

**Statement of Basis for Division of United States Bakery,
Franz Northern Division – 6th Avenue
Air Operating Permit**

Administrative Revision, January 23, 2004

Table of Contents

1.	Purpose of the Statement of Basis	2
2.	Source Description.....	2
4.	Compliance History for December 1998 through April 2003	3
5.	Emission Inventory	4
6.	Explanation of Applicable Requirements	4
7.	Applicable Requirements.....	5
8.	O&M Plan Requirements.....	14
9.	Prohibited Activities	14
10.	Activities Requiring Additional Approval.....	15
11.	Standard Terms and Conditions.....	15
12.	Basis for Inapplicable Requirements	15
13.	Name Change.....	15
14.	Public Comments and Responses	16
15.	Administrative Permit Amendments (WAC 173-401-720).....	21

1. Purpose of the Statement of Basis

This Air Operating Permit is a renewal of an existing Air Operating Permit for Division of United States Bakery, Franz Northern Division – 6th Avenue (Franz 6th Avenue). This statement of basis summarizes the legal and factual bases for the draft permit conditions in Franz 6th Avenue’s air operating permit to be issued under the authority of the Washington Clean Air Act, Chapter 70.94 Revised Code of Washington, Chapter 173-401 of the Washington Administrative Code and Puget Sound Clean Air Agency Regulation I, Article 7. Unlike the permit, this document is not legally enforceable. It includes references to the applicable statutory or regulatory provisions that relate to Franz 6th Avenue’s emissions to the atmosphere. In addition, this statement of basis provides a description of Franz 6th Avenue’s activities and a compliance history.

2. Source Description

Franz 6th Avenue operates a bread baking facility in Seattle, Washington.

Franz 6th Avenue is not subject to any facility-specific emission limits or operating restrictions. The facility can potentially operate 24 hours per day, 365 days per year. Currently, however, the plant is operating 1 to 3 shifts per day, depending on the product, roughly 144 hours per week, 52 weeks per year. The facility Standard Industrial Classification Code is 2051.

Franz 6th Avenue is an Air Operating Permit source because of its emission of volatile organic compounds (VOC). The majority of these VOC emissions come from the emissions of ethanol, which is formed in the dough and vaporizes in the bakery oven. Franz 6th Avenue has reported the following emissions of total VOC and ethanol over the past five years:

**TABLE 1: FRANZ 6TH AVENUE REPORTED TOTAL VOC AND ETHANOL EMISSIONS
(TONS PER YEAR)**

Pollutant	1997	1998	1999	2000	2001
Total VOC	97	110	112	91	77
Ethanol	97	110	112	91	77

Tests on bakery ovens show that small amounts of acetate and formate, typically in the low parts per million (ppm) range, are also present in the off-gas. Further, most of the acetate is ethyl acetate, a VOC that contributes to the bakery odor (ethanol does not).

Both the Franz 6th Avenue building and baking ovens are heated by natural gas.

Review of Permit Application

An air operating permit application was received by Puget Sound Clean Air Agency from Franz 6th Avenue on April 15, 1995 pursuant to WAC 173-401-500(3). The application was acknowledged to be complete in a letter from Puget Sound Clean Air Agency to Franz 6th Avenue dated September 22, 1995.

The Puget Sound Clean Air Agency issued Air Operating Permit No. 11285 to Franz 6th Avenue on December 18, 1998. Franz 6th Avenue has conducted baking operations under this air operating permit for the past 5 years.

Air Operating Permit No. 11285 issued to Franz 6th Avenue on December 10, 1998 was issued for a five-year period, expiring on December 18, 2003. Prior to the conclusion of the five-year period, Franz 6th Avenue was required to submit an air operating permit renewal application. The Air Operating Permit renewal application was received by the Puget Sound Clean Air Agency on October 1, 2002. The Puget Sound Clean Air Agency reviewed the application and acknowledged it to be complete in an October 25, 2002 letter to Franz 6th Avenue

4. Compliance History for December 1998 through April 2003

The compliance history for Franz 6th Avenue from December 1998 through April 2003 is summarized below. Notice of Violations (NOV's), Written Warnings (WW's) and Compliance Status Reports (CSR's) issued are listed in chronological order. A review of the Puget Sound Clean Air Agency database found that no complaints have been received about Franz 6th Avenue from December 1998 through April 2003. As of April 2003, the Puget Sound Clean Air Agency considers all matters listed below to be closed and has no outstanding enforcement actions with Franz 6th Avenue.

4.1 Chronological Compliance History

CSR issued March 13, 2003 stating that no violations were observed during the February 13, 2003 inspection. No further action is necessary on this matter.

WW No. 2-000382 was issued on December 11, 2001 for skipping opacity monitoring in October 2001 and for unavailable self-inspection opacity records for October and November 2001. Franz 6th Avenue responded to this written warning with a letter dated January 7, 2002. The Agency sent a closure letter dated February 8, 2002 and considers this matter closed.

CSR issued December 11, 2001 to obtain: O&M Plan, soil vapor extraction system monthly monitoring records, list and quantify the refrigerants used to cool a freezer and refrigerator at the site for January through October 2001. Franz 6th Avenue responded to this CSR with a letter on January 7, 2002 providing the information requested. No further enforcement action was taken and the Agency considers this matter closed.

CSR issued January 19, 1999 for changes needed in the monthly inspection log for visible emissions and stating a need for a complaint response plan. The CSR also requested a copy of the certifications for employees performing maintenance of appliances containing ozone-depleting substances and a copy of the form used during quarterly facility-wide inspections. Franz 6th Avenue responded to this CSR with a letter on February 11, 1999, providing the information requested and stating that changes have been made to the visible emissions log and the facility-wide inspection log. No further enforcement action was taken and the Agency considers this matter closed.

5. Emission Inventory

See Attachment A.

