STATEMENT OF BASIS
Title V Permit Renewal

Facility Name:	BAE System Inc, San Diego Ship Repair
Title V App. Number:	APCD2024-APP-008135
Title V Permit Number:	APCD2025-TVP-00054
Facility ID:	APCD1980-SITE-00204
Equipment Address:	2205 E. Belt St. San Diego CA 92113
Facility Contact:	Brian Vernetti – Safety, Health and Environmental Manager.
Contact Phone:	619.288.5274
Permit Engineer:	Liliana Jaime
Date:	8/15/2025

Senior Engineer:

X

Allison Weller
Senior Engineer

1.0 Type of Action and Summary of Changes

This Statement of Basis reviews the application for an initial Title V permit to operate for BAE System Inc. San Diego Ship Repair (SDSR). The District received the application for an initial permit to operate on February 20, 2024, which is compliant with the requirement for a timely application submittal, at least 12 months, after the effective date of revised District Rule 1401 which was February 21, 2023. The application was deemed complete on April 2, 2024, hence, an application shield pursuant to Rule 1410 (a) is in effect for the facility until the District takes action on the initial application.

As part of the initial Title V process, the District has also made a preliminary decision to take the following actions, which are further discussed below:

- Add new applicable requirements to permits where necessary, and
- Enhance monitoring, reporting, and recordkeeping requirements, clarify permit conditions and their basis, correct and update emission unit descriptions and correct typographical errors.

2.0 History of Title V:

This facility received a Compliance Advisory on April 6, 2023, to inform them that they may be subject to the Title V Program in accordance with the revised District Rule 1401, effective February 21, 2023. The equipment was already in operation and is required to obtain a permit based on the District's redesignation to severe ozone nonattainment, with the facility expected to be a new federal major stationary source of VOC, due to potential to emit VOC exceeding 25 tons per year. There are no previously approved Title V applications for this facility.

The District has received applications from this facility, as shown in the following table, throughout the history of the facility. These applications are submitted under the District's local permitting program. (See Appendix A of the permit). Only applications for active permits are included here. Permits that have been retired prior to the Title V application submittal will not be included for this review.

Application Number	Affected Permit to Operate(s)	Description	Outcome
Legacy Application - 14041	**APCD2005-PTO-006646**	Initial Application – Marine Coating Operation	Approved
APCD2010-APP-001243		Modification Application – Condition change requested – No limit increased	Approved
APCD2016-APP-004438		Modification Application – Adding Dry Dock – No limit increased	Approved
APCD1985-APP-030064	**APCD2005-PTO-030064**	Initial Application – Prime Engine	Approved
APCD1994-APP-930850		Modification Application – Increase in operating hours	Approved
APCD2001-APP-976428		Modification Application – Condition change requested – No limit increased	Approved
APCD1994-APP-930850	**APCD2005-PTO-030067**	Initial Application – Prime Engine	Approved
APCD2005-PTO-030067		Modification Application	Approved
APCD1990-APP-900222	**APCD2005-PTO-900222**	Initial Application – Polyester Resin Operation	Approved
APCD1998-APP-972263		Modification Application – Decrease Resin Usage	Approved
APCD2017-APP-005045		Modification Application – Increase emissions limits and limit Styrene usage.	Approved
APCD2025-APP-008606		Modification Application – Set emissions limit and maintain Styrene limits.	ATC Issued
APCD1998-APP-971495	**APCD2005-PTO-971495**	Initial Application - Diesel Engine	Approved

APCD2012-APP-976429		Modification Application – Replacement	Approved
APCD2012-APP-002157		Modification Application – Replacement	Approved
APCD2000-APP-975762	**APCD2005-PTO-975762**	Initial Application – Adhesive Operation	Approved
APCD2025-APP-008606		Modification Application – Request Limit Increase	ATC Issued
APCD1997-APP-962075	**APCD2007-PTO-962075**	Initial Application – Diesel Engine	Approved
APCD1999-APP-974115		Modification Application – Change fuel limit Condition	Approved
APCD2001-APP-976430		Modification Application – Emissions Increase – BACT Analysis	Approved
APCD2005-APP-982718		Modification Application – Replacement	Approved
APCD1993-APP-930298	**APCD2008-PTO-930298**	Initial Application – Abrasive Blasting	Approved
APCD1994-APP-930866		Amendment Application – Add Booth/Room	Approved
APCD2009-APP-987935		Modification Application – Condition change requested – No limit increased	Approved
APCD2012-APP-002046		Like-Kind Replacement Application	Approved
APCD1997-APP-961986	**APCD2008-PTO-961986**	Initial Application – Solvent Cleaning	Approved
APCD2006-APP-984159		Modification Application – Replacement	Approved
APCD2009-APP-987982	**APCD2010-PTO-000658**	Initial Application – Fiberglass Machining	Approved
APCD2009-APP-987982	**APCD2010-PTO-000659**	Initial Application – Fiberglass Machining	Approved
APCD2016-APP-004446	**APCD2017-PTO-002828**	Initial Application – Emergency Engine	Approved
APCD2016-APP-004447	**APCD2017-PTO-002829**	Initial Application – Emergency Engine	Approved
APCD2017-APP-004919	**APCD2018-PTO-002986**	Initial Application – Wipe Cleaning Operation	Approved

APCD2018-APP-005391	**APCD2021-PTO-003681**	Initial Application – Portable Engines	Approved
APCD2021-APP-007015	**APCD2023-PTO-004489**	Initial Application – Portable Engines	Approved
APCD2022-APP-007448		Amendment Application – Increase Usage	Approved
APCD2022-APP-007489	**APCD2024-PTO-005036**	Initial Application – Emergency Engine	Approved
APCD2024-PTO-004994	**APCD2024-PTO-004994***	Initial Application – Adhesive Operation	Approved
APCD2023-PTO-004615	**APCD2023-PTO-004615****	Initial Application – Cold Spray Operation	Approved
APCD2024-APP-008214		Modification Application – New Location	Approved
APCD2021-APP-006864	**APCD2021-PTO-004006***	Initial Application – Adhesive Operation	Approved

**These two permits are owned by Lockheed Martin, but they are operated at BAE Systems Site.*
***This permit is owned by VRC Metal Systems but is operated at BAE Systems Site.*

3.0 Facility Description

BAE Systems SDSR is a shipbuilding and ship repair facility with permits for various equipment including marine coating operations, polyester operations, particle deposition operation, adhesive operations, solvent cleaning operations, fiberglass machining, abrasive blasting operations and a mix used of engines that are all located or used within the boundaries of BAE Systems. This Title V facility includes 3 permits that are not owned by BAE Systems, but have emissions directly attributed to and evaluated under this source. The site has various equipment described by the following permits some of which are in nonoperational status.

