

AIR QUALITY
MANAGEMENT DISTRICT**STATEMENT OF BASIS
FOR
2nd RENEWAL OF TITLE V FEDERAL OPERATING PERMIT**

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|----------------------------|-------------------------|
| APPLICATION NO.: | <u>TV2010-15-01</u> |
| DATE: | <u>July 5, 2011</u> |
| REVIEWING ENGINEER: | <u>Lauren Dickerson</u> |

A. FACILITY INFORMATION

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|-------------------------------------|--|
| <u>FACILITY NAME:</u> | Silgan Can Company |
| <u>LOCATION:</u> | 6200 Franklin Boulevard, Suite 100 Sacramento, CA |
| <u>MAILING ADDRESS:</u> | 6200 Franklin Boulevard, Suite 100 Sacramento, CA 95824 |
| <u>RESPONSIBLE OFFICIAL:</u> | James Moses, Plant Manager (916) 399-2585 |
| <u>CONTACT PERSON:</u> | James Moses, Plant Manager (916) 399-2585 |

B. PURPOSE OF THIS STATEMENT OF BASIS

The Title V Federal Operating Permit is intended to be a document containing only enforceable terms and conditions as well as any additional information, such as the identification of emission units, emission points, emission sources and processes, that makes the terms meaningful. 40 CFR Part 70.7(a)(5) requires that each Title V permit have an accompanying "...statement that sets forth the legal and factual basis for the draft permit conditions". The purpose of this Statement of Basis is to satisfy the above requirement by providing pertinent details regarding the permit/application data and permit conditions in a more easily understandable format. This report will also include background narrative and explanations of regulatory decisions made by the reviewer. It should be emphasized that this Statement of Basis, while based on information contained in the permit, is a separate document and is not itself an enforceable term and condition of the permit.

C. PERMIT HISTORY

This Statement of Basis is for the second renewal of the Title V Federal Operating Permit No. 2005-15-01 issued to Silgan Can Company on August 29, 2006. The Title V Federal Operating Permit No. 2005-15-01 has an August 29, 2011 expiration date. The following permit actions have occurred since the initial Federal Operating Permit No. TV99-15-01 was issued:

| <u>Permit Action</u> | <u>Date</u> | <u>Permit No.</u> |
|------------------------------|-------------|-------------------|
| Initial permit issued: | 08-29-2001 | TV99-15-01 |
| 1st Administrative Amendment | 11-25-2002 | TV99-15-01A |
| 1st Minor Modification | 07-26-2005 | TV99-15-02 |
| 1st Permit Renewal | 08-29-2006 | TV2005-15-01 |
| 1st Administrative Amendment | 06-07-2010 | TV2005-15-01A |

This 2nd permit renewal will be assigned the following permit number: TV2010-15-01.

Silgan Can Company is requesting to renew the Title V federal operating permit for its facility which was issued on 08-29-2006 and last modified on 06-07-2010. This permit renewal will also include a minor permit modification to add a new spray coating to the list of approved coatings and a minor modification to add a dust collector to the thermal oxidizer.

D. FACILITY DESCRIPTION

Silgan Can Company manufactures steel cans for the food canning industry. They purchased their Sacramento facility from Campbell Soup Company in June 1998. They are located on the same site as the Campbell Soup Supply Company, LLC and they supply cans to the Campbell Soup Supply Company, LLC.

Silgan Can Company produces both two-piece and three-piece cans. The air pollutant emissions from three-piece can manufacturing have changed significantly from what they were when Campbell Soup was conducting the operation. The three-piece can manufacturing process no longer produces air pollutant emissions and is considered exempt equipment for this permit evaluation.

The two-piece can manufacturing process and related processes are described below.

Drawn and Ironed (D and I) Can Production:

The process of manufacturing Drawn and Ironed cans begins with the receipt of steel coil stock. The coil is unwound, fed through the lubricator, and finally the cupping press. The formed cups are fed to the bodymakers where, through a punch and ring assembly, the can body is formed by the draw and ironing technique with an integral bottom. Lubrication oils are applied to facilitate the mechanical action and act as a coolant. No significant emissions result from this first phase of the D and I can production.

Following this operation, the cans enter the trimmer where excess metal around the can rim is removed to give a uniform height to the can body. After trimming, the unfinished can is transported to the washer where the lubricator oils are removed. The can body is then treated by a flow coating application of a water borne enamel. After the flow coat application of the enamel, the enameled can body enters the wash coat oven.

After the oven, the can body goes to the flanger where the rim of the can body is flanged. The can then goes to the beader where concentric rings are impressed on the side wall of the can. From here the can body passes to the tester to approve the integrity of the container.

The next step of the process is to apply a water borne inside spray enamel to the inside can body. This coating is similar in composition to the washcoat enamel. This coating is applied in an enclosed machine, where overspray and solvent wash-off is captured and ducted to a thermal oxidizer. There are eight (8) spray machines at the Sacramento Facility. The cans are then conveyed in a covered conveyor to the inside bake oven.

Both ovens, the spray machine manifold, and the covered conveyor are vented to a 15,000 scfm thermal oxidizer which typically operates at 1500°F with a retention time of 1 second.

D. FACILITY DESCRIPTION (continued)

Drawn and Ironed Can Production Line

| Process Description | Source Description | Emission Type | Emission Point |
|------------------------------------|--------------------------------|---------------|------------------------|
| Drawn and Ironed Can Manufacturing | Outside Washcoat | Point | Coater Vent |
| | Washcoat Oven | Point | Thermal Oxidizer Stack |
| | Washcoat Process Fugitives | Fugitive | Building |
| | Inside Spray Machines | Point | Thermal Oxidizer Stack |
| | Inside Spray Process Fugitives | Fugitive | Building |
| | Covered Conveyor | Point | Thermal Oxidizer Stack |
| | Inside Bake Oven | Point | Thermal Oxidizer Stack |

Maintenance and Support Activities:

These activities are performed for the purpose of maintenance, repair and upkeep of the facility equipment and grounds. Examples of these types of activities include welding, degreasing, use of lubricants, forklift activity, architectural coating, grounds maintenance, vehicle traffic, work performed by contractors, etc. The facility exclusively uses solvents for cleanup and degreasing that do not contain reactive organic compounds (ROC) or halogenated compounds.