6. Explanation of Applicable Requirements

Applicable requirements are listed in several sections of this operating permit as outlined below. The permit lists only the requirements that Puget Sound Clean Air Agency has determined to be within the scope of the definition of “applicable requirements” under the operating permit program. Franz 6th Avenue is legally responsible for complying with all applicable requirements of the operating permit and other requirements that do not fit the definition of “applicable requirements” found in Chapter 173-401 Washington Administrative Code (WAC).

Franz 6th Avenue is subject to all the requirements listed in all the tables contained in Section I of the permit. The tables in Section I of the permit list emission limitations, performance standards, and work practice standards that require routine monitoring by Franz 6th Avenue to assure compliance. The tables in Section I.A. include facility wide emission limits. The tables in Section I.B. include emission unit specific requirements. To simplify the permit, Puget Sound Clean Air Agency did not repeat the facility wide emission limits for each emission unit unless a monitoring method was more specific to the listed emission unit.

Some of the applicable requirements in the permit did not have specific monitoring requirements associated with them. For such requirements, the Puget Sound Clean Air Agency developed monitoring requirements. (This is sometimes called gap filling.) Section V.N, Data Recovery, addresses the amounts of data recovery required for these monitoring requirements that were developed specifically for the permit. The section also addresses procedures to follow if the monitoring system fails or data is lost. The requirements of the section only apply as noted in Section II of the permit and under no circumstances does this section apply if a specific underlying applicable requirement is more stringent.

In developing the data recovery requirements, the Agency considered similar data recovery requirements such as Regulation I, Section 12.03, the frequency of the monitoring, and the nature of the information required to monitor. For monitoring that the permit requires on a quarterly or less frequent basis, the data recovery requirements are 100%.

7. Applicable Requirements

Franz 6th Avenue is subject to all the requirements listed in all the tables contained in Section I of the permit. This permit renewal contains many of the same requirements as the 1998 permit. However, the Puget Sound Clean Air Agency has developed a new template for the Air Operating Permit, and this new template has been used. In addition, Franz 6th Avenue also made changes in equipment, and the permit has been updated as requested by Franz 6th Avenue.

Section I.A contains the requirements that are applicable facility-wide and Section I.B contains requirements applicable only to the specific emission units. Puget Sound Clean Air Agency did not repeat the facility-wide requirements listed in Section I.A and Section I.B unless the monitoring method was specific to the listed emission unit.

The first column is used as an identifier for the requirement, and the fourth “Requirement Paraphrase” column paraphrases the requirement. The first and fourth columns are for information only and are not enforceable conditions of this permit. The actual enforceable requirement is embodied in the requirement cited in the second and third columns.

The fifth column, “Monitoring, Maintenance & Recordkeeping Method,” identifies the methods described in Section II of the permit. Following these methods is an enforceable requirement of this permit. The sixth column, “Emission Standard Period,” identifies the averaging time for the emission standard and/or the minimum length of one reference method run. Section V.N.1 of the permit identifies the number of separate runs for determining compliance using the reference method. The last column, “Reference Test Method,” identifies the reference method associated with an applicable emission limit that is to be used if and when a source test is required. In some cases where the applicable requirement does not cite a test method, one has been added. This is called “gapfilling” and is authorized under WAC 173-401-615.

In case of conflict or omission between the information contained in the fourth column and the actual statute or regulation cited in the second column, the requirements and language of the actual statute or regulation cited shall govern. For more information regarding any of the requirements cited in the second and third columns, refer to the actual requirements cited.

Recently amended Puget Sound Clean Air Agency Regulations. The Puget Sound Clean Air Agency Board of Directors has recently amended several sections of its regulations. These amended sections are listed as “State Only” in the permit. That means they are not federally enforceable. They are enforceable only by the Puget Sound Clean Air Agency and the Washington State Department of Ecology. However, these requirements will become federally enforceable if they are adopted in the SIP¹.

¹ “SIP” is an abbreviation for “state implementation plan” which is a plan for improving or maintaining air quality and complying with the Federal Clean Air Act. The Federal Clean Air Act requires states to submit these plans to the US EPA for its review and approval. This plan must contain the rules and regulations of the state agency or local air authority necessary to implement the programs mandated by Federal law. Once the EPA adopts the plan or elements of it, the plan and its requirements become “federally enforceable” by EPA. New or modified state or local rules are not

7.1 Applicable Requirements Listed in Section I.A (Facility-wide)

In developing the permit, Puget Sound Clean Air Agency grouped similar applicable requirements together in the tables if the same monitoring and test methods were required. The basis for each grouping and a discussion of the appropriateness of the monitoring method for assuring compliance with the requirements are provided below.

7.1.1 Requirement I.A.1

Both WAC 173-400-040(1) and Puget Sound Clean Air Agency Regulation I, Section 9.03 standards are 20% opacity and apply to all stationary sources. Although the permit lists all these requirements together, Franz 6th Avenue must comply with each.

The monitoring method is based on visible emission inspections of the facility at least monthly. Inspections are to be performed while the facility is in operation during daylight hours. If visible emissions other than uncombined water are observed from a single unit or activity, Franz 6th Avenue shall, as soon as possible but within 24 hours of the initial observation, take corrective action until there are no visible emissions or, alternatively, record the opacity using the reference test method WDOE Method 9A, or shut down the unit or activity until it can be repaired. If Franz 6th Avenue corrects the visible emissions within 24 hours of initial observation or shuts down the unit or activity within 24 hours until it is repaired or corrected, Franz 6th Avenue does not need to report the deviation under Section V.K. (Compliance Certifications) or Section V.O. (Reporting). However, if Franz 6th Avenue does not take appropriate action within 24 hours, Franz 6th Avenue must report the deviation. The Puget Sound Clean Air Agency has determined that the monitoring should be monthly for the reasons listed below.