Equipment Type	Permit Number	Permit Description
Marine Coating	APCD2005-PTO-006646	May operate ship building and repair facility consisting of: 1. Marine coating operations to apply coatings on ships and related structures intended for exposure to a marine environment at BAE Systems San Diego Ship Repair's facility including: 3 piers up to 700 feet in length, one 22,000-ton floating dry dock, one 55,000-ton floating dry dock, various open paint areas and temporary structures of various sizes. 2. Equipment required when spray applying any coatings that contain Cr, Pb, Mn, Ni, Cd, As, or Be: either a structure with a full roof and at least three complete walls or complete side curtains or a mobile ventilated structure as defined in this permit to

		operate. These structures shall be equipped with high efficiency filters in compliance with this permit and shall ensure that air is drawn into the structure when in use. 3. Welding operations consisting of hot work permit processes including but not limited to GMAW, SMAW, FCAW, Brazing, GTAW, and SAW, Mechanically Attached Fittings (MAF), and indoor welding shop air pollution control devices equipped with HEPA filters. (Risk Reduction Plan)
Harborcraft Diesel Engines	APCD2005-PTO-030064	Prime Engine Mfr: DETROIT DIESEL, Model: 16V-149TI, S/N: 16E0007583, fuel: diesel Located in floating dry dock (Pride of San Diego, engine #1)
	APCD2005-PTO-030067	Prime Engine Mfr: Detroit Diesel, Model: 16V-149TI, S/N: 16E0007582, fuel: diesel Located in floating dry dock (Pride of San Diego, engine #2)
	APCD2007-PTO-962075	Crane engine: mfr: Mitsubishi Fuso, model: 6D24-TLA2F, family: 4MFTL11.9D2A, Tier 2, S/N 6D24359428, output: 316 BHP, fuel: diesel, on the Pride of San Diego dry dock
	APCD2017-PTO-002828	Emergency standby engine: Caterpillar engine, Model C32, S/N G3300158, rated at 1333 bhp, Model Year 2015, Marine Tier 3 certified of Engine Family Number FCPXN32.1EE3, driving a 940 KW generator. Located on a floating dry dock.
	APCD2017-PTO-002829	Emergency standby engine (APP-004447): Caterpillar engine, Model C32, S/N G3300157, rated at 1333 bhp, Model Year 2015, Tier 3 certified of Engine Family Number FCPXN32.1EE3, driving a 940 KW generator. Located on a floating dry dock.
Polyester Resin Operation	APCD2005-PTO-900222	Polyester/vinylester operation conducted for ship's structures (i.e. masts, decking, shafts, and rails), using rollers and brushes for hand lay-up or other non-atomized application processes that have a styrene emission factor equivalent to or less than the

		styrene emission factor associated with hand lay-up, including but not limited to vapor infusion process (VIP) or vacuum bagging.
Tier 4 Engines	APCD2005-PTO-971495	Diesel Engine Powering a 115 ton Link Belt model TG 1900 Gantry Crane: Cummins; model QSX15-C; serial number 79611632; Engine Family CCEXL15.0AAK; interim tier 4 certified; 450 bhp rated; turbocharged with charge air cooler and EGR; equipped with Cummins Diesel Oxidation Catalyst and Periodic Trap Oxidizer (DPF)
	APCD2021-PTO-003681	Engines subject to the California Code of Regulations, 17 CCR 93116 rated at or above 50 bhp and supporting the stationary source.
	APCD2023-PTO-004489	Emergency engines subject to the California Code of Regulations, 17 CCR 93116, rated at or above 50 bhp and supporting the stationary source, including such engines located on floating dry docks.
Adhesive Operations	APCD2005-PTO-975762	ADHESIVE MATERIAL APPLICATION OPERATION: OUTDOORS, WORKSTATIONS AND ON SHIP BOARD; USING BRUSHES AND ROLLERS FOR MATERIALS APPLICATION, AND SOAP AND WATER SOLUTION FOR CLEANUP OPERATION.
	APCD2024-PTO-004994	Adhesive material application operation for Vertical Launch System (VLS): Conducted inside the launcher room while on piers or docks at the following shipyards BAE Systems (2205 Belt Street, San Diego, CA 92113), NASSCO (2798 East Harbor Drive, San Diego, CA 92113), and 32nd Street Naval Station (3455 Sean Renn Rd, San Diego, CA 92113)
	APCD2021-PTO-004006	Adhesive material application operation. Utilizing mechanically atomized spray equipment to apply Rule 67.21 compliant adhesive materials. Conducted on exterior surfaces of marine vessels while on piers or docks at the following shipyards: BAE Systems (2205 Belt Street, San Diego, CA 92113), NASSCO (2798 East Harbor Drive, San Diego, CA 92113), 32nd Street Naval Station (3455 Senn Rd, San Diego, CA 92113)

