

DRAFT

**NORTH CAROLINA DIVISION OF
AIR QUALITY
Application Review**

Issue Date: TBD

Region: Winston-Salem Regional Office
County: Davidson
NC Facility ID: 2900116
Inspector's Name: Thomas Gray
Date of Last Inspection: 06/27/2024
Compliance Code: 3 / Compliance - inspection

Facility Data	Permit Applicability (this application only)
<p>Applicant (Facility's Name): Hood Packaging Corporation</p> <p>Facility Address: Hood Packaging Corporation 1308 Blair Street Thomasville, NC 27360</p> <p>SIC: 2673 / Bags: Plastics, Laminated And Coated NAICS: 326111 / Plastics Bag Manufacturing</p> <p>Facility Classification: Before: Title V After: Title V Fee Classification: Before: Title V After: Title V</p>	<p>SIP: 02D: .0515, .0516, .0521, .1111, .1806 02Q: .0317</p> <p>NSPS: n/a NESHAP: Subpart KK PSD: n/a PSD Avoidance: VOC NC Toxics: n/a 112(r): no RMP required Other: n/a</p>

Contact Data			Application Data
Facility Contact	Authorized Contact	Technical Contact	<p>Application Number: 2900116.24A and .24B Date Received: 08/19/2024 (.24A) 11/12/2024 (.24B) Application Type: Renewal (.24A), Name/Ownership change (.24B) Application Schedule: TV-Renewal</p> <p style="text-align: center;">Existing Permit Data</p> <p>Existing Permit Number: 04444/T21 Existing Permit Issue Date: 03/13/2020 Existing Permit Expiration Date: 02/28/2025</p>
Ken Swaim Engineering Manager (336) 474-4420 1308 Blair Street Thomasville, NC 27360	Rod Reeves General Manager (336) 474-4405 1308 Blair Street Thomasville, NC 27360	William (Bill) Traywick Engineering Manager (336) 474-4410 1308 Blair Street Thomasville, NC 27360	

Total Actual emissions in TONS/YEAR:

CY	SO2	NOX	VOC	CO	PM10	Total HAP	Largest HAP
2023	---	0.2900	40.95	0.2500	---	0.3442	0.2685 [Glycol Ethers, Unlisted - Spec]
2022	---	0.3100	50.80	0.2600	---	0.4466	0.3285 [Glycol Ethers, Unlisted - Spec]
2021	---	0.3300	50.03	0.2800	---	0.4576	0.3910 [Glycol Ethers, Unlisted - Spec]
2020	---	0.2900	44.12	0.2400	---	0.5020	0.3830 [Glycol Ethers, Unlisted - Spec]
2019	---	0.3100	47.62	0.2600	---	0.5250	0.4730 [Glycol Ethers, Unlisted - Spec]

<p>Review Engineer: Russell Braswell</p> <p>Review Engineer's Signature: _____ Date: _____</p>	<p align="center">Comments / Recommendations:</p> <p>Issue 04444/T22 Permit Issue Date: TBD Permit Expiration Date: TBD+5 years</p>
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1. Purpose of Applications

1.1 Application .24A: Title V renewal

Hood Packaging Corporation (Hood; the facility), formerly known as Transcontinental TVL LLC, operates a factory in Davidson County under Title V permit 043444T21 (the existing permit). The existing permit is set to expire on February 28, 2025. In accordance with General Condition K of the existing permit, Hood submitted this application in order to renew the Title V permit. Consistent with 15 A NCAC 02Q .0512(b), because the application for Title V permit renewal was received more than six months before the expiration of the existing permit, the existing permit will remain in effect, regardless of expiration date, until DAQ issues a response to this application for permit renewal.

In addition to renewing the Title V permit, Hood has requested some changes to the existing Title V permit. Those updates will also be discussed in this application review.

1.2 Application .24B: Name/Ownership change

This facility, formerly known as Transcontinental TVL LLC, submitted an application for name and ownership change of the Title V permit.