- 1) Compliance. None of the emission units currently at Franz 6th Avenue normally have visible emissions. The emission units are also unlikely to generate visible emissions except under the most unusual circumstances. Therefore, the Agency concludes that Franz 6th Avenue is generally in compliance with the opacity requirement and the margin of compliance is large. In addition, the monitoring method is designed so that Franz 6th Avenue will take corrective action before a violation occurs, further enhancing the compliance margin.
- 2) Variability of process and emissions. None of the processes at Franz 6th Avenue facility normally emit visible emissions, except as noted above. While many of the processes are variable or batch operations, the most likely cause of visible emissions would be a significant change in the process, one that would require approval from the Puget Sound Clean Air Agency, or major equipment failure. The specific emission units that are most likely to fail and have significant visible emissions, such as the fabric filters on flour silos, are addressed elsewhere in the permit.
- 3) Environmental impacts of problems. Observed opacity is generally related to emissions of particulate matter or finely divided liquid droplets. The manufacturing activities at Franz 6th Avenue typically do not generate significant quantities of particulate matter. Hence, the environmental impacts of the emissions are small. A maintenance problem is unlikely to result in emissions that would have a significant environmental impact.

- 4) Technical considerations. The emission units that are likely to generate visible emissions are addressed elsewhere in the permit.

7.1.2 Requirement I.A.2

Puget Sound Clean Air Agency Regulation I, Section 9.09 limits particulate emissions to 0.05 gr/dscf from equipment used in a manufacturing process. WAC 173-400-060 limits particulate emissions to 0.1 gr/dscf from general process units (i.e., units using a procedure or a combination of procedures for the purpose of causing a change in material by either chemical or physical means, excluding combustion).

The monitoring method is based on monthly visual inspections of the facility for visible emissions, where opacity monitoring is used as a surrogate to performing a Method 5 test. Franz 6th Avenue shall take corrective action if any visible emissions are noted or, alternatively, record the opacity using the reference test method WDOE Method 9A, or shut down the unit or activity until it can be repaired. As with Requirement I.A.1, the Puget Sound Clean Air Agency has determined through its inspections and permitting that it is unlikely that Franz 6th Avenue will exceed the particulate limit. Recording of visible emissions is not necessarily a deviation of the particulate concentration standard because the threshold for observing visible emissions occurs at a particulate concentration of less than 0.05 gr/dscf. However, failure to take timely corrective action, as defined in the permit, is a deviation from the specific permit requirement and must be reported to the Puget Sound Clean Air Agency. Taking corrective action does not relieve Franz 6th Avenue from the obligation to comply with the particulate concentration standard itself. The Puget Sound Clean Air Agency has determined that the monitoring should be monthly for the reasons listed above in Section 7.1.1 of this Statement of Basis.

7.1.3 Requirement I.A.3

Puget Sound Clean Air Agency Regulation I, Section 9.09 also limits particulate emissions to 0.05 gr/dscf corrected to 7% oxygen from fuel burning equipment (i.e., equipment that produces hot air, hot water, steam, or other heated fluids by external combustion of fuel) combusting natural gas. WAC 173-400-050(1) limits particulate emissions to 0.1 gr/dscf corrected to 7% O₂ from all combustion units (i.e., units using combustion for steam production or other process requirements, excluding open burning). Franz 6th Avenue burns only pipeline grade natural gas. It can be shown, as in Section 7.1.4 below for SO₂, that if fuels are properly burned, Franz 6th Avenue is incapable of violating this standard while complying with the other requirements. Improper fuel burning that would result in high particulate emissions would also cause opacity problems and would be detected by the opacity monitoring requirement.

7.1.4 Requirement I.A.4

Both Puget Sound Clean Air Agency Regulation I, Section 9.07 and WAC 173-400-040(6) are equivalent requirements (SO₂ emissions not to exceed 1000 ppmv), except for the second paragraph of the WAC, which is not in the Puget Sound Clean Air Agency regulation. The second paragraph of WAC 173-400-040(6), which is not federally enforceable, allows for exceptions to this requirement if the source can demonstrate that there is no feasible method of reducing the SO₂ concentrations to 1000 ppm. Since the Puget Sound Clean Air Agency's rules are more stringent, this exception is not available to Franz 6th Avenue and the second paragraph does not apply to Franz 6th Avenue.

Franz 6th Avenue burns only pipeline grade natural gas in all combustion emission units. All the natural gas burned at Franz 6th Avenue must be pipeline quality, the content of which is regulated by the Washington Utilities and Transportation Commission to contain less than 2000 grains of sulfur per million cubic feet. 2000 grains of sulfur per million cubic feet is equivalent to approximately 3.4 parts of sulfur per million cubic feet of natural gas, as shown in the following calculation:

$$\frac{2,000 \text{ gr S}}{1,000,000 \text{ ft}^3 \text{ nat. gas}} \times \frac{1 \text{ lb}}{7000 \text{ gr}} \times \frac{385 \frac{\text{ft}^3}{\text{mole S}}}{32 \frac{\text{lb}}{\text{mole S}}} = 3.44 \times 10^{-6} \frac{\text{ft}^3 \text{ S}}{\text{ft}^3 \text{ nat. gas}} \equiv 3.44 \text{ ppm dv S}$$

According to *Perry's Chemical Engineer's Handbook*, each cubic foot of natural gas requires approximately 10 cubic feet of air for combustion, yielding approximately 11 cubic feet of combustion exhaust gases, consisting mostly of nitrogen, water vapor, and carbon dioxide. The sulfur in the natural gas will almost all be converted to sulfur dioxide, with each cubic foot of sulfur producing the same volume of sulfur dioxide. Since each cubic foot of natural gas contains 3.44×10^{-6} cubic foot of sulfur, each cubic foot of stack exhaust will contain approximately:

$$3.44 \times 10^{-6} \frac{\text{ft}^3 \text{ S}}{\text{ft}^3 \text{ nat. gas}} \times \frac{1 \text{ ft}^3 \text{ SO}_2}{1 \text{ ft}^3 \text{ S}} \times \frac{1 \text{ ft}^3 \text{ nat. gas}}{11 \text{ ft}^3 \text{ stack exhaust}} = 3.13 \times 10^{-7} \frac{\text{ft}^3 \text{ SO}_2}{\text{ft}^3 \text{ stack exhaust}}$$

This is equivalent to 0.31 ppm dv SO₂. Note that this estimated value is less than one-tenth of one percent of the 1,000 ppm SO₂ standard. Therefore, it is reasonable to assume that combustion units that are fired on natural gas cannot exceed the 1,000 ppm SO₂ limits in Puget Sound Clean Air Agency Regulation I, Section 9.07 and WAC 173-400-040(6). The other emission units are not capable of generating SO₂ emissions in excess of the standard as permitted. Therefore, the permit does not contain additional monitoring requirements for the natural gas usage.