Abrasive Blasting	APCD2008-PTO-930298	Abrasive blast room with recycling equipment: blast room (50ft x 70ft x 31ft h) custom made with metallic rolling doors for access. Dust control equipment Torit Dust collector, Model: 4DF48, Serial No.: 242074, with 48 cartridge filters, dust collection efficiency: 99.99% at 5 microns. Total system flow rate: 23,000 cu ft min driven by a 100 hp fan. Four (4) 6.0 cu.ft. capacity Clemco Model 2452 abrasive blast machines, two (2) Clemco Industries Corporation media recovery systems, each with a reclaimer/ hopper and associated ductwork, Serial Nos. 51905 & 52812, each hopper with 106 cu. ft. capacity, with each hopper serving a single reverse pulse type dust collector with cartridge filters and a differential gauge. One (1) 120 cu.ft. and 6-ton capacity Clemco model Big Clem abrasive blast machine with Serial No. 50811; 600 lb abrasive blast pot.
Cold Solvent Degreasing	APCD2008-PTO-961986	COLD SOLVENT CLEANER: MANUFACTURER: SAFETY-KLEEN MODEL: 34 INTERNAL SIZE: 33.5"L X 24.0"W X 17.0"H SOLVENT: SEE ATTACHMENT AA
Fiberglass Machining	APCD2010-PTO-000658	Fiberglass reinforced plastic machining booth (Booth A) with dimensions 40 ft long, 8 ft wide, and 8 ft high, using various hand machining tools including but not limited to: Dewalt drill, Model: DC930, S/N: 925285; Porter Cable router, Model: 75192, S/N: 038500; Porter Cable sander, Model: 362, S/N: 160383; Skillsaw circular saw, Model: 77, S/N: HC-862860; vented to Donaldson Torit dust collector, Model: DF04-16, S/N: TG926496, containing eight MERV 13 cartridge filters.
	APCD2010-PTO-000659	Fiberglass reinforced plastic machining booth (Booth B) with dimensions 23 ft long, 10 ft wide, and 8 ft high, using various hand machining tools including but not limited to: Dewalt drill, Model: DC930, S/N: 925285; Porter Cable router, Model: 75192, S/N: 038500; Porter Cable sander, Model: 362, S/N: 160383; Skillsaw circular saw, Model: 77, S/N: HC-862860; vented to Donaldson Torit dust collector, Model: DF04-16, S/N: TG926496, containing eight MERV 13 cartridge filters.
Solvent Cleaning	APCD2018-PTO-002986	Facility-wide solvent wipe cleaning operation. Solvents being used: Bio T Max, P-D-680B
Tier 3 Engine	APCD2024-PTO-005036	Emergency Diesel Engine Generator Serial Number E002-064715 Manufacturer: Iveco/ FPT S/N: 064715-F2C

		Engine Family: NFPXL08.7TR3 Model: F2CE9685A-E Model Year: 2022 Tier 3 Horsepower (maximum rated): 389 BHP Driving a 250-kW emergency electrical generator. 5-inch diameter vertical exhaust with flapper-type rain cap, 7.9 feet above ground.
Cold Spray Metal Deposition	APCD2023-PTO-004615	Cold spray supersonic particle deposition equipment and materials may be operated as follows: Location: BAE Systems (1401 Sampson Street, San Diego, CA 92113) Cold spray material: VRC CU04 One (1) temporary glovebox enclosure sealed with welding cloth blankets and robotic arm shift boot Model: Custom Dimensions: 6ft L x 3ft W x 4ft H Location: Naval Base San Diego Pier 7 (South 32nd Street, San Diego, CA 91950) Cold spray material: VRC CU04 One (1) temporary sealed enclosure Model: Custom Dimensions: 10ft L x 8ft W x 4ft H Spray Equipment: Supersonic de Laval nozzle applicator Manufacturer: VRC Metal Systems, LLC. Model: Raptor V003676 S/N: VDR0003; VDR0017 Control Device: Vark Portable Dust Collector wet type 3-stage filtering system equipped with HEPA filter and mist eliminator Manufacturer: VRC Metal Systems, LLC. Model: VRC003783 S/N: VDC0008 Collector Dimensions: 28” x 25” x 45” Blower Dimensions: 24” x 24” x 30” Exhaust: 1,000 CFM

Other insignificant units at this facility include:

- Fuel burning equipment: (i) fuel-burning equipment, except internal combustion engines, with a maximum gross heat input < 1 MMBtu/hr when not part of a process, process line,

line, equipment, article, machine, or other contrivance for which a permit is required; (ii) fuel burning equipment, except steam boilers, process heaters, steam generators, and internal combustion engines, with a maximum gross heat input rate < 20 MMBtu/hr, and fired exclusively on natural gas, LPG, or a combination of the two; and (iii) steam boilers, process heaters, and steam generators with a maximum gross heat input < 5 MMBtu/hr. [Reg XIV, Appendix A, (d)(4)(i) through (iii)]

- Brazing, welding equipment including arc welding equipment. [Reg XIV, Appendix A, (d)(21)]
- Abrasive blasting equipment with a manufacturer-rated sand capacity <100 pounds or <1 cubic foot. [Reg XIV, Appendix A, (d)(34)]
- Equipment used for buffing or polishing, carving, cutting, drilling, machining, routing, shearing, sanding, sawing, surface grinding, or turning of: ceramic artwork, ceramic precision parts, leather, metals, rubber, fiberboard, masonry, or nonfiberglass reinforced plastic. [Reg XIV, Appendix A, (d)(37)]
- Cold solvent cleaning tanks, vapor degreasers, and paint stripping tanks (i) with a liquid surface area of 1.0 square foot (0.09 square meter) or less, or (ii) which have a maximum capacity of one gallon or less. [Reg XIV, Appendix A, (d)(61)(i) and (ii)]

4.0 Title V Applicability and Acid Rain

The Title V regulation applies to any stationary source that is a major stationary source as defined in Rule 1401. Rule 1401(c)(26) defines "major stationary source" as any stationary source which emits or has the potential to emit one or more air contaminants in amounts equal to or greater than the following emission rates: (i) 10 tons per year of any federal hazardous air pollutant (HAP), including fugitive emissions; (ii) 25 tons per year of any combination of federal HAPs, including fugitive emissions; (iii) emission rates of a "Federal Major Stationary Source" as defined in Rule 20.1 New Source Review – General Provisions.