Former name and owner: Transcontinental TVL, LLC

New name and owner: Hood Packaging Corporation

2. Application Chronology

Date	Event
August 19, 2024	Application .24A (Title V renewal) received in DAQ's Winston-Salem office.
October 18, 2024	Emailed question to Hood: Does this facility emit any 1-bromopropane?
October 21, 2024	Response received to the October 18 request: "I'm not aware of any sources that emit 1-bromopropane at the Transcontinental facility."
October 31, 2024	An initial internal draft of the renewed permit and this application review were sent to DAQ Permits staff.
November 12, 2024	Application .24B (name and ownership change) received.
November 22, 2024	Additional application for name and ownership change received. This application lists the same name as .24B, but has different contacts listed on Form A.
November 30, 2024	Comments received from DAQ Permits staff on the October 31 draft.
December 2, 2024	Emailed question to Hood: which list of contacts (November 12 letter or November 22 letter) should be used?
December 23, 2024	Response received to December 2 request. The response stated that the November 12 submission should be used.
December 23, 2024	A draft of the permit and this application review were sent to DAQ SSCB staff, DAQ WSRO staff, and Hood staff.
January 6, 2024	Response received from DAQ WSRO and Hood staff to the December 23 draft.
XXXX	Public notice / EPA review
XXXX	Public notice ends
XXXX	EPA review ends
XXXX	Permit issued.

3. Facility and Application Discussion

3.1 Facility description

According to Hood's application, this facility manufactures sheets and bags for commercial and retail products. The facility extrudes plastic film from polyethylene pellets. The facility prints on the film using water-based flexographic presses. The film is converted into bags using adhesives and heat sealing. The facility prints on the finished bags using solvent-based printers.

The facility also operates ancillary sources, such as silos and a regrinding operation.

According to DAQ's most recent inspection report, the facility normally operates 24/7.

3.2 Title V permit history

Hood's Title V permit was most recently renewed on March 13, 2020 (permit revision 04444T21). This Title V permit has not been revised since that time.

3.3 Application .24A: Title V permit renewal and requested changes to the Title V permit

In application .24A, Hood (then Transcontinental TVL LLC) requested renewal of the existing Title V permit.

In addition to renewing the permit, Hood requested the following administrative changes to the permit:

- Correct/update descriptions of some insignificant activities.

The application includes the requested new ID numbers and descriptions for the insignificant extruders and space heaters to better match the facility's internal description of these sources.

- Add a new sideweld machine to the list of insignificant activities.

The application states "The sideweld machine uses a thin, heated cutter that simultaneously cuts and welds polyethylene sheets into finished bags" and claims that this source will be insignificant pursuant to 15A NCAC 02Q .0503(8).

Thermal sealing of polyethylene bags is not expected to produce substantial emissions of any regulated pollutants. Note that the extruder machines, which heat and process far more polyethylene, are also insignificant. The sideweld machine, which will only heat a small portion of a finished bag, can be assumed to produce less emissions than the extruder machines, and therefore will also qualify as insignificant.

- Remove insignificant activities that are no longer at the facility.

The application states that the insignificant activities II and I-WWES are no longer at the facility and should be removed from the permit.

- Remove insignificant activities that vent indoors pursuant to 15A NCAC 02Q .0102(g)(14)(J).

The application states that the Anilox Cleaner (ID No. I-AC) has been replaced with a laser cleaner that only produces PM emissions. The system is equipped with a PM control device that vents indoors.

The exemptions under 15A NCAC 02Q .0102 are not considered for Title V permits. The only exemptions that can be considered for Title V permits are under 15A NCAC 02Q .0503, which does not include any exemption for PM sources that vent indoors. Therefore, DAQ cannot remove this source as requested. The description of I-AC will be updated to reflect the information in the application.

3.4 Application .24B: Name and Ownership Change

The application states that “Transcontinental TVL, LLC was recently purchased and is now Hood Packaging Corporation.”

DAQ will update the name on the Title V permit to reflect this application for name and ownership change. No further changes to the Title V permit are required as a result of this application.