7.1.5 Requirement I.A.5

Puget Sound Clean Air Agency Regulation I, Section 9.11 and WAC 173-400-040(5) are similar requirements that address emissions that may be environmentally detrimental or cause a nuisance. Although the permit lists all these requirements together, Franz 6th Avenue must comply with each. The monitoring method for all is based on responding to complaints and general inspections to identify any emissions that are likely to be injurious to

human health, plant or animal life, or property, or that unreasonably interfere with enjoyment of life and property. For the following reasons, the Puget Sound Clean Air Agency has determined that the as-needed complaint response in Section II.A.1(b) and quarterly inspections required in Section II.A.1(e) of the permit are sufficient to monitor for changes that would cause a fugitive emission or unexpected buildup of dust on the roadways and plant grounds.

- 1) Initial compliance. The Puget Sound Clean Air Agency has not received any complaints concerning Franz 6th Avenue facility regarding fugitive dust or odor emissions over the past five years. Therefore, the Agency concludes that Franz 6th Avenue is generally in compliance with the nuisance requirements.
- 2) Margin of compliance. The Agency has not observed nuisance problems, and the current operations are unlikely to cause nuisance problems. Therefore, the Puget Sound Clean Air Agency has determined that the margin of compliance is sufficient to only require quarterly inspections and response to complaints as necessary. The emission of fugitive dust or odor is unlikely to generate off-site fallout or complaints except under the most unusual circumstances.
- 3) Variability of process and emissions. Franz 6th Avenue does not have emission units that are likely to generate emissions that would cause a nuisance. In addition, Franz 6th Avenue is unlikely to install such emission units during the life of the permit.
- 4) Environmental impacts of problems. Nuisance emissions by their nature do not result in exceedances of federal emissions or ambient standards. By responding quickly to complaints and identifying problems before they cause complaints, the environmental impact of nuisances should be small.
- 5) Technical considerations. Catastrophic failure of a fabric filter attached to a flour silo is the likeliest cause of a nuisance causing a deviation at Franz 6th Avenue. The fabric filters at Franz 6th Avenue are equipped with high efficiency filters and are monitored at least monthly by Franz 6th Avenue. Therefore, the chance of generating emissions that may cause a nuisance is minimized. The permit requires that Franz 6th Avenue look for potential Regulation I Section 9.11 problems on a regularly scheduled basis. The permit also requires that Franz 6th Avenue address complaints received regarding these emissions on an as-needed basis. This minimizes the probability of causing an emission that could be injurious to health, plant or animal life, or property; or that unreasonably interferes with the enjoyment of life and property. The monitoring method is designed so that Franz 6th Avenue will take corrective action before a violation occurs. In addition, in the past five years the Puget Sound Clean Air Agency has not received complaints about Franz 6th Avenue causing emissions that are likely to be injurious to health, plant or animal life, or property or that unreasonably interfere with enjoyment of life and property. Therefore, the Puget Sound Clean Air Agency has determined that quarterly inspections and quickly responding to complaints constitutes adequate monitoring. Receiving complaints does not necessarily mean Franz 6th Avenue is in violation of this requirement, but Franz 6th Avenue has a responsibility to investigate complaints and take corrective action if necessary. Failure to take timely corrective action, as defined by the monitoring method, is a deviation of the specific permit term. Taking corrective action

does not relieve Franz 6th Avenue from the obligation to comply with the nuisance requirement itself.

7.1.6 Requirement I.A.6—I.A.8

The fugitive dust requirements are in I.A.6 through I.A.8 and addressed in Regulation I, Section 9.15 and WAC 173-400-040(3). The Puget Sound Clean Air Agency Board of Directors made significant revisions to Regulation I, Section 9.15 on March 11, 1999. The amended version will be forwarded to EPA as a SIP amendment. Upon approval of the SIP changes, the revised version of Regulation I, Section 9.15 will be federally enforceable, and the old version will no longer apply. The revised rule requires the use of reasonable precautions for fugitive dust. Both versions of Section 9.15 are included because they are significantly different. The Monitoring, Maintenance, and Recordkeeping Methods are the same as those listed in I.A.6 through I.A.8.

The SIP version of Puget Sound Clean Air Agency Regulation I, Section 9.15 requires best available control technology (BACT) for all fugitive dust, limits vehicle dust track-out, and limits fugitive dust from manufacturing and control equipment. The current version of Section 9.15 and WAC 173-400-040(3) requires reasonable precautions to minimize or prevent fugitive emissions. The Puget Sound Clean Air Agency's current rule also describes specific examples of reasonable precautions. There is no difference between the current and SIP versions of WAC 173-400-040(3).

All the fugitive emission regulations have common monitoring methods of responding to complaints and looking for fugitive emissions. The Puget Sound Clean Air Agency has determined that monitoring should be quarterly fugitive dust and track-out inspections, quarterly facility-wide inspections, and as needed complaint response for the reasons listed below.