Storage Tanks:

The bulk storage tanks for liquid or gaseous compounds all fall into the exempt equipment category. There are also a number of small, sealed drums and containers which are not expected to emit any type of air pollutants.

E. SIGNIFICANT EMISSIONS UNIT INFORMATION

This section describes the emission units that have a current and valid Permit to Operate from the SMAQMD and are part of the Title V Federal Operating Permit.

DRAWN AND IRONED CAN MANUFACTURING LINE

SMAQMD Permit No. 22883 (Previously SMAQMD Permit No. 18067)

Consisting of:

1. Various bodymaking equipment
2. Washcoat application equipment
3. Inside spray coating equipment (vented to thermal oxidizer)

WASHCOAT OVEN

SMAQMD Permit No. 13712

Cincinnati Machinery, Model WCS-C46S, 6.4 MMBTU/hour (vented to thermal oxidizer)

INSIDE BAKE OVEN

SMAQMD Permit No. 13713

Somerset Ross, 14 MMBTU/hour (vented to thermal oxidizer)

THERMAL OXIDIZER

SMAQMD Permit No. 22884 (Previously SMAQMD Permit No. 13714)

Somerset Ross, Model RI-3-15000-95, (1) 4 MMBTU/hour burner, (2) 0.4 MMBTU/hour burners. Equipped with a pulse jet cartridge dust collector. Micro Air, Model RP-42, 7.5 HP fan.

F. INSIGNIFICANT EMISSIONS UNIT INFORMATION

Drawn and Ironed Can Manufacturing

| Process Description | Basis for Determination of Insignificant Emissions Unit is made based on SMAQMD "List and Criteria", Part B, Section 5 modified April 2001. |
|----------------------------|--|
| 1. Uncoiler | <i>No Specific Source Category applies to these processes.</i> [Part B, Section 5, II] |
| 2. Lubricator | |
| 3. Cupper | <i>Meets General Criteria for Insignificant Activities.</i> Emits < 0.5 tons per year of a federal hazardous air pollutant (HAP) and no more than 2 tons per year of a regulated pollutant that is not a HAP. [Part B, Section 5, I] |
| 4. Bodymakers | |
| 5. Trimmers | |
| 6. Washer | |
| 7. Flanger | |
| 8. Beader | <i>Meets Metal Products Specific Source Category Criteria.</i> Equipment is used exclusively for the inspection of metal products. [Part B, Section 5, II, S] |
| 9. Light Tester | |

Can Assembly

| Process Description | Basis for Determination of Insignificant Emissions Unit is made based on SMAQMD "List and Criteria", Part B, Section 5 modified April 2001. |
|----------------------------|--|
| 10. Slitter | <i>No Specific Source Category applies to these processes.</i> [Part B, Section 5, II] |
| 11. Flanger | |
| 12. Beader | <i>Meets General Criteria for Insignificant Activities.</i> Emits < 0.5 tons per year of a federal hazardous air pollutant (HAP) and no more than 2 tons per year of a regulated pollutant that is not a HAP. [Part B, Section 5, I] |
| 13. Seamer | |
| 14. Bodymaker No. 1 | |
| 15. Bodymaker No. 2 | |
| 16. Air Tester | <i>Meets Metal Products Specific Source Category Criteria.</i> Equipment is used exclusively for the inspection of metal products. [Part B, Section 5, II, S] |

F. INSIGNIFICANT EMISSIONS UNIT INFORMATION (continued)

Maintenance and Support Activities:

| Equipment Description | Basis for Determination of Insignificant Emissions Unit is made based on SMAQMD "List and Criteria", Part B, Section 5 modified April 2001. |
|----------------------------------|---|
| 17. Forklifts | <i>No Specific Source Category applies to these processes.</i> [Part B, Section 5, II] |
| 18. Vacuum Pumps | |
| 19. Hot Water Heaters (electric) | <i>Meets General Criteria for Insignificant Activities.</i> |
| 20. Air Conditioning System | Emits < 0.5 tons per year of a federal hazardous air pollutant (HAP) and no more than 2 tons per year of a regulated pollutant that is not a HAP. [Part B, Section 5, I] |
| 21. Building Ventilation | |
| 22. Ventilation Heat Tunnels | |
| 23. Laboratory Equipment | |
| 24. Air Flow Cleaners | |
| 25. Lubrication Stations | |
| 26. Battery Usage/Charging | |
| 27. Maintenance Welding Hoods | <i>Meets Brazing, Soldering, Welding, and Cutting Torches Specific Source Category Criteria.</i> Welding equipment is used for maintenance, as part of the manufacturing process, which is included on the U.S. EPA List of Trivial Activities and the total HAP potential to emit is less than 0.5 tons per year. [Part B, Section 5, II, Q] |

F. INSIGNIFICANT EMISSIONS UNIT INFORMATION (continued)

Storage Tanks:

| Equipment Description | Basis for Determination of Insignificant Emissions Unit is made based on SMAQMD "List and Criteria", Part B, Section 5 modified April 2001. |
|--------------------------------|--|
| 28. D and I Washcoat Tank | <p><i>Meets Storage Containers, Reservoirs, and Tanks – General Organic and VOC-containing Material Specific Source Category Criteria.</i> Vapor pressure < 0.1 psi as determined by ASTM test method D-2879-86. [Part B, Section 5, II, H, 1, b]</p> |
| 29. D and I Enamel Tank | <p><i>No Specific Source Category applies to this process.</i> [Part B, Section 5, II]</p> <p><i>Meets General Criteria for Insignificant Activities.</i> Emits < 0.5 tons per year of a federal hazardous air pollutant (HAP) and no more than 2 tons per year of a regulated pollutant that is not a HAP. [Part B, Section 5, I]</p> |
| 30. D and I Inside Enamel Tank | <p><i>Meets Storage Containers, Reservoirs, and Tanks – General Organic and VOC-containing Material Specific Source Category Criteria.</i> Capacity < 6,077 gallons and vapor pressure < 1.5 psi as determined by ASTM test method D-2879-86. [Part B, Section 5, II, H, 3]</p> |