Rule 20.1(c)(30) defines "Federal Major Stationary Source" as a stationary source which has an aggregate potential to emit one or more air contaminants in amounts equal to or greater than any of the emission rates listed in Table 20.1-5b. These emission rates are: 25 tons per year for NOx and VOC, and 100 tons per year for PM2.5, PM10, SOx, and CO. Rule 20.1(d)(1)(ii) provides guidelines for determining aggregate potential to emit for a stationary source.

BAE Systems SDSR is a major source of VOC, as shown in section 6.0 below. This was determined by District review of the facility's PTE and application forms submitted indicating that the facility is a major source of VOC. Potential to Emit for this facility was calculated from existing permit limits and maximum equipment throughputs. Many of the permits reviewed do not have limitations on operation through permit conditions and potential to emit is based on maximum capacity determined in the original permit evaluations. In some cases, this leads to permits with very high potential to emit due to high capacity, or permits are inherently very low emitting so contribution to potential to emit is unknown, but not significant to total facility-wide PTE.

Additionally, while actual HAP emissions do not currently exceed the major source thresholds, there were no previous permit limits in place to ensure that emissions of all federal HAPs do not exceed 25 tons/year and emissions of any single federal HAP do not exceed 10 tons/year, especially when considering that HAP emissions from coating operations could exceed these limits. Therefore, a facility-wide limit on HAP emissions will be imposed on this facility,

ensuring that HAP emissions from this facility will remain below major source thresholds. This limit is enforced through requiring the facility to either: maintain documentation demonstrating that facility-wide PTE of HAPs is below major source thresholds according to permit limits, where applicable, and maximum capacities for insignificant emission units; or, demonstrate that the facility is not a major source of HAP by limiting actual emissions of HAP below the applicable thresholds and keeping all records required to make such a demonstration, including HAP emissions from insignificant activities.

5.0 Compliance History

This is an existing facility which has maintained generally good compliance over time. The facility has received 3 notices of violation over many years of operation. The notices of violation consisted of very minor record keeping inconsistencies, minor exceedances of usage/emission limit conditions, and a failed oil/oil filter change or test for two engines. These violations have been addressed and there is no on-going non-compliance at this facility.

6.0 Potential to Emit and Actual Emissions

The following table shows the actual and potential emissions for the facility that are used to establish the major source status for Title V.

Title V Major Source Determination Tons per Year:				
Pollutant	Thresholds	Facility Actual Emissions*	Facility Potential to Emit**	Major Source
Highest Federal HAP	10	3.68	<10	N
Sum of Federal HAPs	25	12.91	<25	N
NOx	25	0.9	9.62	N
VOC	25	20.4	56.81	Y
PM10	100	2.1	3.09	N
SOx	100	0.1	0.35	N
CO	100	0.2	4.86	N

*Facility actual emissions are based on the site's 2023 annual emissions inventory.

**Potential to Emit emission calculations were obtained from a variety of sources. For some equipment, a potential to emit was calculated as part of the original application or was able to be determined from permit limits or technical data. These calculations are detailed in the emission calculations appendix and attachments. Additionally, some equipment such as the cold solvent cleaner has no established emission factors or enforceable emission limits but inherently generate very low emissions. Finally, the facility's major source status for VOC is almost entirely due to their Marine Coating/Welding Permit that has an operational limit of 40 ton/yr.

Conditions have been added to the site's permit to limit facility-wide HAP emissions below major source thresholds.

7.0 40 CFR Part 64 CAM (Compliance Assurance Monitoring)

To be subject to CAM, an emission unit must have uncontrolled emissions above the major source threshold for a pollutant for which the facility is a major source. Additionally, the equipment must utilize a control device in order to meet an emission standard for that pollutant. Finally, if the equipment is subject to a section 111 or 112 requirement pursuant to the Clean Air Act (NSPS or NESHAP) or otherwise is subject to federally enforceable continuous monitoring requirements, CAM does not apply. These applicability criteria mean that the majority of the equipment at this facility is exempt from CAM requirements as follows:

Engines: Some of the engines have federally enforceable NSPS/NESHAP monitoring requirements but all the engines operated at this facility are not equipped with emission controls for VOC and therefore not subject to CAM.

Abrasive Blasting: This equipment emits both particulate matter and HAP. However, since the facility is not a major source of HAP or PM, it is not subject to CAM requirements.

Marine Coating: All marine coating operations at this facility are subject to NESHAP HHHHHH. The equipment emits volatile organic compounds (VOC) and volatile organic HAP which is uncontrolled. Since the particulate fraction of HAP is subject to federally enforceable monitoring requirements and the volatile fraction of HAP is uncontrolled, the equipment is exempt from CAM.

Adhesive Operations: This equipment emits VOC but does not utilize emission controls and is therefore not subject to CAM.

Fiberglass Machining: This equipment only emits particulate matter. However, since the facility is not a major source of PM, it is not subject to CAM requirements.

Wipe Cleaning Operations: This equipment emits VOC but does not utilize emission controls and is therefore not subject to CAM.

Polyester Resin: This equipment emits VOC, PM and HAP, but does not utilize emission controls and is therefore not subject to CAM.

Solvent Cleaning, Degreasing: This equipment emits only VOC. None of this equipment is equipped with emission controls for VOC or volatile HAP since each relies only on inherent equipment design to limit emissions. For this reason, it is not subject to CAM.

Cold Spray Deposition: This equipment emits both particulate matter and HAP. However, since the facility is not a major source of HAP or PM, it is not subject to CAM.

8.0 Applicable Requirements

This section summarizes the major types of requirements for this facility. This includes facility-wide requirements, those pertaining to the permitting program in general and those pertaining to equipment on a facility-wide basis, and permit-specific requirements for each permit/equipment type. Additionally, there are tables which present the primary limiting regulations that apply to each permit and/or equipment type.

