

PERMIT BOOK

STATE OF MISSOURI



DEPARTMENT OF NATURAL RESOURCES

MISSOURI AIR CONSERVATION COMMISSION

PERMIT TO CONSTRUCT

Under the authority of RSMo 643 and the Federal Clean Air Act the applicant is authorized to construct the air contaminant source(s) described below, in accordance with the laws, rules and conditions as set forth herein.

Permit Number: 082008-014 Project Number: 2008-04-035

Parent Company: ADESA, Inc.

Parent Company Address: 13085 Hamilton Crossing Blvd, Carmel, IN 46032

Installation Name: ADESA Missouri

Installation Address: 157th Street and Elmwood Avenue, Belton, MO 64012

Location Information: Cass County, S2, T46N, R33W

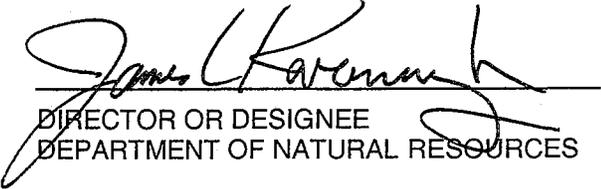
Application for Authority to Construct was made for:

The installation of two (2) primer spray booths, three (3) mixing rooms, three (3) 3.6 MMbtu/hr spray booth heaters, and five (5) 0.975 MMbtu/hr prime booth heaters. This review was conducted in accordance with Section (5), Missouri State Rule 10 CSR 10-6.060, *Construction Permits Required*.

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- Standard Conditions (on reverse) are applicable to this permit.
- Standard Conditions (on reverse) and Special Conditions are applicable to this permit.

AUG 19 2008

EFFECTIVE DATE


DIRECTOR OR DESIGNEE
DEPARTMENT OF NATURAL RESOURCES

STANDARD CONDITIONS:

Permission to construct may be revoked if you fail to begin construction or modification within two years from the effective date of this permit. Permittee should notify the Air Pollution Control Program if construction or modification is not started within two years after the effective date of this permit, or if construction or modification is suspended for one year or more.

You will be in violation of 10 CSR 10-6.060 if you fail to adhere to the specifications and conditions listed in your application, this permit and the project review. In the event that there is a discrepancy between the permit application and this permit, the conditions of this permit shall take precedence. Specifically, all air contaminant control devices shall be operated and maintained as specified in the application, associated plans and specifications.

You must notify the departments' Air Pollution Control Program of the anticipated date of start up of this (these) air contaminant source(s). The information must be made available not more than 60 days but at least 30 days in advance of this date. Also, you must notify the Department of Natural Resources Regional office responsible for the area within which you are located within 15 days after the actual start up of this (these) air contaminant source(s).

A copy of this permit and permit review shall be kept at the installation address and shall be made available to Department of Natural Resources' personnel upon request.

You may appeal this permit or any of the listed special conditions to the Administrative Hearing Commission (AHC), P.O. Box 1557, Jefferson City, MO 65102, as provided in RSMo 643.075.6 and 621.250.3. If you choose to appeal, you must file a petition with the AHC within 30 days after the date this decision was mailed or the date it was delivered, whichever date was earlier. If any such petition is sent by registered mail or certified mail, it will be deemed filed on the date it is mailed. If it is sent by any method other than registered mail or certified mail, it will be deemed filed on the date it is received by the AHC.

If you choose not to appeal, this certificate, the project review and your application and associated correspondence constitutes your permit to construct. The permit allows you to construct and operate your air contaminant source(s), but in no way relieves you of your obligation to comply with all applicable provisions of the Missouri Air Conservation Law, regulations of the Missouri Department of Natural Resources and other applicable federal, state and local laws and ordinances.

The Air Pollution Control Program invites your questions regarding this air pollution permit. Please contact the Construction Permit Unit at (573) 751-4817. If you prefer to write, please address your correspondence to the Missouri Department of Natural Resources, Air Pollution Control Program, P.O. Box 176, Jefferson City, MO 65102-0176, attention: Construction Permit Unit.

Page No.	3
Permit No.	
Project No.	2008-04-035

SPECIAL CONDITIONS:

The permittee is authorized to construct and operate subject to the following special conditions:

The special conditions listed in this permit were included based on the authority granted the Missouri Air Pollution Control Program by the Missouri Air Conservation Law (specifically 643.075) and by the Missouri Rules listed in Title 10, Division 10 of the Code of State Regulations (specifically 10 CSR 10-6.060). For specific details regarding conditions, see 10 CSR 10-6.060 paragraph (12)(A)10. "Conditions required by permitting authority."