F. INSIGNIFICANT EMISSIONS UNIT INFORMATION (continued)

Miscellaneous Processes:

| Equipment Description | Basis for Determination of Insignificant Emissions Unit is made based on SMAQMD "List and Criteria", Part B, Section 5 modified April 2001. |
|--------------------------------------|--|
| 31. Cooling Tower, HVAC | <i>Meets Cooling Tower Specific Source Category Criteria.</i> |
| 32. Cooling Tower, Air Compressor | Has a circulation rate of less than 10,000 gallons per minute, and is not used to cool process water, water from barometric jets, or water from barometric condensers. [Part B, Section 5, II, C] |
| 33. Degreasers, Exempt Solvent | <i>No Specific Source Category applies to this process.</i> |
| 34. Can Coding (6) Videojet Printers | [Part B, Section 5, II] |
| 35. Can Coding (8) Dotjet Printers | <i>Meets General Criteria for Insignificant Activities.</i> |
| 36. Side Seam Powder Coating | Emits < 0.5 tons per year of a federal hazardous air pollutant (HAP) and no more than 2 tons per year of a regulated pollutant that is not a HAP. [Part B, Section 5, I] |

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| G. ALTERNATE OPERATING SCENARIOS |
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None requested by the permittee.

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| H. RECENT PERMIT ACTIONS |
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Below is a description of local permit actions that have taken place since the last update to the Title V permit.

Permit Cancellations:

The following Permits to Operate have been cancelled and their reference will be removed from the Title V permit:

| Cancelled Permits to Operate | | | |
|-------------------------------------|-----------------------|------------------------------|---|
| PO No. | Date Cancelled | Equipment Description | Reason for Cancellation |
| 18067 | 2/18/2011 | D & I Can Manufacturing Line | Permit modified by SMAQMD Permit No. 22883 to add PPG 4553304 to the list of approved coatings. |
| 13714 | 6/30/2011 | Thermal Oxidizer | Permit modified by SMAQMD Permit NO. 22884 to add dust collector to equipment description. |

New Permits to Operate:

The following Permits to Operate have been issued since the last Title V update and will be incorporated into the Title V permit:

| New Permits to Operate | | | |
|-------------------------------|--------------------|------------------------------|--|
| PO No. | Date Issued | Equipment Description | Reason for Permit |
| 22883 | 2/18/2011 | D & I Can Manufacturing Line | Modification of existing D & I Can Manufacturing previously permitted under SMAQMD Permit No. 18067. |
| 22884 | 6/30/2011 | Thermal Oxidizer | Modification of existing Thermal Oxidizer permit, previously permitted under SMAQMD Permit No. 13714 |

I. FACILITY EMISSIONS

| Maximum Allowable Emissions (tons per year) | | | | | | | | |
|---|------------------------------|-------------|-------------|------------|------------|------------|------------|-------------|
| SMAQMD Permit No. | Process or Equipment | ROC | NOx | PM10 | SOx | CO | Single HAP | Total HAPs |
| 22883 | D & I Can Manufacturing Line | 27.5 | 0.0 | 0.0 | 0.0 | 0.0 | 9.9 | 24.9 |
| 13712 | Washcoat Oven | 0.1 | 1.1 | 0.01 | 0.1 | 0.2 | 0.0 | 0.0 |
| 13713 | Inside Bake Oven | 0.1 | 4.2 | 0.02 | 0.4 | 1.0 | 0.0 | 0.0 |
| 22884 | Thermal Oxidizer | 8.7 | 15.5 | 0.04 | 0.8 | 7.6 | 0.0 | 0.0 |
| Total | | 36.3 | 20.8 | 0.1 | 1.3 | 8.8 | 9.9 | 24.9 |

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| J. APPLICABLE FEDERALLY ENFORCEABLE REQUIREMENTS Facility-wide Requirements |
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SMAQMD Rule 201 - General Permit Requirements

SIP approved: 07-13-1987 (52 FR 26148)
11-20-1984 rule version is SIP approved
08-24-2006 rule version is the current version and is not SIP approved

Rule Description: This rule provides an orderly procedure for the review of new sources of air pollution and of the modification and operation of existing sources through the issuance of permits.

Compliance Status: Silgan Can Company has active permits for all sources that require permits.

SMAQMD Rule 202 - New Source Review

SIP approved: 06-19-1985 (50 FR 25417)
11-20-1984 rule version is SIP approved
02-24-2005 rule version is the current version and is not SIP approved

Rule Description: This rule sets the procedures for review of new and modified stationary sources and provides the mechanisms for evaluating the applicability of BACT and offset requirements.

Compliance Status: Processes at Silgan Can Company that require SMAQMD permits have been reviewed pursuant to this rule. BACT and emission offsets have been provided as required by the rule.

SMAQMD Rule 207 - Title V Federal Operating Permits

SIP approved: 11-21-2003 (68 FR 65637) (part of Title V program approval)
04-26-2001 rule version is SIP approved

Rule Description: This rule sets forth the procedures for review, issuance and renewal of Title V operating permits.

Compliance Status: Silgan Can Company has submitted a timely and complete Title V application for Title V permit renewal and is currently operating under an active Title V permit.

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| J. APPLICABLE FEDERALLY ENFORCEABLE REQUIREMENTS Facility-wide Requirements (continued) |
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SMAQMD Rule 301 - Permit Fees - Stationary Source

SIP approved: Not SIP approved.

Rule Adopted: 10-27-2005
08-01-08 (Latest Revision)

Rule Description: This rule requires the facility to pay fees associated with the issuance and renewal of SMAQMD Rule 201 permits and U.S. EPA Title V permits. **Only Section 313 and the Title V references in Section 314 are federally enforceable.**

Compliance Status: The permittee has paid permit fees as required and is in compliance.

SMAQMD Rule 401 - Ringelmann Chart

SIP approved: 02-01-1984 (49 FR 3987)
04-19-1983 rule version is SIP approved

Rule Description: This rule regulates the discharge of air contaminants into the atmosphere by limiting visible emissions.

Compliance Status: All equipment is expected to comply with the visible emissions requirement.

SMAQMD Rule 403 - Fugitive Dust

SIP approved: 12-05-1984 (49 FR 47490)
08-03-1977 rule version is SIP approved

Rule Description: This rule regulates processes which may periodically cause fugitive dust emissions into the atmosphere.