<u>General Facility-wide Applicable Requirements</u>

Regulation	Rule Citation	Title
SDCAPCD Reg. II	10(a) 10(b)	Permits Required – (a) Authority to Construct Permits Required – (b) Permit to Operate
SDCAPCD Reg. II	12	Registered Equipment
SDCAPCD Reg. II	19	Provision of Sampling & Testing Facilities
SDCAPCD Reg. II	19.3	Emission Information
SDCAPCD Reg. II	20.2 – 20.4	New Source Review
SDCAPCD Reg. II	21	Permit Conditions
SDCAPCD Reg. II	24	Temporary Permit to Operate
SDCAPCD Reg. II	25	Appeals
SDCAPCD Reg. IV	60	Circumvention
SDAPCD Reg. IV	71	Abrasive Blasting
SDCAPCD Reg. V	98*	Breakdown Conditions: Emergency Variance
SDCAPCD Reg. VI	101	Burning Control
40 CFR Part 82	Subpart A	Production and Consumption Controls
40 CFR Part 82	Subpart B	Servicing of Motor Vehicle Air Conditioners
40 CFR Part 82	Subpart F	Recycling and Emissions Reducing

**Breakdowns/variances are not recognized by EPA and cannot grant relief from federal enforcement of requirements.*

Facility-wide Prohibitory Requirements

Regulation	Rule Citation	Title
SDCAPCD Reg. IV	50	Visible Emissions
SDCAPCD Reg. IV	51	Nuisance
SDCAPCD Reg. IV	52	Particulate Matter
SDCAPCD Reg. IV	53	Specific Air Contaminants
SDCAPCD Reg. IV	54	Dust and Fumes
SDCAPCD Reg. IV	62	Sulfur Content of Fuels
SDCAPCD Reg. IV	66.1	Miscellaneous Surface Coating & Other VOC Emitting Processes
SDCAPCD Reg. IV	67.0.1	Architectural coating
SDCAPCD Reg. IV	67.12.1	Polyester Resin Operations
SDCAPCD Reg. IV	67.17	Storage of Materials Containing VOCs
SDCAPCD Reg. IV	67.18	Marine Coating Operations
SDCAPCD Reg. IV	67.21	Adhesive Material Application Operations
SDCAPCD Reg. IV	67.3	Metal Parts and Products Coating Operations
SDCAPCD Reg. IV	67.6.1	Cold Solvent Cleaning and Stripping Operations
SDCAPCD Reg. IV	69.4*	Stationary Reciprocating Internal Combustion Engines (Major Sources)
SDCAPCD Reg. IV	69.4.1*	Stationary Reciprocating Internal Combustion Engines

SDCAPCD Reg. X	40 CFR 60 Subpart A	NSPS General Provisions
SDCAPCD Reg. X	40 CFR 60 Subpart IIII	NSPS for Stationary Compression Ignition Internal Combustion Engines
SDCAPCD Reg. XI	40 CFR 63 Subpart A	NESHAP General Provisions
SDCAPCD Reg. XI	40 CFR 63 Subpart ZZZZ	NESHAP for Stationary Reciprocating Internal Combustion Engines
SDCAPCD Reg. XI	40 CFR 63 Subpart HHHHHH	NESHAP for Paint Stripping and Miscellaneous Surface Coating Operations at Area Sources
SDCAPCD Reg. XII	1200**	Toxic Air Contaminants – New Source Review
40 CFR Part 61	Subpart M***	NESHAP – Asbestos
SDCAPCD Reg. XII	1206***	Asbestos Removal, Renovation, and Demolition
SDCAPCD Reg. XII	1210**	Toxic Air Contaminant Health Risks – Public Notification and Risk Reduction
California Code of Regulations (CCR) Title 17	93115.1**	Stationary Diesel Airborne Toxic Control Measure (ATCM)
California Code of Regulations (CCR) Title 17	93116.1**	Diesel Particulate Matter from Portable Engines Rated at 50 Horsepower and Greater (ATCM)
California Code of Regulations (CCR) Title 17	93118.5**	Airborne Toxic Control Measure for Diesel Engines on Commercial Harbor Craft Operated within California Waters and 24 Nautical Miles of The California Baseline (ATCM)

**The District has submitted a revised version of Rule 69.4.1 for approval into the SIP which will replace 69.4 which has been repealed by the District. However, because EPA has not acted on this submittal, the current version of Rule 69.4 is still federally enforceable and Rule 69.4.1 is not.*

***Not federally enforceable*

**** The District issued its own Asbestos Rule 1206 intended to be as stringent as Subpart M. The facility is subject to the most stringent requirements of either rule, which at the time of this report is ensured by compliance with Rule 1206.*

New Source Review Requirements

This facility has historically not been a major source of any criteria pollutants but based the determination that San Diego County is in severe nonattainment by the EPA, the threshold for VOC and Nox was reduced to 25 ton/yr, this facility was required to obtain a Title V permit. This permit hasn't had significant new source review decisions associated with the facility. Review of permits and applications shows that the only NSR requirements imposed have include the BACT analysis.

SDAPCD Permit No.	Permit Limit	Source and Explanation
APCD2005-PTO-006646	3000 lb/day and 40 tons/yr VOC limits	This permit and its limits come from Legacy Application – 14041 (see attachment). During the engineering evaluation, BACT analysis was conducted and determined that it was not feasible to install VOC control equipment for the operation. Therefore, the permit has a limit of 3000 lb/ day VOC and 40 tons/yr VOC in lieu of BACT. Compliance is ensured by the applicant tracking and keeping records of daily material use and VOC content for each material.

Note that this is not a new determination but based on applications which have already been approved according to the appropriate provisions.