- 1) Initial compliance. The Puget Sound Clean Air Agency has not observed fugitive emissions during any inspection in the past five years, nor has Franz 6th Avenue reported such emissions; therefore, the Agency concludes that it is generally in compliance with this requirement.
- 2) Margin of compliance. For known sources of potential fugitive dust, the buildings at Franz 6th Avenue are enclosed and all of the roadways and most of the parking lots are paved. All the significant air pollution generating equipment has air pollution control devices and is inspected by Franz 6th Avenue periodically and maintained on a regular basis. Hence, the margin of compliance is considered large enough to warrant quarterly and as needed inspections.
- 3) Variability of process and emissions. While many of the processes are variable or batch operations, few if any are likely to cause fugitive emissions. The most likely cause of fugitive emissions would be a significant change in the process, one that would require approval from the Puget Sound Clean Air Agency, or major equipment failure.

- 4) Environmental impacts of problems. Because Franz 6th Avenue employs BACT for fugitive dust control, the likelihood of fugitive dust is very low. Any fugitive dust emissions are likely to be small and without significant environmental impact.
- 5) Technical considerations. The most likely causes of fugitive emissions at Franz 6th Avenue would be failure of existing control equipment or vehicle track-out from the unpaved truck parking area. Equipment failure is likely to be identified by some other inspection or complaints. Track-out is minimized because most of the roadways and parking lots are paved and maintained. In addition, track-out from the unpaved parking area would be identified during the required inspections discussed above.

7.1.7 Requirement I.A.9

Puget Sound Clean Air Agency Regulation I, Section 9.20 requires Franz 6th Avenue to maintain equipment in good working order. Section 9.20(a) applies to sources that received a Notice of Construction Order of Approval under Puget Sound Clean Air Agency Regulation I, Article 6. Section 9.20(b) applies to equipment not subject to Section 9.20(a). Section II, Monitoring, Maintenance and Recordkeeping Procedures, of the permit identifies the minimum monitoring criteria for maintaining equipment in good working order. The section identifies both facility-wide criteria and specific criteria for the emission units and activities. In addition, the facility-wide inspections provide monitoring of the general effectiveness of Franz 6th Avenue Operation and Maintenance Plan. The Puget Sound Clean Air Agency chose to list all of Section II as the monitoring method because many parts of Section II apply to several emission units and activities. Where there are specific monitoring requirements for specific emission units, the Puget Sound Clean Air Agency has listed them in Section II.A.2. The Puget Sound Clean Air Agency has determined that following the requirements of Section II of the permit provides sufficient monitoring criteria to certify that the equipment has been maintained in good working order. However, the Puget Sound Clean Air Agency reserves the right to evaluate the maintenance of each piece of equipment to determine if it has been maintained in good working order.

7.1.8 Requirement I.A.10

In accordance with Puget Sound Clean Air Agency Regulation I, Section 7.09(b), Franz 6th Avenue is required to develop and implement an Operation and Maintenance Plan (O&M Plan) to assure continuous compliance with Puget Sound Clean Air Agency Regulations I, II, and III. The requirement specifies that the plan shall reflect good industrial practice, but does not define how to determine good industrial practice. To clarify the requirement, the Puget Sound Clean Air Agency adds that, in most instances, following the manufacturer's operations manual or equipment operational schedule, minimizing emissions until the repairs can be completed and taking measures to prevent recurrence of the problem may be considered good industrial practice. This language is consistent with a Washington Department of Ecology requirement in WAC 173-400-101(4). The Puget Sound Clean Air Agency also added language establishing criteria for determining if good industrial practice is being used. These include monitoring results, opacity observations, review of operations and maintenance procedures, and inspections of the emission unit or equipment. The Puget Sound Clean Air Agency added this wording in response to Washington State court decision, Longview Fiber Co. v. DOE, 89 Win. App. 627 (1998), which held that similar wording was

not vague and gave sufficient notice of the prohibited conduct.

Puget Sound Clean Air Agency Regulation I, Section 7.09(b) also requires Franz 6th Avenue to promptly correct any defective equipment. However, the underlying requirement in most instances does not define “promptly”; hence for significant emission units and applicable requirements that Franz 6th Avenue has a reasonable possibility of violating or that a violation would cause an air quality problem, the Puget Sound Clean Air Agency added clarification that “promptly” usually means within 24 hours. For many insignificant emission units and equipment not listed in the permit, “promptly” cannot be defined because the emission sources and suitable pollution control techniques vary widely, depending on the contaminant sources and the pollution control technology employed. However, the permit identifies a means by which to identify if Franz 6th Avenue is following good industrial practice.

As described in Section V.O of the permit, Franz 6th Avenue must report to the Puget Sound Clean Air Agency any instances where it failed to promptly repair any defective equipment, both equipment that received approval from the Agency and that which did not. In addition, Franz 6th Avenue has the right to claim certain problems were a result of an emergency (Section V.P) or unavoidable (Section V.Q).

Following these requirements demonstrates that Franz 6th Avenue has properly implemented the O&M Plan, but it does not prohibit the Puget Sound Clean Air Agency or EPA from taking any necessary enforcement action to address violations of the underlying applicable requirements after proper investigation. However, not following its own O&M Plan is an indication that Franz 6th Avenue was not using good industrial practice.

7.1.9 Requirement I.A.11

WAC 173-400-040(4) addresses odors. The monitoring method is based on responding to complaints and general inspections of the facility to identify emissions of odor-bearing contaminants. Receiving complaints does not necessarily mean Franz 6th Avenue is in violation of this requirement, since the regulation does not prohibit the emission of odors, but prohibits the emissions of odors if reasonable control measures are not employed. Complaints will trigger action by Franz 6th Avenue to investigate and prevent a violation. The Puget Sound Clean Air Agency has not received odor complaints concerning Franz 6th Avenue. The Puget Sound Clean Air Agency has determined that responding to complaints within three working days is appropriate.

7.1.10 Requirement I.A.12

WAC 173-400-040(2) prohibits the emission of particulate matter from the facility to be deposited beyond the property line in sufficient quantity as to unreasonably interfere with the use and enjoyment of the property upon which the material is deposited. The monitoring method is based on responding to complaints and general inspections of the facility to identify any particulate emissions or deposition of particulate that may unreasonably interfere with the use and enjoyment of property. Receiving complaints does not necessarily mean Franz 6th Avenue is in violation of this requirement, but triggers action by the source to prevent a violation.