Compliance Status: The facility complies with this rule by taking the necessary precautions to ensure that fugitive dust is not airborne beyond the property line.

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| J. APPLICABLE FEDERALLY ENFORCEABLE REQUIREMENTS Facility-wide Requirements (continued) |
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SMAQMD Rule 404 - Particulate Matter

SIP approved: 07-13-1987 (52 FR 26148)
11-20-1984 rule version is SIP approved

Rule Description: This rule regulates processes which emit particulate matter into the atmosphere, other than combustion contaminants.

Compliance Status: The facility complies with this rule by capturing particulate matter with air pollution control equipment.

SMAQMD Rule 442 - Architectural Coatings

SIP approved: 11-09-1998 (63 FR 60214)
09-05-1996 rule version is SIP approved
05-24-2001 rule version is the current version and is not SIP approved

Rule Description: This rule limits the quantity of volatile organic compounds in architectural coatings supplied, sold, offered for sale, applied, solicited for application or manufactured for use within the SMAQMD.

Compliance Status: The affected coatings used by the facility are received and stored in containers that display the required manufacturer's labels and demonstrate compliance with the rule's requirements.

40 CFR 68 (begin at 68.1) - Chemical Accident Prevention Provisions

Promulgated: 01-31-1994 (59 FR 4493)
[04-09-2004 (69 FR 18831) most recent amendment]

Rule Description: This regulation specifies requirements for owners or operators of stationary sources concerning the prevention of accidental chemical releases.

An owner or operator of a stationary source that has more than a threshold quantity of a regulated substance in a process, as determined under 40 CFR 68.115, must comply with the requirements of 40 CFR Part 68.

40 CFR 68.215 requires that the air permitting authority include in the Title V permit for a facility specified statements regarding the regulation. Those statements are included in the Federally Enforceable Requirements - General section of the permit.

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| <p>J. APPLICABLE FEDERALLY ENFORCEABLE REQUIREMENTS Facility-wide Requirements (continued)</p> |
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Compliance Status: The permittee stores more than the designated amounts of the specified chemical substances in 40 CFR 68 and is in compliance with the requirements of the regulation.

40 CFR 82 Subpart F (begin at 82.150) - Protection of Stratospheric Ozone - Recycling and Emissions Reduction

Promulgated: 05-14-1993 (58 FR 28712)
[04-13-2005 (70 FR 19278) most recent amendment]

Rule Description: The purpose of this subpart is to reduce emissions of class I and class II refrigerants and their substitutes to the lowest achievable level by maximizing the recapture and recycling of such refrigerants during the service, maintenance, repair and disposal of appliances and restricting the sale of refrigerants consisting in whole or in part of a class I and class II ODS in accordance with Title VI of the Clean Air Act.

This subpart applies to any person servicing, maintaining or repairing appliances. This subpart also applies to persons disposing of appliances, including small appliances and motor vehicle air conditioners. In addition, this subpart applies to refrigerant reclaimers, technician certifying programs, appliance owners and operators, manufacturers of appliances, manufacturers of recycling and recovery equipment, approved recycling and recovery equipment testing organizations, persons selling class I or class II refrigerants or offering class I or class II refrigerants for sale and persons purchasing class I or class II refrigerants.

As indicated in 40 CFR 70.6, Title V permits need to assure compliance with all applicable requirements at the time of permit issuance. Part 70 defines as an applicable requirement, "Any standard or other requirement of the regulations promulgated to protect stratospheric ozone under Title VI of the Act, unless the Administrator has determined that such requirements need not be contained in a Title V permit." [40 CFR 70.2(12)]. The applicable requirements of Title VI are included in the Federally Enforceable Requirements - General section of the permit.

Compliance Status: The permittee employs qualified contractors to maintain equipment that contains class I or class II refrigerants.

K. APPLICABLE FEDERALLY ENFORCEABLE REQUIREMENTS
Equipment Specific Requirements
Thermal Oxidizer

Thermal Oxidizer

40 CFR 64 (begin at 64.1) Compliance Assurance Monitoring:

Promulgated: 10-22-1997 (52 FR 54940)

Rule Description: The Compliance Assurance Monitoring regulation applies to pollutant-specific emissions units at a major source if the unit satisfies all of the following criteria:

“The unit is subject to an emission limitation or standard for the applicable regulated air pollutant (or surrogate thereof), other than an emission limitation or standard that is exempt under paragraph (b)(1) of this section;”
[40 CFR 64.2(a)(1)]

"The unit uses a control device to achieve compliance with any such emission limitation or standard; and"
[40 CFR 64.2(a)(2)]

“The unit has potential pre-control device emissions of the applicable regulated air pollutant that are equal to or greater than 100 percent of the amount to be classified as a major source. For purposes of this paragraph, “potential pre-control device emissions’ shall have the same meaning as “potential to emit,” as defined in §64.1, except that emission reductions achieved by the applicable control device shall not be taken into account.”
[40 CFR 64.2(a)(3)]

ROC emissions from the D&I Can Manufacturing Line satisfy all three of the applicability criteria; therefore the Thermal Oxidizer used to control the ROC emissions from the D&I Can Manufacturing Line is subject to 40 CFR 64 Compliance Assurance Monitoring.

The Compliance Assurance Monitoring regulation requires facilities to develop a monitoring plan to assure the control device used to meet the emission limitation or standard is working properly.

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| <p>K. APPLICABLE FEDERALLY ENFORCEABLE REQUIREMENTS Equipment Specific Requirements Thermal Oxidizer (continued)</p> |
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Rule Description (continued):

The permittee has submitted a monitoring plan to the District based on presumptively acceptable monitoring identified in Appendix A.1a of the EPA CAM Technical Guidance Document for a thermal incinerator used for ROC control. The District has reviewed the monitoring plan and has determined the proposed monitoring satisfies the general criteria, performance criteria, and evaluation factors for monitoring design in 40 CFR 64.3, and the submittal requirements in 40 CFR 64.4.

Thermal oxidizer combustion bed temperature was selected as the indicator that the thermal oxidizer is working properly. The approved monitoring plan states that the combustion bed temperature must be maintained above 1485°F and that an excursion would occur if the combustion bed temperature dropped below 1485°F and the D&I Can Manufacturing Line continued to operate. The system has an interlock which would stop the D&I Manufacturing line if the combustion bed temperature drops below 1485°F. The combustion bed temperature is monitored continuously with two thermocouples located in each of the thermal oxidizer's combustion beds. Temperature data is recorded continuously on chart paper and by an electronic data logger.

