011

Ray Yarmac
SCI-TECH, Inc.
185 Silas Deane Highway
Wethersfield, CT 06109

RE: Norlite Corp. Title V renewal
ID: 4-0103-00016

Dear Mr. Yarmac:

This letter confirms our conversation of 11/7/11 discussing the Norlite Corp. Title V renewal application. As we discussed the Department is requesting the following information be submitted in order for the renewal application to be considered acceptable:

- * The 77 page Air Permit Application Form dated 10/17/11 provided by NYSDEC signed by a responsible official of Norlite.
- * A marked up copy of the 10/7/11 Title V Permit working draft that clearly shows the requested changes to the draft permit.
- * The required P.E. Certification.

If you have any questions regarding the Title V renewal, please contact me directly at (518)357-2278.

Sincerely,

Gary J. McPherson, P.E.
Environmental Engineer II

Enclosure

cc: Tom VanVranken

December 2, 2011



William J. Clarke
Regional Permit Administrator
NYSDEC Region 4
1130 North Westcott Road
Schenectady, NY 12306

RE: Norlite Corporation, Title V permit renewal
DEC Permit ID 4-0103-00016/00048

Dear Mr. Clarke:

Enclosed for processing are two copies of the Title V permit renewal application package for Norlite Corporation. In accordance with the attached letter from Gary McPherson dated November 10, 2011, the application consists of the following three components: (1) the 77-page Air Permit Application Form dated October 17, 2011 provided by Gary McPherson that has been signed by a responsible official of Norlite; (2) a marked-up copy of the October 7, 2011 Title V Permit working draft also provided by Gary McPherson, that has been marked up to show the requested changes to the draft permit; and (3) a Professional Engineer (PE) certification. Given the somewhat unusual history of Norlite's Title V permit, Mr. McPherson and Norlite concluded that this format was the most efficient way of providing the information necessary to process Norlite's Title V permit renewal application.

As you are no doubt aware, Norlite's permit poses several major challenges that arise primarily out of the somewhat unique nature of operations at the Cohoes facility. Below is some additional information which we hope will help DEC process the enclosed application.

40 CFR Part 63, Subpart EEE

The bulk of the conditions in Norlite's Title V permit arise under 40 CFR Part 63, subpart EEE, the National Emission Standards for Hazardous Air Pollutants (NESHAP) for Hazardous Waste Combustors. EPA significantly modified 40 CFR Part 63, subpart EEE in October 2005 and again in April and October 2008. See 70 Fed. Reg. 59402 (Oct. 12, 2005); 73 Fed. Reg. 18970 (Apr. 8, 2008); 73 Fed. Reg. 64068 (Oct. 28, 2008). Among other things, the revised regulations contain new standards for various pollutants emitted from existing hazardous waste burning lightweight aggregate kilns including: mercury; cadmium and lead (semivolatile metals); arsenic, beryllium and chromium (low volatility metals); and particulate matter, which are set forth at 40 CFR 63.1221 rather than 63.1205. EPA also revised the emission limits for other parameters as well as other provisions of the regulations. None of the changes adopted since 2005 are contained in the working draft of the Title V permit provided to Norlite in October. Accordingly, Norlite has reviewed all of the subpart EEE conditions and revised them, as necessary, to reflect the recent changes to the regulations and/or make other additions/corrections. In various instances, we have also attempted to provide more precise citations to the applicable requirements.

In modifying the citations to the applicable requirements, as well as the conditions themselves, we recognize that DEC is ordinarily limited by the AFS system in its ability to revise certain permit conditions. However, given that Norlite is the only hazardous waste burning lightweight aggregate kiln in New York State (indeed, in the nation), the conditions must necessarily be tailored to Norlite. Accordingly, we do not believe the proposed changes should pose a logistical problem.

More specifically, Norlite notes that the permit includes only a few notification and reporting requirements under 40 CFR 63.1210 (notification) and 63.1211 (reporting). See Permit Conditions 1-133 through 1-136. We have conducted a review of subpart EEE and believe that all of the key applicable notification and reporting requirements have been captured in the permit. However, we are asking DEC to conduct its own review of the regulations to ensure that all applicable notification and reporting requirements arising under subpart EEE have been included in the permit.

CPT Test Results

On April 13, 2011, Norlite submitted to DEC a Notice of Compliance and comprehensive performance test (CPT) report for both lightweight aggregate kilns. The CPT establishes the operating parameters for the kiln (EU K-ILNSG) under 40 CFR Part 63 subpart EEE. Norlite has revised the working draft permit to incorporate the values for specific parameters obtained during the recent CPT.

Going forward, we would like to discuss with DEC the best method for updating the permit to address new operating parameters. Subpart EEE requires periodic CPTs, the results of which must somehow be incorporated into the permit. In preliminary discussions with Gary McPherson, he suggested that the permit must be modified each time new CPT results are obtained. At minimum, we would like clarification from the Department concerning what type of permit modification is necessary (administrative, minor or significant).