7.1.11 Requirement I.A.13

Puget Sound Clean Air Agency Regulation I, Section 9.10 specifies that HCl emissions shall not exceed 100 ppm (dry) corrected to 7% O₂ for combustion sources. Since Franz 6th Avenue burns only pipeline grade natural gas, and the other processes do not use chlorine in a form likely to emit HCl, Franz 6th Avenue is incapable of violating this standard while complying with the other requirements in the permit. Therefore, the permit does not contain additional monitoring requirements.

7.1.12 Requirement I.A.14

RCW 70.94.040 is similar to Puget Sound Clean Air Agency Regulation I, Section 9.11 and is listed separately here because it is not a federally enforceable requirement.

7.2 Applicable Requirements Listed in Section I.B (Emission Unit Specific)

7.2.1 EU-1 Direct Fired Baking Process

This emission unit includes direct fired baking ovens used in the baking process. The unit listed below uses natural gas as its only fuel.

- 1) Natural Gas Fired Baker Perkins 53 Tray Oven (Heat Input Rating = 1,122,000 Btu/Hour),

The emission unit discussed in EU-1 is not considered to be “fuel burning equipment” per the Puget Sound Clean Air Agency Regulation I definition of fuel burning equipment, because they do not produce hot air, hot water, steam, or other heated fluids by external combustion of fuel.

The monitoring method is based on visual inspections with the source taking action if visible emissions are noted, and on conducting maintenance as outlined in the facility’s O&M Plan. Seeing visible emissions is not necessarily a violation of the standard. The permit requires that Franz Seattle take corrective action before a violation occurs and document such action.

7.2.2 EU-2 Steam Generating Process and Indirect Fired Ovens

This emission unit includes boilers used for steam production and indirect fired baking ovens. These units use natural gas as their only fuel.

For purposes of defining an “emission unit” in this permit, each unit listed below is considered a separate emission unit.

- 1) Natural Gas Fired Gabriel Boiler (Heat Input Rating = 7,000,000 Btu/Hour)
- 2) Natural Gas Fired Gabriel Boiler (Heat Input Rating = 7,000,000 Btu/Hour)
- 3) Natural Gas Fired Read 32 Tray Oven (Heat Input Rating = 2,250,000 Btu/Hour),
- 4) Natural Gas Fired Peterson 32 Tray Oven (Heat Input Rating = 2,250,000 Btu/Hour)

The monitoring method is based on visual inspections with the source taking action if visible emissions are noted, and on conducting maintenance as outlined in the facility’s O&M Plan. Seeing visible emissions is not necessarily a violation of the standard. The permit requires that Franz Seattle take corrective action before a violation occurs and document such action.

7.2.3 EU-3 Soil Vapor Recovery

This emission unit consists of the soil vapor recovery unit which received Order of Approval No. 8347 on January 4, 2001. As required by Order of Approval No. 8347 Condition 3, Franz 6th Avenue will perform monthly monitoring of the concentration of total petroleum hydrocarbons at the inlet and outlet of the first carbon adsorber in the series. Based on the data from these monthly tests, Franz 6th Avenue may either continue to operate the unit or may discontinue its use. Operation of the unit was approved through January 4, 2004. As of January 4, 2004, Franz 6th Avenue will either need to discontinue of the unit, or obtain a new Order of Approval for continued use of the unit.

7.2.4 EU-4 Flour Storage and Transfer

This emission unit includes equipment associated with flour storage and transfer. For purposes of defining an "emission unit" in this permit, each unit listed below is considered a separate emission unit.

- Three flour storage silos with fabric breather bags on each flour storage silo.

The monitoring method is based on routine maintenance of the fabric filters such as checking for broken or plugged bags, broken ductwork, damaged seals or damaged hoppers. Since the filters are passively vented, they do not have pressure gauges to check. In addition, the monitoring method is based on visual inspections with the source taking corrective action if any broken or plugged bags are observed, or ductwork, seals or hoppers integrity is found to require repair, or visible emissions are noted. Recording of visible emissions is not necessarily a violation of the grain loading standard. The permit requires that Franz Seattle take corrective action before a violation occurs and document such action.

8. O&M Plan Requirements

Franz 6th Avenue's O&M Plan shall include equipment operation and maintenance procedures specifying how Franz 6th Avenue will assure continuous compliance with Puget Sound Clean Air Agency Regulations I, II and III. In most instances, following the manufacturer's operations manual or equipment operational schedule, minimizing emissions until the repairs can be completed and taking measures to prevent recurrence of the problem may be considered good industrial practice. Determination of whether good industrial practice is being used will be based on available information such as, but not limited to, monitoring results, opacity observations, review of operations and maintenance procedures, and inspections of the emission unit or equipment. Franz 6th Avenue shall use the results of the inspections required by this permit in its annual review of the O&M Plan.

9. Prohibited Activities

Some of the requirements Franz 6th Avenue identified in the operating permit application are included in Section III as prohibited activities. Since these activities are prohibited, routine monitoring of parameters is not appropriate. Instead, Puget Sound Clean Air Agency has listed these activities in this section to highlight that they cannot occur at the facility. . Personnel that perform the facility-wide inspections, required in Section II of the permit, should be aware of these requirements and if they find any evidence that any of these activities are being conducted, they should take appropriate action to investigate them and take corrective action if necessary.

10. Activities Requiring Additional Approval

Some of the requirements Franz 6th Avenue identified in the operating permit application are included in Section IV as activities that require additional approval. For new source review, the permit language has been simplified. Both the state (WAC 173-400-110 and Chapter 173-460 WAC) and Puget Sound Clean Air Agency (Regulation I, Article 6) new source review programs require approval to construct, install, establish, or modify an air contaminant source. All these requirements apply, but the language in these requirements has been incorporated into one section to simplify the permit language.