40 CFR 64.6(c) establishes what information must be specified in the permit, and includes:

- Indicator(s) to be monitored
- Means or device to be used to measure indicator(s)
- Performance requirements established to meet performance requirements in 40 CFR 64.3(b)
- The level at which an excursion will be deemed to occur
- The obligation to conduct monitoring and fulfill other obligations specified in 40 CFR 64.7 – 64.9.

The District has reviewed existing permit conditions to ensure that the requirements in 40 CFR 64.6(c) have been satisfied; and added or modified permit conditions as needed. Compliance with the requirements of 40 CFR 64 - Compliance Assurance Monitoring will be ensured with the permit conditions listed in the table below:

K. APPLICABLE FEDERALLY ENFORCEABLE REQUIREMENTS
Equipment Specific Requirements
Thermal Oxidizer (continued)

Rule Description (continued):

| TV2010-15-01 Permit Condition | Basis in 40 CFR 64 |
|---------------------------------------|--|
| Equipment Specific Requirements (#13) | §64.6(c)(1)(i) |
| Equipment Specific Requirements (#14) | §64.6(c)(1)(ii) |
| Equipment Specific Requirements (#15) | §64.6(c)(1)(iii) and §64.7(b) and §64.7(c) |
| Equipment Specific Requirements (#16) | §64.6(c)(2) and §64.7(d) |
| Equipment Specific Requirements (#17) | §64.6(c)(3) and §64.7 |
| Equipment Specific Requirements (#18) | §64.6(c)(3) and §64.8 |
| Equipment Specific Requirements (#19) | §64.6(c)(3) and §64.9 |
| General Requirements (#18) | §64.9(a)(1) |
| General Requirements (#21) | §64.9(b)(1) |
| Equipment Specific Requirements (#21) | §64.9(b)(1) |

Compliance Status: The permittee is in compliance with this regulation.

K. APPLICABLE FEDERALLY ENFORCEABLE REQUIREMENTS
Equipment Specific Requirements
Combustion Sources: Washcoat Oven, Inside Bake Oven & Thermal Oxidizer

Combustion Sources: Washcoat Oven, Inside Bake Oven & Thermal Oxidizer

SMAQMD Rule 406 - Specific Contaminants

SIP approved: 12-05-1984 (49 FR 47490)
 12-06-1978 rule version is SIP approved

Rule Description: This rule regulates emissions of sulfur compounds and combustion contaminants by limiting emission concentrations.

Compliance Status: The combustion equipment is expected to emit SO₂ at less than 0.001% SO₂ by volume, and PM10 at less than 0.001 grains/dscf at 12% CO₂.

See Attachment B for calculation of SO₂ and PM emission concentrations.

The rule emission limits for SO₂ are 0.2% SO₂ by volume and for PM are 0.1 grains/dscf at 12% CO₂, respectively. The emissions from the ovens and thermal oxidizer at the permittee's facility comply with this rule.

SMAQMD Rule 420 - Sulfur Content of Fuels

SIP approved: 12-05-1984 (49 FR 47490)
 08-13-1981 rule version is SIP approved

Rule Description: This rule regulates emissions of sulfur compounds from combustion of fuels by limiting the sulfur content of the fuel.

Compliance Status: The following table illustrates the SMAQMD Rule 420 sulfur limits for gaseous fuels and the expected sulfur content of gaseous fuels combusted in equipment at the facility.

The permittee's equipment complies with this rule.

| Equipment | Fuel | SMAQMD Rule 420 Allowable Sulfur Content of Fuel (grains S per 100 cubic feet) | Expected Sulfur Content of Fuel Used (grains S per 100 cubic feet) |
|---|-------------|---|---|
| Washcoat Oven Inside Bake Oven Thermal Oxidizer | Natural Gas | 50 | 0.22 (A) |

(A) Based on the sulfur content of pipeline-quality natural gas in Sacramento County.

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| <p>K. APPLICABLE FEDERALLY ENFORCEABLE REQUIREMENTS Equipment Specific Requirements Drawn & Ironed Can Manufacturing Line</p> |
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Drawn & Ironed Can Manufacturing Line

SMAQMD Rule 452 - Can Coating

SIP approved: 11-09-1998 (63 FR 60214):

Rule Description: This rule limits emissions of ROC from can coating processes by limiting the ROC content of the coating.

Compliance Status: The can coatings used by the permittee comply with the coating ROC limits established by the rule.

The following federal regulation is not an applicable federal requirement but is discussed here to document the non-applicability determination for the record.

40 CFR, Part 63, Subpart KKKK – National Emission Standards for Hazardous Air Pollutants: Surface Coating of Metal Cans

Promulgated: 11-13-2003 (68 FR 64446)
[04-20-2006 (71 FR 20464) most recent amendment]

Rule Description: The purpose of this subpart is to establish national emission standards for hazardous air pollutants (NESHAP) for metal can surface coating facilities. This subpart also establishes requirements to demonstrate initial and continuous compliance with the emission limitations.

Subpart KKKK applies to new, reconstructed, and existing affected sources that use more than 1,500 gallons per year of coatings in one of the four source categories defined in §63.3481(a) and is a major source, located at a major source, or is part of a major source of Hazardous Air Pollutants (HAPs). A major source of HAP emissions is any source with a potential to emit any single HAP at a rate of 10 tons or more per year or any combination of HAPs at a rate of 25 tons or more per year.

Compliance Status: Silgan Can Company is an existing affected source that uses more than 1,500 gallons per year of coatings in one of the source categories defined in §63.3481(a), however it is not a major source of HAP emissions; therefore the Subpart KKKK is not applicable.

K. APPLICABLE FEDERALLY ENFORCEABLE REQUIREMENTS
Equipment Specific Requirements
Combustion Sources and Drawn & Ironed Can Manufacturing Line

Combustion Sources and Drawn & Ironed Can Manufacturing Line

Permit Conditions on SMAQMD Rule 201 Permits to Operate

Condition Description: The conditions of operation on the SMAQMD Rule 201 Permits to Operate limit emission concentrations, mass emissions and require recordkeeping and reporting.