Permit Specific Applicable Requirements:

SDAPCD Permit No.	Permit Description	Applicable Rules
APCD2005-PTO-030064, APCD2005-PTO-030067, APCD2007-PTO-962075, APCD2017-PTO-002828, APCD2017-PTO-002829	Harbor Craft Engines	SDCAPCD Reg. II Rule 12 SDCAPCD Reg. II Rule 20.2 SDCAPCD Reg. IV Rule 50 SDCAPCD Reg. IV Rule 51 SDCAPCD Reg. IV Rule 69.4.1 17 CCR 93115 17 CCR 93118.5 40 CFR 60 Subpart IIII 40 CFR 63 Subpart ZZZZ
APCD2024-PTO-005036	Certified Tier 3 Engine	SDCAPCD Reg. II Rule 12 SDCAPCD Reg. II Rule 20.2 SDCAPCD Reg. IV Rule 50 SDCAPCD Reg. IV Rule 51 SDCAPCD Reg. IV Rule 69.4.1 SDCAPCD Reg. XII Rule 1200 17 CCR 93115 40 CFR 60 Subpart IIII 40 CFR 63 Subpart ZZZZ
APCD2005-PTO-971495, APCD2021-PTO-003681, APCD2023-PTO-004489	Portable Engines	SDCAPCD Reg. II Rule 12 SDCAPCD Reg. II Rule 21 SDCAPCD Reg. II Rule 20.2 SDCAPCD Reg. IV Rule 50 SDCAPCD Reg. IV Rule 51 SDCAPCD Reg. IV Rule 69.4.1 17 CCR 93116
APCD2008-PTO-930298	Abrasive Blasting	SDCAPCD Reg. II Rule 20.2 SDCAPCD Reg. IV Rule 52
APCD2005-PTO-006646	Marine Coating	SDCAPCD Reg. II Rule 10

		SDCAPCD Reg. II Rule 21 SDCAPCD Reg. II Rule 20.2 SDCAPCD Reg. IV Rule 51 SDCAPCD Reg. IV Rule 67.17 SDCAPCD Reg. IV Rule 67.18 SDCAPCD Reg. XII Rule 1200 SDCAPCD Reg. XII Rule 1210 40 CFR 63 Subpart HHHHHH
APCD2005-PTO-975762, APCD2024-PTO-004994, APCD2021-PTO-004006	Adhesive	SDCAPCD Reg. II Rule 10 SDCAPCD Reg. II Rule 21 SDCAPCD Reg. II Rule 20.2 SDCAPCD Reg. IV Rule 67.17 SDCAPCD Reg. IV Rule 67.21 SDCAPCD Reg. XII Rule 1200
APCD2010-PTO-000658, APCD2010-PTO-000659	Fiberglass Machining	SDCAPCD Reg. II Rule 20.2 SDCAPCD Reg. IV Rule 52
APCD2018-PTO-002986	Wipe Cleaning	SDCAPCD Reg. IV Rule 51 SDCAPCD Reg. IV Rule 66.1 SDCAPCD Reg. IV Rule 67.17 SDCAPCD Reg. XII Rule 1200
APCD2005-PTO-900222	Polyester Resin	SDCAPCD Reg. II Rule 10 SDCAPCD Reg. IV Rule 67.12.1 SDCAPCD Reg. IV Rule 67.17 SDCAPCD Reg. XII Rule 1200
APCD2008-PTO-961986	Degreaser	SDCAPCD Reg. II Rule 20.2 SDCAPCD Reg. IV Rule 67.6.1
APCD2023-PTO-004615	Cold Spray	SDCAPCD Reg. II Rule 10 SDCAPCD Reg. II Rule 21 SDCAPCD Reg. II Rule 20.2 SDCAPCD Reg. IV Rule 50 SDCAPCD Reg. IV Rule 51 SDCAPCD Reg. XII Rule 1200

**Indicated rules are not federally enforceable*

***The District has submitted a revised version of Rule 69.4.1 for approval into the SIP which will replace 69.4 which has been repealed by the District. However, because EPA has not acted on this submittal, the current version of Rule 69.4 is still federally enforceable and Rule 69.4.1 is not.*

Emission Limitations and Applicable Requirements by Equipment Type:

Engines	
Pollutant	Primary Limiting Regulations**
NOx	Rule 69.4.1, Rule 20.2/20.3, 40 CFR 60 Subpart IIII
SO2	Rule 53, Rule 62, 40 CFR 60 Subpart IIII
VOC	Rule 69.4.1, 40 CFR 60 Subpart IIII
CO	Rule 69.4.1, 40 CFR 60 Subpart IIII

PM10	Rule 50, 17 CCR 93118 (Harborcraft Engine ATCM)*, 17 CCR 93115 (Stationary Engine ATCM)*, 17 CCR 93116 (Portable Engine ATCM)*, 40 CFR 60 Subpart IIII
Toxic Pollutants	Rule 1200*, 40 CFR 63 Subpart ZZZZ

Abrasive Blasting	
Pollutant	Primary Limiting Regulations
NOx	NA (does not emit)
SO2	NA (does not emit)
VOC	NA (does not emit)
CO	NA (does not emit)
PM10	Rule 52, Rule 20.2/20.3 (Must follow other requirements to be exempt)
Toxic Pollutants	Rule 1200*

Marine Coating Operations	
Pollutant	Primary Limiting Regulations
NOx	NA (does not emit)
SO2	NA (does not emit)
VOC	Coating Rule 67.18, Rule 20.2/20.3 (mass emission limits)
CO	NA (does not emit)
PM10	Rule 20.2/20.3, 40 CFR 63 Subpart HHHHHH
Toxic Pollutants	Rule 1200*, Rule 1210*, 40 CFR 63 Subpart HHHHHH

Adhesive Operations	
Pollutant	Primary Limiting Regulations
NOx	NA (does not emit)
SO2	NA (does not emit)
VOC	Coating Rule 67.21, Rule 20.2/20.3 (mass emission limits)
CO	NA (does not emit)
PM10	NA (does not emit)
Toxic Pollutants	Rule 1200*

Fiberglass Machining	
Pollutant	Primary Limiting Regulations
NOx	NA (does not emit)
SO2	NA (does not emit)
VOC	NA (does not emit)
CO	NA (does not emit)
PM10	Rule 52, Rule 20.2/20.3
Toxic Pollutants	NA (does not emit)

Wipe Cleaning	
Pollutant	Primary Limiting Regulations
NOx	NA (does not emit)
SO2	NA (does not emit)
VOC	Coating Rule 66.1, Rule 20.2/20.3
CO	NA (does not emit)
PM10	NA (does not emit)
Toxic Pollutants	Rule 1200*

Polyester Resin	
Pollutant	Primary Limiting Regulations
NOx	Primary Limiting Regulations
SO2	NA (does not emit)
VOC	NA (does not emit)
CO	Rule 67.12.1, Rule 20.2/20.3
PM10	NA (does not emit)
Toxic Pollutants	Rule 1200*

