

217/782-2113

FEDERALLY ENFORCEABLE STATE OPERATING PERMIT -- REVISED

PERMITTEE

Bag Makers, Inc.
Attn: Don Brown
6606 South Union Road
Union, Illinois 60180

Application No.: 03070014
Applicant's Designation:
Subject: Packaging Printing Plant
Date Issued: December 20, 2007
Location: 6606 South Union Road, Union

I.D. No.: 111804AAD
Date Received: October 3, 2007
Expiration Date: May 10, 2010

This permit is hereby granted to the above-designated Permittee to OPERATE emission unit(s) and/or air pollution control equipment consisting of twenty flexographic and fifteen silk screen printing presses pursuant to the above-referenced application. This Permit is subject to standard conditions attached hereto and the following special condition(s):

- 1a. This federally enforceable state operating permit is issued:
 - i. To limit the emissions of air pollutants from the source to less than major source thresholds (i.e., 10 tons/year for a single hazardous air pollutant (HAP) and 25 tons/year for totaled HAPs). As a result the source is excluded from the requirement to obtain a Clean Air Act Permit Program (CAAPP) permit. The maximum emissions of this source, as limited by the conditions of this permit, are described in Attachment A.
 - ii. To limit the emissions of volatile organic materials (VOM) from the emission units constructed between November 15, 1992 and June 15, 2005 (the period during which the Chicago area was classified as severe nonattainment for ozone) without construction permit(s) to less than New Source Review major source threshold 25 tons/year established by 35 Ill. Adm. Code 203.206(b).
 - iii. To limit emissions of VOM from the source during the seasonal allotment period from May 1 through September 30 of each year to less than 15 tons. This limitation is established at the request of the source to exempt it from the requirements of 35 Ill. Adm. Code Part 205, Emissions Reduction Market System (ERMS), pursuant to 35 Ill. Adm. Code 205.205, except reporting requirements of Section 205.300.
- b. Prior to the initial issuance of a FESOP to this source, a draft of this permit has undergone a public notice and comment period.
- c. This permit supersedes all operating permits issued for this location.

- 2a. This permit is issued based upon the source not being subject to the National Emission Standards for Hazardous Air Pollutants (NESHAP) for the Printing and Publishing Industry, 40 CFR 63, Subpart KK. The flexographic printing presses operated at the facility are not wide-web flexographic printing presses, as defined in 40 CFR 63.822(a).
3. The emissions of Hazardous Air Pollutants (HAP) as listed in Section 112(b) of the Clean Air Act shall be less than 10 tons/year of any single HAP and 25 tons/year of any combination of such HAPs. As a result of this condition, this permit is issued based on the emissions of all HAPs from this source not triggering the requirements to obtain a Clean Air Act Permit Program Permit (CAAPP) permit.
- 4a. This permit is issued based upon the flexographic printing presses not being subject to the VOM control requirements of 35 Ill. Adm. Code 218.401: Flexographic and Rotogravure Printing. This is a consequence of the federally enforceable limitations of this permit limiting Potential to Emit and Maximum Theoretical Emissions of VOM to less than the applicability thresholds of 25 tons per year and 100 tons year, respectively, as established in Section 218.402(a).
- b. This Permit is issued based upon silk screen printing presses are not required to meet the control requirements of 35 Ill. Adm. Code 218.986 by qualifying for the exemption in 218.980(d). To qualify for this exemption, emissions of VOM from each silk screen printing press shall not exceed 2.5 tons per calendar year and emissions from all silk screen printing presses combined shall not exceed 5.0 tons per calendar year.
- c. Pursuant to 35 Ill. Adm. Code 218.301, no person shall cause or allow the discharge of more than 3.6 kg/hour (8 lbs/hour) of organic material into the atmosphere from any emission unit, except as provided in 35 Ill. Adm. Code 218.302, 218.303, 218.304 and the following exception: If no odor nuisance exists the limitation of 35 Ill. Adm. Code 218 Subpart G shall apply only to photochemically reactive material.
5. Pursuant to 35 Ill. Adm. Code 218.204(c), the paper coating limitation shall not apply to any owner or operator of any paper coating line on which flexographic or rotogravure printing is performed if the paper coating line complies with the emissions limitations in 35 Ill. Adm. Code 218.401.
- 6a. VOM emissions from twenty flexographic printing presses and ten silk screen printing presses constructed before June 15, 2005 shall not exceed 3.0 ton/mo and 24.5 tons/year.
- b. Combined VOM emissions from all fifteen silk screen printing presses shall not exceed 0.1 ton/mo and 0.6 tons/year.