The following table indicates the conditions on the SMAQMD Rule 201 permits that are not applicable federally enforceable requirements.

| Equipment | SMAQMD Rule 201 Permit No. | Permit conditions that are <u>not</u> federally enforceable |
|--|-----------------------------------|---|
| <ul style="list-style-type: none"> • Washcoat Oven • Inside Bake Oven • Thermal Oxidizer • Drawn and Ironed Can Manufacturing Line | 13712 13713 22884 22883 | Condition Nos. 1, 2, 3, 4, and 5 – These are administrative requirements not contained in any SIP-approved rule or other federally enforceable regulation. All other permit conditions are federally enforceable. |

Compliance Status: The permittee's equipment complies with the SMAQMD Rule 201 permit conditions.

| |
|---|
| L. FUTURE APPLICABLE FEDERALLY ENFORCEABLE REQUIREMENTS Facility-wide Requirements |
|---|

SMAQMD Rule 202 - New Source Review

SIP approved: Not SIP approved
SMAQMD adopted the revised Rule 202 on 10-28-2010

Rule Description:

This rule was revised on 10-28-2010 to provide for the issuance of Authorities to Construct and Permits to Operate at new and modified stationary sources without interfering with the attainment or maintenance of ambient air quality standards.

Compliance Status:

This rule is not effective until U.S. EPA approves SMAQMD Rule 214. This amended rule will affect any new emissions unit or modification of an existing emissions unit occurring on or after the rule effective date.

SMAQMD Rule 214- New Source Review

SIP approved: Not SIP approved
SMAQMD adopted the new Rule 214 on 10-28-2010

Rule Description:

This rule was adopted on 10-28-2010 to provide for the issuance of Authorities to Construct and Permits to Operate at new and modified stationary sources without interfering with the attainment or maintenance of ambient air quality standards.

Compliance Status:

This rule will be effective the day of U.S. EPA final action approving this rule. This new rule will affect any new emissions unit or modification of an existing emissions unit occurring on or after the rule effective date.

| |
|-------------------------------------|
| M. TITLE V PERMIT CONDITIONS |
|-------------------------------------|

It is recommended that the Silgan Can Company Title V Federal Operating Permit be renewed.

See proposed Title V Federal Operating Permit No. TV2010-15-01 for permit conditions.

Approved by: _____ Date: _____

ATTACHMENT A

SMAQMD Rule 406
Compliance Calculations
for
Washcoat Oven, Inside Bake Oven,
and Thermal Oxidizer

**Calculation of SO₂ and PM Emission Concentrations
from Washcoat Oven, Inside Bake Oven, and Thermal Oxidizer**

Thermal Oxidizer

Assumptions for calculations:

| | | |
|-------------------------------------|---|--|
| Natural gas fuel F-factor | = | 8,710 ft ³ exh. gas/MMBTU (at 0% O ₂ , by definition of F factor) |
| Molecular weight of SO ₂ | = | 64 lb SO ₂ /lb mole |
| Standard molar volume | = | 385.3 ft ³ /lb mole (at 68 degrees F and 1 atm) |
| SO ₂ emission factor | = | 0.6 lb SO ₂ /MMft ³ natural gas |
| PM emission factor | = | 7.6 lb PM ₁₀ /MMft ³ natural gas |
| Outlet carbon dioxide | = | ~1% (from 11/2005 source test) |
| Outlet oxygen | = | ~19.4% (from 11/2005 source test) |

SO₂ from Thermal Oxidizer

The following demonstration of compliance with SMAQMD Rule 406 is based on combusting natural gas fuel that meets the permit requirement of a maximum of 50 grains/100 ft³ of sulfur compounds.

Based on the SO₂ emission factor in U.S. EPA AP42 Table 1.4-2 (07/1998) for combusting natural gas fuel, the SO₂ emission concentration from the thermal oxidizer is calculated to be:

$$= \frac{0.6 \text{ lb SO}_2}{\text{MMft}^3 \text{ nat. gas}} \times \frac{1 \text{ ft}^3 \text{ nat. gas}}{1 \text{ MMBTU}} \times \frac{1 \text{ MMBTU}}{8710 \text{ ft}^3 \text{ exh. gas}} \times \frac{385.3 \text{ ft}^3 \text{ SO}_2/\text{lb mole}}{64 \text{ lb SO}_2/\text{lb mole}}$$

$$= \frac{0.0004 \text{ ft}^3 \text{ SO}_2}{\text{MMft}^3 \text{ exh. gas}}$$

$$= 0.0004 \text{ ppmv at 0\% O}_2 \text{ (F factor conditions)}$$

$$= 0.006 \text{ ppmv at 19.4\% O}_2 \text{ (actual conditions)}$$

$$= 0.000006\% \text{ SO}_2 \text{ by volume (actual conditions)}$$

SMAQMD Rule 406 emission limits for SO₂ are 0.2% SO₂ by volume

Therefore, the SO₂ emissions from the thermal oxidizer complies with SMAQMD Rule 406.

**Calculation of SO₂ and PM Emission Concentrations
from Washcoat Oven, Inside Bake Oven, and Thermal Oxidizer (continued)**

PM from Thermal oxidizer

The following demonstration of compliance with SMAQMD Rule 406 is based on combusting natural gas fuel.

Based on the PM emission factor in U.S. EPA AP42 Tables 1.4-2 (07/1998) combusting natural gas fuel, the PM emission concentration from the thermal oxidizer is calculated to be:

$$= \frac{7.6 \text{ lb PM}}{\text{MMft}^3 \text{ nat. gas}} \times \frac{1 \text{ ft}^3 \text{ nat. gas}}{1 \text{ MMBTU}} \times \frac{1 \text{ MMBTU}}{8710 \text{ ft}^3 \text{ exh. gas}} \times \frac{7000 \text{ grains}}{\text{lb}}$$

$$= 0.000006 \text{ grains PM/ft}^3 \text{ of exhaust gas at 0\% O}_2 \text{ (F factor conditions)}$$

$$= 0.000085 \text{ grains PM/ft}^3 \text{ of exhaust gas at 19.4\% O}_2 \text{ and 1\% CO}_2 \text{ (actual conditions)}$$

$$= 0.001 \text{ grains PM/ft}^3 \text{ of exhaust gas at 12\% CO}_2$$

SMAQMD Rule 406 emission limits for PM are 0.1 grains/ft³ at 12% CO₂

Therefore, the PM emissions from the thermal oxidizer complies with SMAQMD Rule 406.