Solvent Cleaning, Degreasing	
Pollutant	Primary Limiting Regulations
NOx	NA (does not emit)
SO2	NA (does not emit)
VOC	Rules 67.6.1, 67.6.2 (VOC Content Limits)
CO	NA (does not emit)
PM10	NA (does not emit)
Toxic Pollutants	NA (does not emit)

Cold Spray Deposition	
Pollutant	Primary Limiting Regulations
NOx	NA (does not emit)
SO2	NA (does not emit)
VOC	NA (does not emit)
CO	NA (does not emit)
PM10	Rule 50, Rule 20.2/20.3
Toxic Pollutants	Rule 1200*

**Indicates rules which are not federally enforceable.*
***There are certain operating scenarios where a different rule may be the most stringent limitation.*

Basis of Facility-wide Requirements and Permit Conditions

This section is intended to summarize the applicable requirements for each rule that form the basis for permit conditions in each category of emission unit.

Rules 10(a)/10(b) – These rules require that the facility operator obtain an Authority Construct and/or modified Permit to Operate prior to installing, modifying or operating equipment which emits air contaminants.

Rule 12 – This rule contains requirements for equipment registered under the District's registration program. Registrations are similar to operating permits but are not subject to pre-construction review/NSR and typically are only issued to emission units which are also considered insignificant activities.

Rule 19 – Specifies that facilities must provide proper access to District personnel to verify requirements and conduct any required testing.

Rule 19.3 – This rule pertains to emission inventory information and specifies what data facilities are required to maintain or provide for the District in order to conduct state and federally required emission inventory analyses. Some of the required information is also required by emission-unit specific permit conditions, but only if necessary to determine compliance with accurate requirements.

20.1-20.4 – These are the District's New Source Review (NSR) rules. 20.1 contains general requirements and definitions and is primarily used to define calculation methodologies, 20.2 contains requirements for non-major sources, 20.3 for major sources, and 20.4 for portable sources. The individual operating permits and any required authority to construct for each emission unit will specify any detailed or specific requirements (e.g. BACT standards, AQIA-imposed requirements, offsets, etc.).

Rule 50 – The only requirement of this rule is setting a maximum emission opacity standard that applies to all equipment. Except for some equipment which is subject to Rule 71 (abrasive blasting emission standards) and a few minor exceptions, all sources of emissions from permitted operations are subject to Rule 50. Compliance for all sources is typically ensured by operational limits or control requirements (e.g. filters) which have been evaluated to ensure that emission opacity cannot be exceeded and are specified in permit conditions as necessary.

Rule 52 – The only requirement of this rule is setting a maximum particulate emission standard that applies to all equipment. Except for some equipment which is subject to Rule 53 (combustion particulate emission standards) and a few minor exceptions, all sources of particulate matter from permitted operations are subject to Rule 52. Compliance for all sources is typically ensured by operational limits or control requirements (e.g. filters) which have been evaluated to ensure that the emission concentration cannot be exceeded and are specified in permit conditions as necessary.

Rule 53 – This rule is very similar to Rule 52, except applies to certain combustion sources and includes limits on emissions of sulfur compounds in addition to particulate matter. The only source subject to this rule are the Engines, which comply with the requirements under normal operation without any restrictions.

Rule 62 – This rule applies to all combustion sources, except sewage treatment plant digestor gases and gases emitted from solid waste disposal landfill sites, and limits emissions of sulfur

compounds. The sources subject to this rule and Engine NSPS, NESHAPs, or ATCMs comply with the requirements under normal operation without any restrictions.

Coating Rules (66.1, 67.12.1, 67.18, and 67.21) – These rules all apply to coating operations and differ based on the category of coating (i.e. marine, polyester, adhesive, etc.), but overall have similar requirements. These requirements include meeting specified VOC content limits based on the type of substrate/coating, need to use an approved application method, control equipment requirements for some equipment categories, and associated monitoring, recordkeeping and test methods. The applicable requirement (s) of each rule are listed in each permit with the rule as the basis.

Degreasing Rules (67.6.1 and 67.6.2) – These rules apply to degreasing operations and differ based on the method of degreasing (i.e., cold solvent or vapor), but overall have similar requirements. These requirements include meeting specified VOC content limits of degreasing fluid, needing to use an approved device/system, control equipment requirements for some equipment categories, and associated monitoring, recordkeeping and test methods. The applicable requirement (s) of each rule are listed in each permit with the rule as the basis.

Rule 69.4.1 – This rule applies to Stationary Reciprocating Internal Combustion Engines and sets maximum NOx, VOC, and CO standards for different types of engines, fuel specification requirements, control equipment requirements for some engine types, associated monitoring, inspection and maintenance frequency, and recordkeeping. The applicable requirement(s) per engine type are listed in each permit with the rule as the basis.

Rule 1200 – This rule is the District's toxics new source review program, which requires that projects which increase emissions of toxic air contaminants (including HAPs), do not cause excessive health risks to the surrounding community, as determined by a health risk assessment – including imposing applicable emission limits, monitoring and recordkeeping requirements. While Rule 1200 itself is not federally enforceable, in many cases these limits also result in ensuring that federally applicable requirements are complied with/don't apply (e.g. ensuring a facility is not a major source of HAP by limiting emissions, or a condition preventing spray applying metal TACs in a coating booth that also serves to limit NESHAP HHHHHH applicability). Additionally, these conditions are typically imposed through an Authority to Construct and/or Permit to Operate issued pursuant to Rule 10, which is federally enforceable – and for this reason, some requirements originally imposed through Rule 1200 are also federally enforceable.

Rule 1210 – This rule is the District's California Air Toxic "Hot Spots" public notification and risk reduction program, which requires the District to prioritize facilities on emissions inventory data and perform a health risk assessment pursuant to Section 44361 of the California H&SC on every facility designated as high priority. Health risk assessments indicating health risks are at or above the significant risk threshold(s) require that the facility prepare a risk reduction audit and plan to reduce health risks below significance thresholds within five years. While Rule 1210 itself is not federally enforceable, in some cases these risk reduction measures can also result in ensuring that federally applicable requirements are complied with/don't apply. However, Rule 1210 conditions for BAE are included to reduce health risks associated with arc welding operations, an insignificant unit, and are therefore not federally enforceable.