3.5 Changes to the existing permit

Page No.	Section	Description of Changes
Throughout	Throughout	<ul style="list-style-type: none"> • Updated dates and permit numbers. • Fixed formatting to match DAQ’s current standard templating. Formatting changes are not intended to affect the Permittee’s compliance requirements. • Updated name on the permit based on Application .24B: Former name: Transcontinental TVL LLC New name: Hood Packaging Corporation
5	2.1 A.1	<ul style="list-style-type: none"> • Noted that the presses F160 and F161 are subject to 02D .0515. This is only a correction; the Permittee’s compliance requirements will not substantially change as a result of this correction.
7	2.1 A.4	<ul style="list-style-type: none"> • Rewrote this condition to more closely follow the text of MACT Subpart KK. This change is only for clarity and should not impact the Permittee’s compliance requirements.
8	2.1 A.6.d	<ul style="list-style-type: none"> • Rewrote this reporting requirement to make it clearer that F160 is separate from PS1 and PS2. This change is only for clarity and should not impact the Permittee’s compliance requirements.

Page No.	Section	Description of Changes																																								
9	3	<ul style="list-style-type: none"> • Created this section, and moved the list of insignificant activities here. • Removed the following insignificant activities as requested: <ul style="list-style-type: none"> ○ II ○ I-WWES • Renamed the following insignificant activities as requested: <table border="1" data-bbox="818 432 1138 1073" style="margin-left: 40px;"> <thead> <tr> <th>Old ID</th> <th>New ID</th> </tr> </thead> <tbody> <tr><td>I-E1</td><td>I-113</td></tr> <tr><td>I-E2</td><td>I-114</td></tr> <tr><td>I-E3</td><td>I-115</td></tr> <tr><td>I-E4</td><td>I-116</td></tr> <tr><td>I-E5</td><td>I-121</td></tr> <tr><td>I-E6</td><td>I-122</td></tr> <tr><td>I-E7</td><td>I-123</td></tr> <tr><td>I-E8</td><td>I-124</td></tr> <tr><td>I-E9</td><td>I-125</td></tr> <tr><td>I-E10</td><td>I-126</td></tr> <tr><td>I-H1</td><td>I-BH8</td></tr> <tr><td>I-H2</td><td>I-BH9</td></tr> <tr><td>I-H3</td><td>I-BH6</td></tr> <tr><td>I-H4</td><td>I-BH5</td></tr> <tr><td>I-H5</td><td>I-BH7</td></tr> <tr><td>I-H6</td><td>I-BH3</td></tr> <tr><td>I-H7</td><td>I-BH2</td></tr> <tr><td>I-H8</td><td>I-BH1</td></tr> <tr><td>I-H9</td><td>I-BH4</td></tr> </tbody> </table> 	Old ID	New ID	I-E1	I-113	I-E2	I-114	I-E3	I-115	I-E4	I-116	I-E5	I-121	I-E6	I-122	I-E7	I-123	I-E8	I-124	I-E9	I-125	I-E10	I-126	I-H1	I-BH8	I-H2	I-BH9	I-H3	I-BH6	I-H4	I-BH5	I-H5	I-BH7	I-H6	I-BH3	I-H7	I-BH2	I-H8	I-BH1	I-H9	I-BH4
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10	4 (new)	<ul style="list-style-type: none"> • Added I-SW as requested by the Permittee. • Added this section. • Moved the General Conditions to this section. • Updated General Conditions to version 8.0. 																																								

* This list is not intended to be a detailed record of every change made to the permit but a summary of those changes.

4. Rules Review

Hood is subject to the following State Implementation Plan (SIP) rules and state-enforceable only rules, in addition to the General Conditions:

- 15A NCAC 02D .0515 “Particulates from Miscellaneous Industrial Processes”
- 15A NCAC 02D .0516 “Sulfur Dioxide from Combustion Sources”
- 15A NCAC 02D .0521 “Control of Visible Emissions”
- 15A NCAC 02D .1111 “Maximum Achievable Control Technology”
- 15A NCAC 02D .1806 “Control and Prohibition of Odorous Emission” [state-enforceable only]
- 15A NCAC 02Q .0317 “Avoidance Conditions” (PSD Avoidance)

Hood’s applicability and compliance requirements for each of these rules are discussed in detail below.

4.1 15A NCAC 02D .0515 “Particulates from Miscellaneous Industrial Processes”

Applicability: This rule applies to emission sources that exhaust through a stack and are not subject to another particulate matter (PM) emission limit incorporated under 15A NCAC 02D. Note that, when demonstrating compliance with this rule, facilities must perform emission testing using EPA Methods 5 and 202 (i.e., test for filterable and condensable PM).¹ Therefore, rules that only apply to filterable PM are not considered for the purposes of this rule. Each permitted source at this facility is subject to this rule.