The VOM and HAP emissions shall be determined from the following equation:

$E = [\Sigma(M_i \times C_i) - W \times C_w] / 2,000$, where:

E - VOM/HAP emissions (tons);

M_i - Raw material usage (gallons);

C_i - VOM/HAP content of the raw material (lbs/gallon);

W - Certified amount of waste shipped-off (gallons);

C_w - certified VOM/HAP content of the waste (lbs/gallon).

Value of C_w for the current reporting period shall be used from the most recent waste shipment. Upon receiving updated C_w for the reporting period emissions shall be recalculated. Compliance with annual limits shall be determined from a running total of 12 months of data.

- 7a. Pursuant to 40 CFR 63.10(b) (3), if an owner or operator determines that his or her stationary source that emits (or has the potential to emit, without considering controls) one or more hazardous air pollutants regulated by any standard established pursuant to section 112(d) or (f) of the Clean Air Act, and that stationary source is in the source category regulated by the relevant standard, but that source is not subject to the relevant standard (or other requirement established under 40 CFR Part 63) because of limitations on the source's potential to emit or an exclusion, the owner or operator must keep a record of the applicability determination on site at the source for a period of 5 years after the determination, or until the source changes its operations to become an affected source, whichever comes first. The record of the applicability determination must be signed by the person making the determination and include an analysis (or other information) that demonstrates why the owner or operator believes the source is unaffected (e.g., because the source is an area source). The analysis (or other information) must be sufficiently detailed to allow the USEPA and/or Illinois EPA to make a finding about the source's applicability status with regard to the relevant standard or other requirement. If relevant, the analysis must be performed in accordance with requirements established in relevant subparts of 40 CFR Part 63 for this purpose for particular categories of stationary sources. If relevant, the analysis should be performed in accordance with USEPA guidance materials published to assist sources in making applicability determinations under Section 112 of the Clean Air Act, if any. The requirements to determine applicability of a standard under 40 CFR 63.1(b) (3) and to record the results of that determination under 40 CFR 63.10(b) (3) shall not by themselves create an obligation for the owner or operator to obtain a Title V permit.
- b. The Permittee shall maintain monthly records of the following items separately for emission units constructed before and after June 15, 2005 and separately for flexographic and silk screen printing presses:

- i. Amount of each VOM/HAP containing material used (gallons/month, gallons/year);
 - ii. VOM and HAP content of each VOM/HAP-containing material (lbs/gallon);
 - iii. Certified amount of waste shipped-off (gallons/month, gallons/year) and its VOM content (lbs/gallon);
 - iv. VOM and HAP emission with supporting calculations (tons/month, tons/year).
8. All records and logs required by this permit shall be retained at a readily accessible location at the source for at least five years from the date of entry and shall be made available for inspection and copying by the Illinois EPA or USEPA upon request. Any records retained in an electronic format (e.g., computer) shall be capable of being retrieved and printed on paper during normal source office hours so as to be able to respond to an Illinois EPA or USEPA request for records during the course of a source inspection.
9. If there is an exceedance of the requirements of this permit as determined by the records required by this permit, the Permittee shall submit a report to the Illinois EPA's Compliance Section in Springfield, Illinois within 30 days after the exceedance. The report shall include the emissions released in accordance with the recordkeeping requirements, a copy of the relevant records, and a description of the exceedance or violation and efforts to reduce emissions and future occurrences.
10. Two (2) copies of required reports and notifications shall be sent to:

Illinois Environmental Protection Agency
Division of Air Pollution Control
Compliance Section (#40)
P.O. Box 19276
Springfield, Illinois 62794-9276

and one (1) copy shall be sent to the Illinois EPA's regional office at the following address unless otherwise indicated:

Illinois Environmental Protection Agency
Division of Air Pollution Control
9511 West Harrison
Des Plaines, Illinois 60016

It should be noted that this permit has been revised to correct NESHAP and paper coating rules applicability conditions.

Page 5

If you have any questions on this, please call Valeriy Brodsky at 217/782-2113.