17 CCR 93115 (Stationary Engine ATCM) – While the Stationary Engine ATCM itself is not federally enforceable, in many cases the standards also result in ensuring that federally applicable requirements are complied with including purchasing an engine certified to EPA standards and meeting specified emission standards of the rule, installing an hour meter, conducting maintenance according to a written plan, restrictions on operating the engine for purposes other than emergency use and limited (50 hours/year) use for maintenance and testing, and maintaining records to substantiate compliance with these requirements.

17 CCR 93116 (Portable Engine ATCM) – Portable Engines exempt from NSPS and NESHAP requirements are subject to the California ATCM for Portable Engines Rated at 50 bhp and greater. Applicable requirements include fuel and additive standards, operative dates for certified engine types, meeting specified PM emission standards, installing an hour meter, conducting, and maintaining records to substantiate compliance with these requirements. ATCM requirements are not federally enforceable.

17 CCR 93118 (Commercial Harbor Craft Engine ATCM) – Engines operating on marine vessels, including dry docks, are subject to the California ATCM for Commercial Harbor Craft Engines and are exempt from NSPS and NESHAP requirements because marine vessels are not considered stationary. Applicable requirements of the Harbor Craft ATCM include fuel use standards, installing an hour meter, purchasing an engine certified to EPA standards and meeting specified emission standards of the rule, and maintaining records to substantiate compliance with these requirements.

40 CFR 60 Subpart IIII – This rule applies stationary compression ignition (CI) and internal combustion engines (ICE) with requirements including purchasing a certified engine, operating it as directed by the manufacturer, and maintaining records to substantiate compliance. These requirements closely mirror the ATCM requirements, except that the NSPS is somewhat less stringent on allowable PM emission rate and contains some allowance for other types of operation not allowed by the Stationary Engine ATCM (17 CCR 93115). Permits that are used for operations subject to this rule have the more stringent ATCM applicable conditions applied.

40 CFR 63 Subpart HHHHHH – This rule applies to equipment stripping paint using Methylene Chloride, Autobody refinishing, and spray application of coatings containing select toxic metal compounds. Applicable requirements include best management practices to reduce evaporative MeCl emissions, painter training and certification, the use of specified application methods in enclosed booths equipped with filters demonstrated to achieve 98% control, associated monitoring, and recordkeeping. Permits that are used for operations subject to this rule have applicable conditions applied and permits which are not used for these operations contain prohibitions on using them for this purpose.

40 CFR 63 Subpart ZZZZ – This rule applies to stationary reciprocating internal combustion engines (RICE) and requires that all new emergency engines comply with the rule by complying with the NSPS (subpart IIII).

9.0 Monitoring, Record-Keeping, and Reporting

Permit enforceability is dependent largely on sufficient monitoring, record-keeping, and reporting (MRR), all of which must be effectively tied to the emissions limits and other

requirements under applicable regulations. The District permits that are incorporated into the Title V permit in Appendix A contain substantial monitoring, record-keeping, and reporting requirements. The body of the Title V permit contains additional MRR pursuant to District Regulation XIV (Title V) to further strengthen the permit. Below is a discussion of the more notable MRR.

Degreasers/Solvent Cleaners –These permits were reviewed and only minor changes made. Some permits had minor discrepancies in condition language which were harmonized, as well as clarifying that the permits cannot be used with any HAP containing solvents, and that when using solvents that do not comply with VOC-content requirements of Rule 67.6.1, only components exempt from that rule can be cleaned in each unit.

Engines – Rule references were added to permits missing them to clarify the basis of requirements which typically are either Rule 52 or general operating requirements to minimize potential for nuisance and excess fugitive emissions.

Machining and Grinding – Rule references were added to permits missing them to clarify the basis of requirements which typically are either Rule 52 or general operating requirements to minimize potential for nuisance and excess fugitive emissions.

10.0 Permit Shield

Pursuant to District Rule 1410(p) and 40CFR §70.6(f), a Title V permit may include a provision stating that compliance with the conditions of the permit shall be deemed compliance with any applicable requirements as of the permit issuance date. BAE did not request a permit shield, and none is included in the permit; however, the facility-wide Portable Diesel Engines, operating under Permits 003681 and 004489, which move from location to location within the facility, meet the definition of nonroad, therefore, they are not subject to 40 CFR Part 63 Subpart ZZZZ or 40 CFR Part 60 Subpart IIII and are not included in the Title V permit.

11.0 Streamlining

Some emission units may be subject to multiple requirements which are closely related or redundant (such as emission limits, work practice standards, and monitoring, recordkeeping, and reporting requirements) and may be streamlined. BAE did not request streamlined conditions, and none are included in the permit.

12.0 Permit Process-Public Notification and Notice to EPA and Affected States

Before issuing the final permit, The District will provide the opportunity for review by EPA and affected states and a public notice period. Notice will be provided to the EPA electronically through the EPS and will be sent electronically to affected states and tribes. The public notice and associated documents will be provided on our website and contains information on how to petition EPA for review of a proposed action.

If no comments or objections are received, the District intends to promptly issue the Title V permit after conclusion of the review period. If comments are received the District will review and respond to the comments as necessary. If comments identify issues which require modification to the permit,

revisions will be made and the permit either issued if the changes do not require re-review by EPA or the public or will be re-noticed if changes are made which do require review.

13.0 Conclusions / Recommendations

The facility is expected to comply with all applicable requirements including those cited in the current District permit as well as those under District Rule 1401 and 40 CFR Part 70. Therefore, the recommendation of this report is for the subject renewal Title V permit to be issued following public notice, EPA review, and response to any comments.

14.0 Attachments

The following are attached:

- Application Package
- Draft Permit
- Public Notice
- Engineering Evaluations