SO₂ and PM from Ovens

The SO₂ and PM emissions from the ovens are expected to be similar to the thermal oxidizer since they also combust natural gas.

ATTACHMENT B

**SMAQMD RULES THAT ARE
"APPLICABLE FEDERALLY
ENFORCEABLE REQUIREMENTS"
FOR
SILGAN CAN COMPANY**

**SMAQMD RULES THAT ARE
 "APPLICABLE FEDERALLY ENFORCEABLE REQUIREMENTS"
 FOR SILGAN CAN SUPPLY COMPANY**

| Rule is Applicable | Rule is SIP Approved | Rule No. | Rule Title | Is the Rule an "Applicable Federally Enforceable Requirement"? |
|-------------------------------|---------------------------------|-----------------|---|--|
| ● | ● | 101 | General Provisions and Definitions 09/03/1998 adoption | Yes - no related conditions are included in the permit because of general nature of the rule. |
| ● | ● | 102 | Circumvention 11/29/1983 adoption | Yes - no related conditions are included in the permit because of general nature of the rule. |
| | ● | 103 | Exceptions 11/29/1983 adoption | No - source does not operate the type of equipment described in this rule. |
| | ● | 104 | General Conformity 11/03/1994 adoption | No - the rule's purpose is to have the SMAQMD review federal conformity findings. |
| | ● | 105 | Emission Statement 09/05/1996 adoption | No - actual emissions of ROC and NOx are less than 25 tons/year. |
| | | 107 | Alternative Compliance | No - it is not a SIP approved rule. |
| ● | | 108 | Minor Violations | No - it is not a SIP approved rule. |
| ● | ● | 201 | General Permit Requirements 11/20/1984 adoption | Yes - no related conditions are included in the permit. |
| ● | ● | 202 | New Source Review 11/20/1984 adoption | Yes - related conditions are included in the permit. |

| Rule is Applicable | Rule is SIP Approved | Rule No. | Rule Title | Is the Rule an "Applicable Federally Enforceable Requirement"? |
|--------------------|----------------------|----------|---|--|
| | | 203 | Prevention of Significant Deterioration | No - it is not a SIP approved rule. |
| | | 204 | Emission Reduction Credits | No - it is not a SIP approved rule. |
| | | 205 | Community Bank and Priority Reserve Bank | No - it is not a SIP approved rule. |
| | | 206 | Mobile and Transportation Source Emission Reduction Credits | No - it is not a SIP approved rule. |
| ● | * | 207 | Title V Federal Operating Permit Program | Yes - related conditions are included in the permit. (*Although this is not a SIP approved rule it is applicable because it is part of the approved Title V Permit Program.) |
| | | 208 | Acid Rain | No - it is not a SIP approved rule. |
| | | 209 | Limiting Potential to Emit | No - it is not a SIP approved rule. |
| | | 210 | Synthetic Minor Source Status | No - it is not a SIP approved rule. |
| | | 211 | MACT at Major Sources of Hazardous Air Pollutants | No - it is not a SIP approved rule. |
| ● | * | 301 | Stationary Source Permit Fees | Yes - related conditions are included in the permit. (*Although this is not a SIP approved rule it is applicable because it is part of the approved Title V Permit Program.) |

| Rule is Applicable | Rule is SIP Approved | Rule No. | Rule Title | Is the Rule an "Applicable Federally Enforceable Requirement"? |
|-----------------------|-------------------------|----------|--|--|
| | | 302 | Hearing Board Fees | No - it is not a SIP approved rule. |
| | | 303 | Agricultural Burning Permit Fees | No - it is not a SIP approved rule. |
| | | 304 | Plan Fees | No - it is not a SIP approved rule. |
| | | 305 | Environmental Document Preparation and Processing Fees | No - it is not a SIP approved rule. |
| | | 306 | Air Toxics Fees | No - it is not a SIP approved rule. |
| ● | ● | 307 | Clean Air Act Fees 09/26/2002 adoption | Yes - no related conditions are included in the permit. |
| ● | ● | 401 | Ringelmann Chart 04/05/1983 adoption | Yes - related conditions are included in the permit. |
| ● | | 402 | Nuisance | No - it is not a SIP approved rule. |
| ● | ● | 403 | Fugitive Dust 11/29/1983 adoption | Yes - related conditions are included in the permit. |
| ● | ● | 404 | Particulate Matter 11/20/1984 adoption | Yes - related conditions are included in the permit. |
| | ● | 405 | Dust and Condensed Fumes 11/29/1983 adoption | No - the source does not generate dust and condensed fumes. |

| Rule is Applicable | Rule is SIP Approved | Rule No. | Rule Title | Is the Rule an "Applicable Federally Enforceable Requirement"? |
|--------------------|----------------------|----------|---|--|
| ● | ● | 406 | Specific Contaminants 11/29/1983 adoption | Yes - related conditions are included in the permit. |
| ● | ● | 407 | Open Burning 11/29/1983 adoption | Yes - no related conditions are included in the permit. |
| | ● | 408 | Incinerator Burning 11/29/1983 adoption | No - the source does not operate an incinerator. |
| | ● | 409 | Orchard Heaters 11/29/1983 adoption | No - the source does not operate orchard heaters. |
| | ● | 410 | Reduction of Animal Matter 11/29/1983 adoption | No - the source does not operate equipment for the reduction of animal matter. |
| | ● | 411 | Boiler NOx 08/23/2007 adoption | No - the source does not operate a boiler subject to this rule. |
| | ● | 412 | Stationary IC Engines at Major Stationary Sources of NOx 06/01/1995 adoption | No - the source does not operate a stationary IC engine. |
| | ● | 413 | Stationary Gas Turbines 03/24/2005 version | No - the source does not operate a gas turbine. |
| ● | ● | 414 | Natural Gas Fired Water Heaters 08/01/1996 adoption 03/25/2010 rule version is not SIP approved | Yes - The permit does not contain any related conditions because the rule targets the sale of water heaters, not the operation of water heaters |
| ● | ● | 420 | Sulfur Content of Fuels 11/29/1983 adoption | Yes - related conditions are included in the permit. |