11. Standard Terms and Conditions

Some of the requirements Franz 6th Avenue identified in the operating permit application are included in Section V, Standard Terms and Conditions. This provided a mechanism for describing requirements that are more general in nature. This section also contains the standard terms and conditions specifically listed in WAC 173-401-620.

12. Basis for Inapplicable Requirements

The requirements listed in Section VIII of Franz 6th Avenue air operating permit do not apply to the facility, or to the specific emissions units listed in the permit for the reasons listed below. The permit shield applies to all requirements so identified.

- Puget Sound Clean Air Agency Regulation I Section 9.08(a) is an inapplicable requirement because Franz 6th Avenue does not burn fuel oil and would have to get approval from Puget Sound Clean Air Agency first to do so.
- Puget Sound Clean Air Agency Regulation II is an inapplicable requirement because Franz 6th Avenue does not have any of the affected emission units and must get Puget Sound Clean Air Agency approval before installing any such equipment.
- Chapter 173-490 WAC is an inapplicable requirement because the Puget Sound Clean Air Agency is not currently an ozone nonattainment area.
- Chapters 173-470, 173-474, 173-475, 173-480 and 173-481 WAC are inapplicable requirements by definition in WAC 173-401-200(4)(xii).

13. Name Change

On March 12, 2003 the Agency received a letter from Mr. Barry Ware, Vice President of United States Bakery – Franz Family Bakeries Division. Mr. Ware will be the responsible official for this Air Operating Permit. In the letter, Mr. Ware asked that the name of United States Bakery, Franz Northern Division be on the new operation permits for both the Weller Street bakery (formerly Gai's Bakery) and the 6th Ave Bakery (formerly Franz Bakery). However, Mr. Ware didn't distinguish how the names for the two bakeries would be different from each other. Having the same name for the facilities can cause confusion. Therefore, the Agency contacted Mr. Dan Wingle, facility contact for United States Bakery- Franz Family Bakeries Division, to request clarification. On March 12, 2003 the Agency spoke with Mr. Wingle and he requested that the Franz Bakery located at 6th Avenue (Reg. No. 11285) be renamed to United States Bakery, Franz Northern Division – 6th Avenue. At Mr.

Ware's and Mr. Wingle's request, the facility name has been changed throughout the Air Operating Permit and statement of basis.

14. Public Comments and Responses

1998 Permit Issuance

There were no comments from the public during the 30-day comment period; however, on similar permits, EPA's comments expressed concern about references to the O&M Plan and specifically requiring reporting of O&M Plan deviations under Section V.Q. of the permit without identifying all other deviations that must be reported under Section V.Q.

As a result of EPA's comments, the PSCAA changed the wording in Section II, Monitoring, Maintenance and Recordkeeping Procedures to clearly identify the procedures that Franz Seattle must follow. As stated above, Franz Seattle must report all deviations to Puget Sound Clean Air Agency.

Franz Seattle's attorney, Kirk Lilley, suggested clarification of the word "*problem*" in Section II.1(a) and the phrase "*defective equipment*" in Section II.1(d). Specifically, he suggested adding, "*The problems that require actions under this condition are those likely to violate the following permit requirements: I.A.5; I.A.12; I.A.13 and EU 1.3.*" The Puget Sound Clean Air Agency believes that the current wording in the section is clear. The first sentence of the section identifies that the purpose of the inspections is to identify track-out, odor bearing contaminants and emissions of any air contaminant in sufficient quantities and of such characteristics and duration as is, or is likely to be, injurious to human health, plant or animal life, or property, or which unreasonably interfere with enjoyment of life and property. Since the primary purpose of the inspection is to identify such emissions, Franz Seattle certainly should correct as soon as possible any problems that would likely cause those emissions. However, if during these inspections Franz Seattle identifies other possible deviations of the permit, it should also correct them.

Puget Sound Clean Air Agency's regulation defines EQUIPMENT to mean any stationary or portable device or any part thereof that emits or may emit any air contaminant into the atmosphere. Puget Sound Clean Air Agency intends defective equipment to mean any equipment that has increased emissions because of improper maintenance. Puget Sound Clean Air Agency changed the permit language to reflect this.

EPA Comments of August 13, 1998

PERMIT

I. A. Facility-Wide Applicable Requirements

1. Condition I.A.1: For this condition, as well as other conditions with the same situations, under the column for Monitoring, Maintenance & Recordkeeping, all referrals must be complete as to where they appear in the permit. The head of the column says “See Section II”, but some of the referrals are not in that section. For example, Condition I.A.1., (O), which is for reporting, is in Section V and not in Section II. So, it should read “(See V.(O))”. Be sure there is a reference for all three, monitoring, maintenance and recordkeeping, for each condition within this column, if it is relevant.

This is a problem in translating the permit from MS Word to WordPerfect. We will correct it and send only hard copies to EPA.

2. Condition I.A.1: Monitoring must address facility-wide compliance. Monthly inspections under II.e. are not facility-wide. This needs to be changed to assure compliance for other units.

The permit was changed to address these concerns.

3. Condition I.A.5., I.A.12., and I.A.13: For Track-out, Odor, & Nuisance there needs to be a referral to how the source will handle complaints.

The monitoring methods were changed to include the complaint response.

I. B. Emission Unit Specific Applicable Requirements

4. Condition EU1.1.: Under the column for Federally Enforceable Requirement, add opacity.

At the beginning of Section I.B the permit clearly says, “facility-wide requirements in Section I.A also apply to these units.” This includes opacity.

5. Condition EU2.1.: Do you need monitoring for such small natural gas boilers?

Puget Sound Clean Air Agency and Franz Seattle agreed to the monitoring frequency.

6. Condition EU3.1.: As we discussed at our meeting on August 12, 1998, there is no need to address differential pressure for monitoring in the Permit. It can be explained in the Fact Sheet why it is not in the Permit.