Emission limit: The emission limit for this rule is calculated by the equations $E = 4.10 \times P^{0.67}$ (for $P \leq 30$) or $E = 55(P)^{0.11} - 40$, where E is the emission limit in pounds per hour and P is the process rate of the emission source measured in tons per hour. The equations are listed in the permit as an emission limit.

Compliance: Each source subject to this rule is a printing press. Such sources are expected have low PM emissions relative to the limit. Hood does not use any control devices to comply with the PM limit. In order to demonstrate compliance with this rule, the facility must keep records such that P can be determined. No reporting is required.

Changes to the existing permit: The existing permit states that the presses F160 and F161 are not subject to this rule. This is incorrect; although these sources will have negligible PM emissions (like the other presses), they are still subject to this rule. The permit will be corrected to indicate that F160 and F161 are subject to this rule. The compliance requirements for F160 and F161 will be the same as the other presses, i.e., simple recordkeeping and no reporting.

4.2 15A NCAC 02D .0516 “Sulfur Dioxide from Combustion Sources”

Applicability: This rule applies to combustion sources that are not subject to an SO₂ emission limit under NSPS or MACT. Presses 138 and 139 are equipped with small natural gas-fired burners, and are therefore subject to this rule.

Emission limit: The emission limit is 2.3 pounds of SO₂ per million Btu of heat input.

Compliance: Each combustion source at this facility can only burn natural gas. In general, SO₂ emitted by combustion sources is a function of the amount of sulfur present in the fuel.

¹ See 15A NCAC 02D .2609(a).

In order to calculate SO₂ emissions from the combustion of natural gas, the emission factors published by EPA in AP-42 can be applied. The published emission factors are not in units of pounds per million Btu, so the emission factor must be converted:

SO₂ from natural gas burned in a boiler² (AP-42 Chapter 1.4, Table 1.4-2; SO₂):

$$\frac{0.6 \text{ lb}}{\text{million scf}} \times \frac{1 \text{ scf}}{1,020 \text{ Btu}} = \frac{\mathbf{0.001 \text{ lb}}}{\mathbf{\text{million Btu}}}$$

Therefore, natural gas combustion sources are expected to comply with the SO₂ limit by a wide margin.

Monitoring, Recordkeeping, and Reporting: Based on the wide margin of compliance for each of the subject sources at this facility, DAQ has determined that no monitoring, recordkeeping, or reporting is required to demonstrate compliance with 15A NCAC 02D .0516.

4.3 15A NCAC 02D .0521 “Control of Visible Emissions”

Applicability: This rule applies to sources of visible emissions (VE) that are not subject to another VE standard under 02D .0500. Each of the emission sources at this facility are subject to this rule.

Emission limits: The VE limit for this rule depends on the construction date of the individual source in question. For sources constructed before July 1, 1971, the VE limit is 40%. For each source at this facility, the VE limit is 20% averaged over any six-minute period. The rule allows for one exceedance of the specific limit per hour, and four exceedances per 24-hour period.

Monitoring: The facility must perform a monthly observation of each emission point for VE above normal. If VE above normal is detected, Hood must take corrective actions or conduct a Method 9 test to determine that an exceedance of the VE standard has not occurred.

Recordkeeping and Reporting: Hood must keep records of VE observations and submit a semiannual summary report.

Compliance: Hood appeared to be in compliance with this rule during the most recent compliance inspection. Continued compliance will be determined with subsequent inspections and reports.

4.4 15A NCAC 02D .1111 “Maximum Achievable Control Technology”

This rule incorporates the MACT rules (40 CFR Part 63) into North Carolina’s SIP. See Section 5.3 for a discussion of MACT rules that apply to this facility.

4.5 15A NCAC 02D .1806 “Control and Prohibition of Odorous Emissions” [state-enforceable only]

Applicability: This state-enforceable rule applies to facilities that emit, or could potentially emit, odorous emissions. The existing permit includes a specific condition for this rule.

Monitoring, recordkeeping, and reporting: The existing permit does not require any monitoring, recordkeeping, or reporting for this rule.