As an alternative to requiring a permit modification, we would like DEC to consider modifying the facility's existing operational flexibility provision, contained in Permit Condition 1-21 of the working draft of the permit, to specifically address incorporation of CPT results. In 2009, EPA amended its Title V permit regulations to specifically authorize the use of approved replicable methodologies (ARMs) – protocols based on sound scientific/mathematical principles which produce replicable results for use in assuring compliance with an application requirement or determining whether a particular requirement applies to a particular change. 74 Fed. Reg. 51418 (Oct. 6, 2009). In its discussion of the ARM provision, EPA made clear that it believed that ARMs could be used to eliminate the need for permit revisions following a performance test. See, e.g., 74 Fed. Reg. at 51430 (noting that ARMs may be used to “modify the level of the parameters to be used to determine compliance in the future”). We also believe that DEC's own operational flexibility protocol provision, set forth at 6 NYCRR 201-6.5(f)(2), is broad enough to encompass the incorporation of performance testing results. For obvious reasons, Norlite would like to make the process of incorporating performance test results into its permit as simple as possible.

40 CFR Part 61, subpart V and 40 CFR Part 63, subpart DD

The facility's fuel transfer and storage activities are regulated under 40 CFR Part 61, subpart V, National Emission Standards for Equipment Leaks (Fugitive Emission Sources), and 40 CFR Part 63, subpart DD, NESHAP for Off-site Waste and Recovery Operations. Norlite has reviewed the subpart V and DD requirements in the permit and proposed changes/additions as

appropriate. Among other things, with respect to subpart V, Norlite has revised the permit to add additional conditions relating to units with no detectable emissions and equipment repairs and inspections. With respect to subpart DD, Norlite is proposing, among other things, to delete Permit Condition 1-193 because the facility does not use the option of monitoring the concentration of organic compounds in the exhaust vent from the carbon adsorption system to determine whether to replace the carbon/carbon canister.

Inclusion of Waste Fuel B in Permit

As discussed in previous letters to the Department, Norlite's Part 373 permit authorizes the facility to burn Waste Fuel B as well as Waste Fuel A. The working draft of the Title V permit must be revised to incorporate this option. In particular, we have revised the description of EU K-ILNSG (Permit Condition 23) and Process KHF (Permit Condition 46) to add a reference to Waste Fuel B. Burning of Waste Fuel B is regulated under 6 NYCRR 225-2.4, which requires facilities to submit an application to DEC and make certain demonstrations. This requirement is satisfied by Norlite's Part 373 permit. Any burning of Waste Fuel B will be regulated in the same way as hazardous waste and will be subject to the conditions specified in Subpart EEE and included in the Title V permit.

Illegible Permit Conditions

Several permit conditions contain illegible passages owing to a formatting/printing problem (See Permit Conditions 1-21 and 1-181). We will provide the Department with comments on these provisions once we receive a legible printout.

Other Proposed Revisions

Permit Condition 1-30, Compliance Certification (40 CFR 60.675(c)).

This condition contains the procedure for conducting an initial performance test on crushers under the New Source Performance Standard (NSPS) for nonmetallic mineral processing plants. However, the units at issue have been installed for many years now and an initial performance test is no longer required. As a result, this condition should be deleted. To the extent DEC believes this condition remains applicable, DEC must revise the monitoring description to reflect the recent revisions to subpart OOO, which was modified by EPA in 2010. See 75 Fed. Reg. 19309 (Apr. 28, 2010).

Permit Condition 1-37, Compliance Certification (6 NYCRR 225-2.4(a)(2)).

This permit condition establishes the PCB limits for Waste Fuel A. The parameter monitored is identified as "polychlorinated biphenyls (48%CL)", which we understand to refer to PCB Arochlor 1248. Norlite is unclear why the parameter monitored is identified as PCBs 48% CL when the regulation refers simply to PCBs. Please delete the reference to 48%CL.

Permit Conditions 1-36 and 1-49, Compliance Certifications (6 NYCRR 225-2.3(b)(3), 40 CFR 63.1221(a)(5)(i)).

These permit conditions reference specific equipment models under "Manufacturer Name/Model Number." However, this equipment has been replaced, making the references out-of-date. Ideally, Norlite would like to see all references to specific equipment models deleted since we do not believe they are an essential component of the permit. Assuming DEC disagrees, we have revised the permit include updated model information and the phrase "or equivalent" to allow for routine equipment replacement without a permit modification.

Permit Conditions 1-141, 1-142, 1-150, 1-151, Compliance Certification (6 NYCRR 212.3(b), 212.10(c)).

These conditions reference limits on SO₂ and NO_x derived from the facility's Part 373 hazardous waste permit. Because the Part 373 permit was reorganized after the draft Title V permit was developed, the references to the Part 373 Module are incorrect. These permit conditions have been revised to include the correct reference (Module V not Module VII). Also, we have added a reference to the date of the relevant Part 373 permit as well as the phrase "or the most current equivalent condition" to clarify the source of the conditions. More generally, we would like to encourage further discussions with DEC staff concerning the best approach to managing the interface between the air and hazardous waste permits. There continue to be significant questions/concerns about duplication/conflicts between the two programs and we believe all concerned would benefit from resolving these problems.

As you might expect, Norlite is anxious to finalize the draft permit, which has been in a state of flux for some time. Accordingly, we would be happy to meet with DEC after agency staff has had a chance to review the draft permit application so we can resolve any outstanding issues before the draft permit is made available for public comment.

Thank you for your attention to this matter. If you have any questions regarding this letter, please do not hesitate to contact me. I can be reached at (860) 218-6393 or ryarmac@sci-techinc.com.

Very truly yours,
SCI-TECH, Inc



Raymond F. Yarmac, P.E.
Principal Consulting Engineer

Enclosures