ADESA Missouri
Cass County, S2, T46N, R33W

1. **Superseding Condition**
Special condition #2 of this permit supersede special condition #1 found in the previously issued construction permit (Permit Number 032008-004) from the Air Pollution Control Program.
2. **Emission Limitation**
 - A. ADESA Missouri shall emit less than forty (40) tons of volatile organic compounds (VOCs) from the entire installation in any consecutive 12-month period.
 - B. ADESA Missouri shall emit less than ten (10) tons individually or twenty-five (25) tons combined of Hazardous Air Pollutants (HAPs) from the entire installation in any consecutive 12-month period.
 - C. Attachment A, Attachment B and Attachment C, or equivalent forms, shall be used to demonstrate compliance with Special Conditions 2.A and 2.B. ADESA Missouri shall maintain all records required by this permit for not less than five (5) years and shall make them available to any Missouri Department of Natural Resources' personnel upon request. These records shall include Material Safety Data Sheets (MSDS) for all materials used for the installation.
 - D. ADESA Missouri shall report to the Air Pollution Control Program's Enforcement Section, P.O. Box 176, Jefferson City, MO 65102, no later than ten (10) days after the end of the month during which the records from Special Condition Number 2.C. indicate that the source exceeds the limitation of Special Conditions Number 1.A. and 1.B.
3. **Operational Requirements**
ADESA Missouri shall keep all primers, solvents and cleaning solutions in sealed containers whenever the materials are not in use. ADESA Missouri shall provide and maintain suitable, easily read, permanent markings on all primer, solvent and cleaning solution containers used with this equipment.

Page No.	4
Permit No.	
Project No.	2008-04-035

SPECIAL CONDITIONS:

The permittee is authorized to construct and operate subject to the following special conditions:

4. **Control Device Requirements – Booth Filtration System**
The booth filtration systems shall be in use at all times when the prime booths are in operation and shall be operated and maintained in accordance with the manufacturer's specifications.

REVIEW OF APPLICATION FOR AUTHORITY TO CONSTRUCT AND OPERATE
SECTION (5) REVIEW

Project Number: 2008-04-035
Installation ID Number: 037-0066
Permit Number:

ADESA Missouri
157th Street and Elmwood Avenue
Belton, MO 64012

Complete: May 1, 2008

Parent Company:
Adesa, Inc.
13085 Hamilton Crossing Blvd, Carmel, IN 46032

Cass County, S2, T46N, R33W

REVIEW SUMMARY

- ADESA Missouri has applied for authority to install two (2) primer spray booths, three (3) mixing rooms, three (3) 3.6 MMbtu/hr spray booth heaters, and five (5) 0.975 MMbtu/hr prime booth heaters. .
- Hazardous Air Pollutant (HAP) emissions are expected from the proposed equipment.
- None of the New Source Performance Standards (NSPS) apply to the proposed equipment. Subpart MM, *Standards of Performance for Automobiles and Light Duty Truck Surface Coating Operations*, does not apply to this installation because the installation does not assemble automobiles or light duty trucks.
- None of the National Emission Standards for Hazardous Air Pollutants (NESHAPs) or currently promulgated Maximum Achievable Control Technology (MACT) regulations apply to the proposed equipment. Subpart MMMM, *National Emissions Standards for Hazardous Air Pollutants: Surface Coating of Miscellaneous Metal Parts and Products*, and Subpart IIII, *National Emission Standards for Hazardous Air Pollutants: Surface Coating of Automobile and Light-Duty Trucks*, do not apply to this installation because the HAPs emissions from the installation are conditioned to below major source levels.
- Booth filtration systems are being used to control the PM₁₀ emissions from each primer booth in this permit.
- This review was conducted in accordance with Section (5) of Missouri State Rule 10 CSR 10-6.060, *Construction Permits Required*. Potential emissions of all pollutants are below *de minimis* levels.
- This installation is located in Cass County, an attainment area for all criteria air pollutants.

- This installation is not on the List of Named Installations [10 CSR 10-6.020(3)(B), Table 2].
- Ambient air quality modeling was not performed since potential emissions of the application are below de minimis levels.
- Emissions' testing is not required for the equipment.
- An Operating Permit application is not required for the installation.
- Approval of this permit is recommended with special conditions.