² Given that emissions of SO₂ are primarily a function of the sulfur content of the fuel, the AP-42 factor for boilers is applicable here even though the presses are direct-fired units and not true boilers.

Compliance: Based on the most recent inspection report, Hood appears to be in compliance with this rule. Continued compliance will be determined with subsequent inspections.

4.6 15A NCAC 02Q .0317 “Avoidance Conditions” (Avoidance of 15A NCAC 02D .0530; PSD Avoidance)

Applicability: A facility may choose to accept enforceable emission limits in order to avoid triggering applicability under certain rules. Hood has accepted two emission limits on VOC in order to avoid triggering PSD requirements.

Limits: The following PSD avoidance limits are included in the existing permit:

Pollutant	PSD Avoidance Limit (tons per consecutive 12 months)	Sources
VOC	249	F160
VOC	68.5	PS1 and PS2

These limits have been a part of the Hood’s Title V permit since at least the T11 revision (issued October 16, 2001), which is the earliest available permit in DAQ’s electronic database.

The limit for F160 formerly applied to a group of sources:

- The T16 permit revision (issued January 1, 2013) moved some sources to the list of insignificant activities. DAQ removed references to these insignificant activities from the permit, and therefore removed them from the PSD avoidance limit that included F160. This PSD avoidance limit was revised downward to account for their removal.
- The T18 permit revision (issued March 2, 2015) removed several sources from the permit at Hood’s request. As a result, the 249-ton limit that applied to a group of several sources only applied to F160. DAQ did not revise the PSD avoidance limit based on this change.

Monitoring, recordkeeping, and reporting: Hood determines VOC emissions from F160, PS1, and PS2 by using mass-balance (*i.e.*, assuming 100% of VOC in any materials is emitted to the atmosphere). Hood must keep monthly records of VOC emissions from these sources and submit a semiannual summary report of emissions from these sources.

Compliance: Hood appeared to be in compliance with this rule during the most recent compliance inspection. Continued compliance will be determined with subsequent inspections and reports.

Changes to the existing permit: The reporting requirement for this specific condition has been rewritten to clarify that F160 and the group of PS1 and PS2 are subject to separate limits. This change is only for clarity and is not intended to affect Hood’s compliance requirements.

5. NSPS, NESHAP, MACT, CAM, PSD, and §112(r)

5.1 New Source Performance Standards (NSPS; 40 CFR Part 60)

There are no NSPS rules that apply to this facility.

5.2 National Emission Standards for Hazardous Air Pollutants (NESHAP; 40 CFR Part 61)

There are no NESHAP rules that apply to this facility.

5.3 National Emission Standards for Hazardous Air Pollutants for Source Categories (Maximum Achievable Control Technology, MACT and Generally Available Control Technology, GACT; 40 CFR Part 63)

5.3.1 Major Source Status

Hood is an area source of hazardous air pollutants because the facility has accepted a facility-wide emission limit on HAPs such that the facility does not meet the definition of “major source” in 40 CFR 63.2. Note that Hood complies with this HAP limit pursuant to MACT Subpart KK, rather than 15A NCAC 02Q .0317.

Because this facility is an area source of HAP, rules that apply exclusively to major sources of HAP (*e.g.*, Subpart DDDDD) categorically do not apply to this facility.

5.3.2 MACT Subpart KK “National Emission Standards for the Printing and Publishing Industry”

Applicability: This rule applies to all facilities that operate rotogravure or wide-web flexographic printing machines. Hood operates flexographic printing machines, and therefore the applicability of this rule must be considered.

This rule applies to facilities that are major sources of HAP (see 40 CFR 63.820(a)(1)), but also applies to facilities that are area sources based on accepting facility-wide emission limits in order to avoid being designated as a major source of HAP (see 40 CFR 63.820(a)(2)).³

In the application for Title V renewal, Hood states that the facility has

“...chosen to comply with the criteria in 40 CFR 63.820(a)(2)(i) and (a)(2)(ii) to establish the facility as an area source with respect to Subpart KK. The facility has previously accepted, and chooses to maintain, restrictions to limit individual HAP usage to less than 10 tons per each rolling 12-month period and combined HAP usage to less than 25 tons per each rolling 12-month period.” (Application .24A at 4)

This rule was most recently revised in 2011 (see 76 FR 22597).