The monitoring method was changed to reflect the actual monitoring practices and the Statement of Basis explains the monitoring.

II. Monitoring, Maintenance and Recordkeeping Procedures

A. 1. Facility-Wide Monitoring

7. We suggest that you do not use an introductory paragraph. Establish the first paragraph of this section as a separate condition (such as “h”) The way it is written now, the monitoring required in a-g of this section is not enforceable. (See Rainier Plywood which includes complaint response for “detriment”, “odor”, and must specify BACT for “track-out”.) If these are non-issues for this source, it should be discussed in the Fact Sheet and made very clear what the source’s responsibilities will be regarding these issues.

Puget Sound Clean Air Agency changed II.A.1. to reflect EPA’s concerns about enforceability and moved the paragraph in question to a different part of the monitoring methods.

8. Condition (b): At the end of the sentence the word “within” should be omitted.

Puget Sound Clean Air Agency removed the word.

9. Condition (e): This paragraph should be broken up into two separate paragraphs since two separate issues are being discussed.

Puget Sound Clean Air Agency added a paragraph break.

10. Condition (f): This paragraph needs to be more clear. What is being indicated in the PM database, and what shall be documented in the boiler room?

To avoid confusion Puget Sound Clean Air Agency removed the monitoring method because it did not refer to any condition.

A. 2. Specific Monitoring

11. Condition (b): What is the appropriate corrective action that is taken within 24 hours of the initial observation of violation? Describe the written documentation you are referring to in this paragraph for the fuel delivery vendor when fuel is delivered on-site and notation is made showing compliance with Puget Sound Clean Air Agency Regulations II, Section 2.08.

Puget Sound Clean Air Agency added language requiring correcting leaks and notifying the gasoline transporter of the violation. Unlike most other activities at Franz Seattle, gasoline tank loading only takes about 30 minutes and is done about once a month, therefore, requiring the operation to shut down within 24 hours is not an appropriate response.

B. Operation and Maintenance (O&M) Plan Requirements

12. Change "Section II.A.1" to "Section II.A." throughout this section.

Puget Sound Clean Air Agency made the changes.

Inapplicable Requirements

13. Requirement Number F: 40 CFR Part 60, Subpart Kb. Even though NSPS Subpart Kb is not applicable for this unit, there are still recordkeeping requirements from this Subpart that are applicable for this source.

Puget Sound Clean Air Agency reviewed 40 CFR Part 60.110b(d). It specifically says that the subpart does not apply to storage vessels located at gasoline service stations. Puget Sound Clean Air Agency interprets that to mean none of the subpart applies not even the recordkeeping requirements. Therefore, Puget Sound Clean Air Agency removed the requirement to keep records.

FACT SHEET

14. Page 1, Paragraph 5, first sentence should be written similar to: "Franz Seattle has three basic processes that contribute to its ethanol emissions *for which the source is major.*"

Puget Sound Clean Air Agency made the suggested change.

15. Page 8, Paragraph 2, Line 10: Take out the sentence, "However, failure to take timely corrective action, as defined by the monitoring method, is a deviation of the specific permit term." and use the sentence from Opacity section or from Nuisance section in place of it.

Puget Sound Clean Air Agency made the suggested change.

16. Page 8, Paragraph 3: You may be giving more information than is needed here, and it is making this paragraph confusing. It would be easier to read if some of the information about the oxygen correction factor (which is not relevant for these particular units) was removed.

Puget Sound Clean Air Agency made the suggested change.

17. Page 12, Last Paragraph: Please discuss in this section the requirements the source must meet to assure compliance. It is not clear if the source is required to take corrective action or not since it is not written in the Permit.

See EPA comment 11.

18. Prohibited Activities: Where in the Permit does it require Franz Seattle to look for such activities during a routine facility-wide inspection? This is appropriate and it must be written in the permit.

The Facility-Wide inspection monitoring method was changed to include looking for prohibited activities.

EPA Comments on August 31, 1998

Many of the comments that EPA made on August 31 were the same or similar to its August 13 comments and are not repeated here. The issues not addressed above are addressed below.

II.A.1. (c) Complaint Response.

Three days is a long time to investigate fugitive dust, track-out or odor complaints.

Three days may seem like a long time for sources that have experience handling such complaints; however, Puget Sound Clean Air Agency has determined that three days is appropriate for sources such as Franz Seattle that have little or no experience handling complaints and that are not likely to get them.

It is unclear if the source is to identify which of the four categories the complaints fall into or if the complainant is to make this identification.

Puget Sound Clean Air Agency changed the wording to clarify that the source has the responsibility to identify the category. Puget Sound Clean Air Agency also added an additional category for complaints that do not fall into any of the listed fugitive and nuisance categories.

It is unclear if you intend the source to have 24 hours to correct any problem after the initial three days to investigate the complaint.

The wording is clear that the source has 24 hours after identifying a problem to correct it. If they find the problem the first day, then they should fix it by the end of the second day.

II.A.1(d) Maintenance and Repair of Defective Equipment

This is too vague to be practically enforceable.

This monitoring method only applies to insignificant emission units and other equipment or activities not listed in the permit. Puget Sound Clean Air Agency changed the wording to reflect similar wording in Ecology rules that a Washington State Court of Appeals has held to be enforceable, in Longview Fibre Co. v. DOE, 89 Wn. App. 627 (1998).

15. Administrative Permit Amendments (WAC 173-401-720)

The Puget Sound Clean Air Agency received a call from Dan Wingle at Franz 6th Ave on January 21, 2004, requesting that the expiration date in the header of the Air Operating Permit be changed to correspond to that on the first page of the Air Operating Permit. In addition, an error concerning the date that the first annual report is due was identified in section V.M, Compliance Certifications. Section V.M contained two different dates for when this report was due. This section needed to be changed so that only one date was specified.

The Agency agreed to make these administrative permit amendments (WAC 173-401-720(1)(a)).