INSTALLATION DESCRIPTION

ADESA Missouri operates a wholesale auto auction facility in Belton, Missouri which includes a surface coating operation being used for touch up jobs (i.e. repair of small dents and scratches). The surface coating operation was originally permitted to operate in Lee's Summit, Missouri (Permit #122006-011, Project #2006-09-047), but the location was changed to Belton, Missouri (Permit #032008-004, Project 2008-01-064).

In the previous permit (#032008-004, Project #2008-01-064) issued to the installation, the VOC and HAPs emissions were conditioned to below their respective *de minimis* levels. Since none of the NSPS, MACT, or NESHAP applied to the installation, no operating permit application was required for the installation. ADESA Missouri has requested to limit the installation-wide VOC and HAPs emissions to below their respective *de minimis* levels in this permit so that the facility can maintains its no operating permit required status.

Table 1 lists the equipment permitted to be at the site upon issuance of this permit.

Table 1: Installation Equipment List

Emission Points	Description
PB-1	Prime Booth and 0.975 MMBtu/hr Heater
PB-2	Prime Booth and 0.975 MMBtu/hr Heater
PB-3	Prime Booth and 0.975 MMBtu/hr Heater
PB-4	Prime Booth and 0.975 MMBtu/hr Heater
PB-5	Prime Booth and 0.975 MMBtu/hr Heater
SB-1	Topcoat and Clear Coat Spray Booth and 3.6 MMBtu/hr Heater
SB-2	Topcoat and Clear Coat Spray Booth and 3.6 MMBtu/hr Heater
SB-3	Topcoat and Clear Coat Spray Booth and 3.6 MMBtu/hr Heater
NA	Three (3) Mixing Rooms

NA- Not Available

The following permits have been issued to ADESA Missouri from the Air Pollution Control Program.

Table 2: Previously Issued Permits

Permit Number	Description
122006-011	Installation of new surface coating operation in Lee's Summit, Missouri
032008-004	Change location of the surface coating operation to Belton, Missouri

PROJECT DESCRIPTION

ADESA Missouri has proposed to install two (2) primer spray booths, three (3) mixing rooms, three (3) 3.6 MMbtu/hr spray booth heaters, and five (5) 0.975 MMbtu/hr prime booth heaters. Three (3) of the spray booth heaters and three (3) of the prime booth heaters replace the 1.5 MMbtu/hr spray booth heaters and the 1.5 MMbtu/hr prime booth heaters previously permitted in permit #032008-004.

The heaters use exclusively natural gas as fuel. A filtration system is used to control PM₁₀ emissions from each primer booth.

EMISSIONS/CONTROLS EVALUATION

PM₁₀, VOC and HAPs emissions from the primer booths were calculated by using the expected usage of each chemical and multiplying by the solids, VOC, or HAPs contents in the chemicals. The solids, VOC and HAPs contents were obtained from the Material Safety Data Sheets (MSDS). Each booth filtration system is given a control efficiency of 95% for PM₁₀ emissions. PM₁₀ capture efficiency of the booth filtration system was assumed to be 100% since the doors of the primer booths will be closed during spraying. No other control devices will be used.

Each prime booth is expected to use up to 0.68 gallons per day (gal/day) of 4004S primer, 0.17 gal/day of 4075S activator, 0.10 gal/day of 3909S cleaner, and 0.20 gal/day of 3642S cleanup solvent. These rates are from historical usage of similar processes, but are based on 2,080 hours of operation per year (40 hours per week). For the emissions evaluation, the usage of each chemical were scaled up to reflect continuous operation at 8,760 hours per year. The maximum use of each chemical for the emissions evaluation are 2.04 gal/day of 4004S primer, 0.51 gal/day of 4075S activator, 0.30 gal/day of 3909S cleaner, and 0.60 gal/day of 3642S cleanup solvent.

Emissions from the combustion of natural gas heaters were calculated using emission factors from Environmental Protection Agency (EPA) document AP-42, *Compilation of Air Pollutant Emission Factors*, Fifth Edition, Section 1.4, *Natural Gas Combustion*, (7/98). The following table provides an emissions summary for this project.