Printing at area sources: As specified in 40 CFR 63.820(a)(2), this rule specifically allows a printing facility to accept emission limits in order to avoid the applicability of most of this rule. Facilities that choose to be area sources of HAP are only required to comply with the recordkeeping requirement in 40 CFR 63.829(d) and the initial notification requirement in 40 CFR 63.830(b)(1) (see 40 CFR 63.820(a)(3)). Note

³ MACT Subpart KK uses the term “chooses to commit to and meets the criteria of” the definition of an area source of HAP.

that the rule excludes HAP emissions from janitorial maintenance, among other minor activities (see 40 CFR 63.820(a)(4)).

Recordkeeping: Hood must keep records of HAP usage on a monthly basis such that the facility can demonstrate that it is not a major source of HAP.

Reporting: The rule only requires an initial notification, which Hood has previously submitted. Pursuant to 15A NCAC 02Q .0508(f), DAQ requires Hood to submit a semiannual summary report of HAP emissions from the facility.

Changes to the existing permit: Portions of the specific condition for this rule have been rewritten to more closely follow the text of 40 CFR Part 63 Subpart KK. This change is only for clarity and is not intended to affect Hood's compliance requirements.

5.4 Compliance Assurance Monitoring (CAM; 15A NCAC 02D .0614 "Compliance Assurance Monitoring")

Background: The compliance assurance monitoring (CAM) rule requires owners and operators to conduct monitoring to provide a reasonable assurance of compliance with applicable requirements under the Clean Air Act (CAA). Per 02D .0614(a), this rule potentially applies to any facility required to obtain a permit under 02Q .0500 (i.e., a Title V permit). This facility is required to obtain a permit under 02Q .0500. Therefore, CAM applicability must be examined.

Applicability: Monitoring focuses on emissions units that rely on pollution control device equipment to achieve compliance with applicable standards. An emission unit is subject to CAM, under 40 CFR Part 64, if all of the following conditions are met:

- I. The unit is subject to any (non-exempt, e.g., pre-November 15, 1990, Section 111 or 112 standard) emission limitation or standard for the applicable regulated pollutant.
- II. The unit uses any control device to achieve compliance with any such emission limitation or standard.
- III. The unit's pre-control potential emission rate exceeds 100 percent of the amount required for a source to be classified as a major source under Title V.

CAM applicability: Per Item II above, CAM can only be triggered by the use of a control device to comply with a standard. Hood does not operate any control devices, and therefore CAM cannot be triggered.

5.5 Prevention of Significant Deterioration (PSD)

Background: The Federal rules for PSD are implemented into North Carolina's state implementation plan (SIP) under 15A NCAC 02D .0530 and 02D .0544. In general, a facility is a major stationary source for PSD if the facility has actual or potential emissions of a pollutant greater than the threshold listed in 40 CFR 51.166(b)(1). For facilities that fall under the specific categories listed in 40 CFR 51.166(b)(1)(i)(a), the threshold is 100 tpy. Hood manufactures plastic packaging, which is not one of the listed categories; therefore, the threshold is 250 tpy (see 40 CFR 51.166(b)(1)(i)(b)).

Major stationary source: Hood is a major stationary source for PSD because the facility has potential emissions of regulated NSR pollutants greater than the threshold discussed above. However, Hood has avoided triggering any specific requirements under PSD by accepting enforceable emission limits.

PSD Increment Tracking: The Davidson County airshed (where this facility is located) has been triggered for PSD Increment Tracking for NO_x and PM₁₀. This Title V permit renewal will not consume or expand any increments for any tracked pollutants.

5.6 Section 112(r) of the Clean Air Act (and 15A NCAC 02D .2100 “Risk Management Program”)

Background: This rule requires facilities that store materials above the threshold quantities in 40 CFR 68.130 above their respective thresholds to prepare and submit a risk management plan (RMP).

Applicability: In the renewal application on Form A3, Hood indicated that an RMP is not required for this facility.

General duty: Note that other parts of that rule, such as the General Duty clause, may also apply to this facility; those portions of §112(r) are beyond the scope of the Title V permit.

6. Toxic Air Pollutants

Background: In general, a facility that emits toxic air pollutants (TAP) at rates greater than the TAP permitting emission rate (TPER) listed in 15A NCAC 02Q .0711 must perform air dispersion modeling following the procedures in 15A NCAC 02D .1106. The results of this modeling must be less than the acceptable ambient limits (AAL) listed in 15A NCAC 02D .1104.

Previous modeling: This facility has previously performed air dispersion modeling for TAPs to demonstrate compliance with the AALs. Earlier revisions of the Title V permit included the modeled emission rates as emission limits.

TAPs from MACT-affected sources: Each permitted emission source at this facility is subject to a rule under 40 CFR Part 63 (MACT). Pursuant to 15A NCAC 02Q .0702(a)(27), such sources are exempt from TAP emission requirements. As part of the T18 revision of the Title V permit (issued March 2, 2015), DAQ removed all TAP emission requirements from the permit at the request of the facility after determining that this would not pose an unacceptable risk to human health.

Hood has not made any modifications following the T18 permit revision that triggered TAP requirements. Therefore, the permit does not include any specific requirements for TAPs.

7. Compliance Status and Other Regulatory Concerns

Compliance status:

- The application includes a signed Form E5 “Title V Compliance Certification.” In this form, Hood (then known as Transcontinental) certified compliance with all applicable requirements.
- This facility was most recently inspected on June 27, 2024 by Thomas Gray. Hood (operating as Transcontinental) was determined to be in violation of the Title V permit at that time. As discussed below, DAQ considers this violation to be resolved.
- Since the Title V permit was most recently renewed, Hood (operating as Transcontinental) has been issued four Notices of Violation (NOV):

Date	Reason for NOV	Outcome
March 17, 2021	Late submittal of the Annual Compliance Certification.	Resolved as of April 5, 2021.
August 9, 2021	Failure to record VE observations as required by 02D .0521 and Specific Condition 2.1 A.3.e.	Resolved as of August 8, 2021
June 6, 2022	Additional failure to record VE observations. Furthermore, ACC was inaccurate.	Transcontinental was fined \$4,279. Resolved as of July 18, 2022.
July 16, 2024	During the June 27 inspection, DAQ observed open burning of polyethylene waste on-site.	Resolved as of August 1, 2024

Application fee:

- Applications for Title V renewal do not require an application fee.
- Applications for ownership change require an application fee. Hood paid the required fee by ePay.

PE Seal: Applications for Title V renewal and name/ownership change do not require a PE Seal.

Zoning Consistency Determination: Applications for Title V renewal and name/ownership change do not require a zoning consistency determination.

Addition of 1-bromopropane to §112(b): On December 22, 2021, the US EPA added 1-bromopropane (1-BP) to the list of HAP.⁴ Hood has not previously quantified emissions of 1-BP. As part of processing this application, DAQ asked Hood to quantify 1-BP emissions from the facility. Hood responded that it does not believe the facility emits 1-BP.

Removal of references to affirmative defense: EPA has promulgated a rule (88 FR 47029, July 21, 2023), with an effective date of August 21, 2023, removing the emergency affirmative defense provisions in operating permits programs, codified in both 40 CFR 70.6(g) and 71.6(g). EPA has concluded that these provisions are inconsistent with the EPA’s current interpretation of the enforcement structure of the CAA, in light of prior court decisions.⁵ Moreover, per EPA, the removal of these provisions is also consistent

⁴ See 87 FR 393 (published January 5, 2022).

⁵ NRDC v. EPA, 749 F.3d 1055 (D.C. Cir. 2014).

with other recent EPA actions involving affirmative defenses⁶ and will harmonize the EPA's treatment of affirmative defenses across different CAA programs.

As a consequence of this EPA action to remove these provisions from 40 CFR 70.6(g), it will be necessary for states and local agencies that have adopted similar affirmative defense provisions in their Part 70 operating permit programs to revise their Part 70 programs (regulations) to remove these provisions. In addition, individual operating permits that contain Title V affirmative defenses based on 40 CFR 70.6(g) or similar state regulations will need to be revised.

Regarding NCDAQ, it has not adopted these discretionary affirmative defense provisions in its Title V regulations (15A NCAC 02Q .0500). Instead, DAQ has chosen to include them directly in individual Title V permits as General Condition (GC) J.