| Rule is Applicable | Rule is SIP Approved | Rule No. | Rule Title | Is the Rule an "Applicable Federally Enforceable Requirement"? |
|--------------------|----------------------|----------|--|---|
| ● | ● | 441 | Organic Solvents 11/29/1983 adoption | Yes - no related conditions are included in the permit because of limited applicability. |
| ● | ● | 442 | Architectural Coatings 09/05/1996 adoption 05/24/2001 rule version is not SIP approved | Yes - related conditions are included in the permit. |
| | ● | 443 | Leaks from Synthetic Organic Chemical and Polymer Manufacturing 09/05/1996 adoption | No - the source does not operate synthetic organic chemical or polymer manufacturing equipment. |
| | ● | 444 | Petroleum Solvent Dry Cleaning 11/29/1983 adoption | No - the source does not operate petroleum solvent dry cleaning equipment. |
| | ● | 446 | Storage of Petroleum Products 11/16/1993 adoption | No - the source only stores petroleum products in tanks that are exempt from the rule requirements (< 40,000 gallons). |
| | ● | 447 | Organic Liquid Loading 04/02/1998 adoption | No - the source does not operate organic liquid loading equipment. |
| | ● | 448 | Gasoline Transfer into Stationary Storage Containers 02/02/1995 adoption | No - the source does transfer gasoline into storage tanks subject to the rule requirements (≥250 gallons). |
| | ● | 449 | Transfer of Gasoline into Vehicle Fuel Tanks 09/26/2002 adoption | No - the source is exempt from this rule because it is exempt from SMAQMD Rule 448. |

| Rule is Applicable | Rule is SIP Approved | Rule No. | Rule Title | Is the Rule an "Applicable Federally Enforceable Requirement"? |
|--------------------|----------------------|----------|---|--|
| | ● | 450 | Graphic Arts Operations 10/23/2008 adoption | No - the source does not operate a graphic arts process as defined in the rule. |
| ● | ● | 451 | Surface Coating of Miscellaneous Metal Parts and Products 11/29/1983 adoption 10/28/2010 rule version is not SIP approved | Yes - no related conditions are included in the permit. |
| ● | ● | 452 | Can Coating 09/25/2008 adoption | Yes - related conditions are included in the permit. |
| | ● | 453 | Cutback and Emulsified Asphalt Paving Materials 11/29/1983 adoption | No - the source does not manufacture or apply cutback or emulsified asphalt paving materials. |
| | ● | 454 | Degreasing Operations 09/25/2008 adoption | No - the source uses exempt solvents as defined in the rule. |
| | ● | 455 | Pharmaceuticals Manufacturing 11/29/1983 adoption | No - the source does not manufacture pharmaceuticals. |
| | ● | 456 | Aerospace Coating Operations 09/05/1996 adoption | No - the source does not coat aerospace parts. |
| | ● | 458 | Large Commercial Bread Bakeries 09/05/1996 adoption | No - the source does not produce bread products. |

| Rule is Applicable | Rule is SIP Approved | Rule No. | Rule Title | Is the Rule an "Applicable Federally Enforceable Requirement"? |
|--------------------|----------------------|----------|--|--|
| ● | | 459 | Automotive, Truck and Heavy Equipment Refinishing Operations 10/02/1997 adoption | No - the source does not refinish vehicles. |
| ● | | 460 | Adhesives and Sealants | No - it is not a SIP approved rule. |
| ● | | 463 | Wood Products Coatings 09/25/2008 adoption | No - the source does not coat wood products. |
| ● | | 464 | Organic Chemical Manufacturing Operations 07/23/1998 adoption | No - the source does not manufacture organic chemicals. |
| | | 465 | Polyester Resin Operations | No - it is not a SIP approved rule. |
| ● | | 466 | Solvent Cleaning 05/23/2002 adoption 10/28/2010 rule version is not SIP approved | No - the source does not conduct solvent cleaning. |
| | | 485 | Municipal Landfill Gas | No - it is not a SIP approved rule. |
| ● | | 501 | Agricultural Burning 11/29/1983 adoption | No - the source does not conduct agricultural burning. |
| ● | | 601 | Procedure before the Hearing Board | No - it is not a SIP approved rule. |
| ● | | 602 | Breakdown Conditions: Emergency Variance | No - it is not a SIP approved rule. |

| Rule is Applicable | Rule is SIP Approved | Rule No. | Rule Title | Is the Rule an "Applicable Federally Enforceable Requirement"? |
|--------------------|----------------------|----------|---|---|
| ● | | 701 | Emergency Episode Plan 05/27/1999 adoption | No - the source's actual emissions are less than 50 tons/year of ROC and NOx and less than 100 tons/year of CO and PM10. |
| ● | | 801 | New Source Performance Standards | No - it is not a SIP approved rule. Note: there is an equivalent federal regulation. |
| | | 901 | General Requirements | No - it is not a SIP approved rule. Note: there is an equivalent federal regulation. |
| | | 902 | Asbestos | No - it is not a SIP approved rule. Note: there is an equivalent federal regulation. |
| | | 903 | Mercury | No - it is not a SIP approved rule. Note: there is an equivalent federal regulation. |
| | | 904 | Airborne Toxic Control Measures | No - it is not a SIP approved rule. Note: there are equivalent federal regulations for some of the listed ATCMs. |
| | | 1002 | Fleet Inventory | No - it is not a SIP approved rule. |
| | | 1003 | Reduced-Emission Fleet Vehicles/Alternative Fuels | No - it is not a SIP approved rule. |
| | | 1005 | Mobile Source Emission Reduction Credits/Banking | No - it is not a SIP approved rule. |

| Rule is Applicable | Rule is SIP Approved | Rule No. | Rule Title | Is the Rule an "Applicable Federally Enforceable Requirement"? |
|-------------------------------|---------------------------------|-----------------|---------------------------|---|
| | | 1006 | Transportation Conformity | No - it is not a SIP approved rule. |

ATTACHMENT C

SMAQMD Rule 201 Permits To Operate