Edwin C. Bakowski, P.E.
Acting Manager, Permit Section
Division of Air Pollution Control

Date Signed: _____

ECB:VJB:jws

cc: Illinois EPA, FOS Region 1
Lotus Notes

Attachment A - Emission Summary

This attachment provides a summary of the maximum emissions from the packaging printing facility operating in compliance with the requirements of this federally enforceable permit. In preparing this summary, the Illinois EPA used the annual operating scenario which results in maximum emissions from such a plant. The resulting maximum emissions are below the levels, e.g., 100 tons/year for volatile organic material (VOM), 10 tons per year for a single HAP, and 25 tons per year for totaled HAP at which this source would be considered a major source for purposes of the Clean Air Act Permit Program and New Source Review. Actual emissions from this source will be less than predicted in this summary to the extent that less material is handled and control measures are more effective than required in this permit.

Emissions (tons/year)

Process	VOM	Single HAP	Total HAP
Existing Printing Operations	24.5		
New Printing Operations	0.6		
Total	25.1	<10	<25

VJB:jws

Attachment B - Emissions Reduction Market System (ERMS)

1. Description of ERMS

The ERMS is a "cap and trade" market system for major stationary sources located in the Chicago ozone nonattainment area. It is designed to reduce VOM emissions from stationary sources to contribute to reasonable further progress toward attainment, as required by Section 182(c) of the CAA.

The ERMS addresses VOM emissions during a seasonal allotment period from May 1 through September 30. Participating sources must hold "allotment trading units" (ATUs) for their actual seasonal VOM emissions. Each year participating sources are issued ATUs based on allotments set in the sources' CAAPP permits. These allotments are established from historical VOM emissions or "baseline emissions" lowered to provide the emissions reductions from stationary sources required for reasonable further progress.

By December 31 of each year, the end of the reconciliation period following the seasonal allotment period, each source should have sufficient ATUs in its transaction account to cover its actual VOM emissions during the preceding season. A transaction account's balance as of December 31 will include any valid ATU transfer agreements entered into as of December 31 of the given year, provided such agreements are promptly submitted to the Illinois EPA for entry into the transaction account database. The Illinois EPA will then retire ATUs in sources' transaction accounts in amounts equivalent to their seasonal emissions. When a source does not appear to have sufficient ATUs in its transaction account, the Illinois EPA will issue a notice to the source to begin the process for Emissions Excursion Compensation.

In addition to receiving ATUs pursuant to their allotments, participating sources may also obtain ATUs from the market, including ATUs bought from other participating sources and general participants in the ERMS that hold ATUs (35 Ill. Adm. Code 205.630) and ATUs issued by the Illinois EPA as a consequence of VOM emissions reductions from an Emissions Reduction Generator or an Intersector Transaction (35 Ill. Adm. Code 205.500 and 35 Ill. Adm. Code 205.510). During the reconciliation period, sources may also buy ATUs from a secondary reserve of ATUs managed by the Illinois EPA, the "Alternative Compliance Market Account" (ACMA) (35 Ill. Adm. Code 205.710). Sources may also transfer or sell the ATUs that they hold to other sources or participants (35 Ill. Adm. Code 205.630).

2. Applicability

Emissions of VOM from the source during the seasonal allotment period from May 1 through September 30 of each year shall not exceed 15 tons, not including VOM emissions from insignificant emission units and

activities as identified in Section 3 of this permit. This limitation is established at the request of the source to exempt it from the requirements of 35 Ill. Adm. Code Part 205, Emissions Reduction Market System (ERMS), pursuant to 35 Ill. Adm. Code 205.205.

3. Recordkeeping and Reporting

- a. The Permittee shall maintain the following records to determine compliance with the above limitation:
 - i. Records of operating data and other information for each individual emission unit or group of related emission units at the source, as specified in Sections 5 and 7 of this permit, as appropriate, to determine actual VOM emissions during the seasonal allotment period;
 - ii. Records of the VOM emissions, in tons, during the seasonal allotment period, with supporting calculations, for each individual emission unit or group of related emission units at the source, determined in accordance with the procedures specified in Sections 5 and 7 of this permit; and
 - iii. Total VOM emissions from the source, in tons, during each seasonal allotment period.
- b. The Permittee shall submit the seasonal emissions component of the Annual Emissions Report by November 30 of each year, reporting actual emissions of VOM during the seasonal allotment period, in accordance with 35 Ill. Adm. Code 205.205(b) and 35 Ill. Adm. Code 205.300.
- c. In the event that the source's VOM emissions during the seasonal allotment period exceed 15 tons, the source shall no longer be exempt from the ERMS and beginning with the following seasonal allotment period, shall comply with 35 Ill. Adm. Code Part 205, by holding allotment trading units (ATUs) for its VOM emissions during each seasonal allotment period.