Table 3: Emissions Summary (tons per year)

Pollutant	Regulatory <i>De Minimis</i> Levels	Existing Potential Emissions	Existing Actual Emissions (EIQ)	Potential Emissions of the Application	New Installation Conditioned Potential
PM ₁₀	15.0	3.92	NA	0.662	NA
SO _x	40.0	0.00	NA	0.040	NA
NO _x	40.0	0.00	NA	6.741	NA
VOC	40.0	<40.0	NA	9.307	<40.00
CO	100.0	0.00	NA	5.662	NA
1,6-hexamethylene Diisocyanate	10.0	0.01	NA	NA	NA
Ethyl Benzene	10.0	6.23	NA	0.184	NA
Methanol	10.0	0.10	NA	0.058	NA
Methyl Isobutyl Ketone	10.0	2.26	NA	0.561	NA
Toluene	10.0	<10.0	NA	0.317	<10.0
Xylene	10.0	<10.0	NA	0.691	<10.0
Combined HAP	25.0	<25.0	NA	1.811	<25.0

N/A = Not Applicable

The existing potential emissions of VOC, toluene, xylene, and combined HAPs are based on limits in permit #032008-004. Existing potential emissions of SO_x, NO_x, and CO are listed as zero (0) because the facility will no longer construct the natural gas heaters permitted in permit #032008-004. The heaters permitted in this permit will replace those heaters. Existing potential emissions of PM₁₀ are based on unconditioned potential in permit #032008-004 minus the emissions from the heaters that will no longer be constructed. The existing potential emissions of 1,6-hexamethylene diisocyanate, ethyl benzene, methanol and methyl isobutyl ketone are based on unconditioned potential emissions in permit #032008-004.

PERMIT RULE APPLICABILITY

This review was conducted in accordance with Section (5) of Missouri State Rule 10 CSR 10-6.060, *Construction Permits Required*. Potential emissions of all pollutants are below de minimis levels.

APPLICABLE REQUIREMENTS

ADESA Missouri shall comply with the following applicable requirements. The Missouri Air Conservation Laws and Regulations should be consulted for specific record keeping, monitoring, and reporting requirements. Compliance with these emission standards, based on information submitted in the application, has been verified at the time this application was approved.

GENERAL REQUIREMENTS

- *Submission of Emission Data, Emission Fees and Process Information, 10 CSR 10-6.110*
The emission fee is the amount established by the Missouri Air Conservation Commission annually under Missouri Air Law 643.079(1). Submission of an Emissions Inventory Questionnaire (EIQ) is required April 1 for the previous year's emissions.
- *Operating Permits, 10 CSR 10-6.065*
- *Restriction of Particulate Matter to the Ambient Air Beyond the Premises of Origin, 10 CSR 10-6.170*
- *Maximum Allowable Emission of Particulate Matter From Fuel Burning Equipment Used for Indirect Heating, 10 CSR 10-2.040.*
- *Restriction of Emission of Visible Air Contaminants, 10 CSR 10-6.220*
- *Restriction of Emission of Odors, 10 CSR 10-3.090*

STAFF RECOMMENDATION

On the basis of this review conducted in accordance with Section (5), Missouri State Rule 10 CSR 10-6.060, *Construction Permits Required*, I recommend this permit be granted with special conditions.

Chia-Wei Young
Environmental Engineer

Date

PERMIT DOCUMENTS

The following documents are incorporated by reference into this permit:

- The Application for Authority to Construct form, dated March 20, 2008, received April 9, 2008, designating Adesa, Inc. as the owner and operator of the installation.
- U.S. EPA document AP-42, *Compilation of Air Pollutant Emission Factors*, Fifth Edition.
- Kansas City Regional Office Site Survey, dated 5/6/2008.

Mr. Jim Hallett
ADESA Missouri
13085 Hamilton Crossing Blvd
Carmel, IN 46032

RE: New Source Review Permit - Project Number: 2008-04-035

Dear Mr. Hallett:

Enclosed with this letter is your permit to construct. Please study it carefully. Also, note the special conditions, if any, on the accompanying pages. The document entitled, "Review of Application for Authority to Construct," is part of the permit and should be kept with this permit in your files.

Operation in accordance with these conditions, your new source review permit application is necessary for continued compliance. The reverse side of your permit certificate has important information concerning standard permit conditions and your rights and obligations under the laws and regulations of the State of Missouri.

If you have any questions regarding this permit, please do not hesitate to contact Chia-Wei Young, at the departments' Air Pollution Control Program, P.O. Box 176, Jefferson City, MO 65102 or at (573) 751-4817. Thank you for your attention to this matter.

Sincerely,

AIR POLLUTION CONTROL PROGRAM

Kendall B. Hale
New Source Review Unit Chief

KBH:cwyl

Enclosures

c: Kansas City Regional Office
PAMS File: 2008-04-035

Permit Number: