February 6, 1990

Ref: 8AT-AP

Brad Beckham, Director
Air Pollution Control Division
Colorado Department of Health
4210 East 11th Avenue
Denver, Colorado 80220

Re: Determination of Lowest Achievable Emission Rate for Coors Container Corporation Canline CX3

Dear Brad:

At the request of Tom Tistinic of your staff, we are providing the following guidance for the determination of lowest achievable emission rate (LAER) for Coors Container Corporation.

Review of the definition of LAER, as contained within 40 CFR 51.165(a)(1)(xiii), indicates that "lowest achievable emission rate" means, for any source, the more stringent rate of emissions based on the following:

> "(A) The most stringent emissions limitation which is contained in the implementation plan of any State for such class or category of stationary source, unless the owner or operator of the proposed stationary source demonstrates that such limitations are not achievable; or (B) The most stringent emissions limitation which is achieved in practice by such class or category of stationary sources. This limitation, when applied to a modification, means the lowest achievable emissions rate for the new or modified emissions units within (the) stationary source. In no event shall the application of the term permit a proposed new or modified stationary source to emit any pollutant in excess of the amount allowable under an applicable new source standard of performance."

Note that for modified major sources, such as Coors Container Canline CX3, LAER is determined for each modified emissions unit. This requirement was reiterated in an August 29,

1988, memorandum (see Attachment 1)(NSR Bulletin Board File NSR1.PSD), which states that "each emissions unit must achieve the lowest possible emission rate". The term "emissions unit" is defined in 40 CFR 51.165(a)(1)(vii) as "any part of a stationary source which emits or has the potential to emit any pollutant subject to regulation under the Act".

For beverage can coating, EPA has determined that an emissions unit consists of an individual coating operation. This determination parallels that being used for the autocoating industry, in which each coating operation (topcoat, basecoat, etc.) is treated as a separate emissions unit. The rationale for this determination is also based upon the definition of an affected facility, contained within the new source performance standard for beverage can coating, 40 CFR 60 Subpart WW. As stated in section 60.490(a), the provisions of Subpart WW apply to the following affected facilities: exterior base coating operations, overvarnish coating operations, and inside spray coating operations. (Note that a given modified can line may contain other modified emission units; however, the new source performance standard only addresses the three operations listed above.) Each coating operation is composed of an application station, a flashoff area, and a curing oven. The new source performance standard sets a unique emission limitation for each affected facility, due to the distinct nature of the three coating operations.

It is important to note that an emissions unit may consist of a single piece of equipment, such as a valve, flange, or pump, since each of these fits the definition of emissions unit specified in 40 CFR 51.165(a)(1)(vii). The October, 1980, Prevention of Significant Deterioration Workshop Manual references these and other emission units (see Attachment 2)(page I-B-4), and discusses the need to include each emissions unit in a best available control technology (BACT) analysis. Note that all emissions units involved in a major modification which have an increase in emissions of the applicable pollutant must undergo BACT analysis. Similarly, for Canline CX3, all emissions units which have an increase in emissions due to the major modification must undergo LAER analysis. Therefore, this LAER determination should be made independently for each emissions unit (or coating operation) within Coors Canline CX3 which has had an increase in VOC emissions as a result of the major modification. The emissions from each emission unit undergoing LAER analysis should be compared to those for the similar coating operation which are contained within the implementation plan of any State, to those from previously-issued LAER and BACT determinations, as well as to those contained within the applicable new source performance standard.

In addition, the LAER determination for a modified emissions unit, such as the internal coating operation at Canline CX3, should be based upon a comparison of emissions from that particular operation to emissions from other similar operations on a normalized basis. For example, it would be unfair to restrict Canline CX3 to an emission limit of x pounds of volatile organic compounds (VOCs) per hour, when the other coating line(s) which have achieved the LAER of x pounds/hr actually coat a smaller number of cans. Therefore, in order to equitably determine LAER for an internal coating operation, VOC emissions from this operation at CX3 should be compared to VOC emissions from other beverage can internal coating operations, on the basis of pounds of VOC emitted per gallon of coating solids applied (or another similar basis). Comparing LAER on the basis of solids applied will normalize factors such as number of cans coated, can size, thickness of coating applied, etc.

Once the lowest achievable emissions limitation is determined, it should be specified in federally-enforceable permit conditions, which set limits on can production, coating VOC content and usage, capture and control efficiency of add-on controls, and other parameters as needed. These conditions will provide for the continued utilization of the control technology determined necessary to achieve LAER, even during periods of reduced operating rates. The actual emission rate of the LAER determination is then calculated, in units such as pounds of VOC per day, from the enforceable permit conditions.

The procedures discussed above have received concurrence from the appropriate EPA headquarters staff. If there are any questions or comments about this determination, please feel free to contact John Dale at (303) 293-1886, or Mindy Mohr at (303) 294-7539.

Sincerely,

Douglas M. Skie, Chief
Air Programs Branch

Attachment

cc: Tom Tistinic, CDH
Dennis Crumpler, NSR Section, AQMD