Per EPA, DAQ is required to promptly remove such impermissible provisions, as stated above, from individual Title V permits, after August 21, 2023, through normal course of permit issuance.

⁶ In newly issued and revised New Source Performance Standards (NSPS), emission guidelines for existing sources, and NESHAP regulations, the EPA has either omitted new affirmative defense provisions or removed existing affirmative defense provisions. See, e.g., National Emission Standards for Hazardous Air Pollutants for the Portland Cement Manufacturing Industry and Standards of Performance for Portland Cement Plants; Final Rule, 80 FR 44771 (July 27, 2015); National Emission Standards for Hazardous Air Pollutants for Major Sources: Industrial, Commercial, and Institutional Boilers and Process Heaters; Final Rule, 80 FR 72789 (November 20, 2015); Standards of Performance for New Stationary Sources and Emission Guidelines for Existing Sources: Commercial and Industrial Solid Waste Incineration Units; Final Rule, 81 FR 40956 (June 23, 2016).

8. Facility Emissions Review

Changes in emissions: The changes to the list of insignificant activities discussed in Section 3.3 above are expected to have negligible impacts on potential or actual emissions from the facility.

Title V: Hood is a major source for Title V (as defined in 40 CFR 70.2) because it has potential emissions of regulated pollutants greater than or equal to the threshold (100 tpy). This application for Title V permit renewal will not affect Hood's status as a major source for Title V.

HAP: Hood is an area source of HAP (*i.e.*, not a major source as defined in 40 CFR 63.2) because the facility has accepted emission limits on HAP pursuant to 40 CFR 63.820(a)(2). This application for Title V permit renewal will not affect Hood's status as a major source of HAP.

PSD: Hood is a major stationary source for PSD because it has potential emissions of regulated NSR pollutants greater than or equal to the thresholds in 40 CFR 51.166(b)(1)(i)(b) (250 tpy). This Title V permit renewal will not affect Hood's status as a major stationary source under PSD.

PSD Increment Tracking: The Davidson County airshed has been triggered for PSD Increment Tracking for NO_x and PM₁₀. This Title V permit renewal will not consume or expand any increments for any tracked pollutants.

9. Draft Permit Review Summary, Public Notice, and EPA Review

Initial draft: An initial draft of the permit and this application review were sent to DAQ staff on October 31, 2024. Comments on that draft were received by email on November 30, 2024. The comments requested minor changes and corrections to the initial drafts.

Subsequent draft: A revised draft of the permit and this application review were sent to DAQ WSRO staff, DAQ SSCB staff, and Hood staff on December 23, 2024. DAQ SSCB had no comments on the draft.

WSRO Comment: This comment pointed out typos in the draft permit and application review.

Response: These issues will be corrected.

Hood Comment: The sizes of the insignificant plastic extruding machines as listed in the draft permit are incorrect. Hood provided the corrected sizes.

Response: This will be corrected.

Public Notice and EPA Review: A notice of the draft Title V Permit shall be made pursuant to 15A NCAC 02Q .0521. The notice will provide for a 30-day comment period, with an opportunity for a public hearing. Consistent with 15A NCAC 02Q .0518(b), the EPA will have a 45-day review period. Based on an agreement between DAQ and EPA, this period will generally coincide with the 30-day public notice period. Copies of the public notice shall be sent to persons on the Title V mailing list and EPA. Pursuant to 15A NCAC 02Q .0522, a copy of each permit application, each proposed permit and each final permit shall be provided to EPA. Also, pursuant to 02Q .0522, a notice of the draft Title V Permit shall be provided to each affected State at or before the time notice is provided to the public under 02Q .0521 above. DAQ voluntarily provides notice to each bordering State (Virginia, Tennessee, Georgia, and South Carolina) and all air pollution control agencies within those states.

- The Public Notice and EPA Review periods began on XXXXX.
- The Public Notice period ended on XXXXX.
- The EPA Review period ended on XXXXX.

10. Recommendations

This permit application has been reviewed by NC DAQ to determine compliance with all procedures and requirements. NC DAQ has determined that this facility appears to be complying with all applicable requirements.

DAQ recommends issuance of Permit No. 04444T22. WSRO, SSCB, and Hood have received a copy of this permit and submitted comments that were incorporated as described in Section 9.