

217/782-2113

FEDERALLY ENFORCEABLE STATE OPERATING PERMIT -- REVISED

PERMITTEE

Gonnella Baking Company
Attn: Louis Pasquesi
2006 West Erie Street
Chicago, Illinois 60612

Application No.: 98070014

I.D. No.: 031600CIJ

Applicant's Designation:

Date Received: September 18, 2007

Subject: Bread Bakery

Date Issued:

Expiration Date:

Location: 1001 West Chicago Avenue, Chicago 60610

This permit is hereby granted to the above-designated Permittee to OPERATE emission unit(s) and/or air pollution control equipment consisting of two natural gas-fired tunnel baking ovens and flour receiving and pneumatic transfer system controlled by baghouse 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., 100 tons/year for VOM). 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 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 35 Ill. Adm. Code 205.300.
- b. Prior to issuance, 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. No person shall cause or allow the emission of smoke or other particulate matter, with an opacity greater than 30 percent, into the atmosphere from any emission unit other than those emission units subject to the requirements of 35 Ill. Adm. Code 212.122, pursuant to 35 Ill. Adm. Code 212.123(a), except as allowed by 35 Ill. Adm. Code 212.123(b) and 212.124.

- b. No person shall cause or allow any visible emissions of fugitive particulate matter from any process, including any material handling or storage activity beyond the property line of the emission source unless the wind speed is greater than 40.2 kilometers per hour (25 miles per hour), pursuant to 35 Ill. Adm. Code 212.301 and 212.314.
- c. Pursuant to 35 Ill. Adm. Code 212.306, all normal traffic pattern access areas surrounding storage piles specified in 35 Ill. Adm. Code 212.304 and all normal traffic pattern roads and parking facilities which are located on mining or manufacturing property shall be paved or treated with water, oils or chemical dust suppressants. All paved areas shall be cleaned on a regular basis. All areas treated with water, oils or chemical dust suppressants shall have the treatment applied on a regular basis, as needed, in accordance with the operating program required by 35 Ill. Adm. Code 212.309, 212.310 and 212.312.
- d. Pursuant to 35 Ill. Adm. Code 212.307, all unloading and transporting operations of materials collected by pollution control equipment shall be enclosed or shall utilize spraying, pelletizing, screw conveying or other equivalent methods.
- e. Pursuant to 35 Ill. Adm. Code 212.309(a), the emission units described in 35 Ill. Adm. Code 212.304 through 212.308 shall be operated under the provisions of an operating program, consistent with the requirements set forth in 35 Ill. Adm. Code 212.310 and 212.312, and prepared by the owner or operator and submitted to the Illinois EPA for its review. Such operating program shall be designed to significantly reduce fugitive particulate matter emissions.
- f. Pursuant to 35 Ill. Adm. Code 212.310, as a minimum the operating program shall include the following:
 - i. The name and address of the source;
 - ii. The name and address of the owner or operator responsible for execution of the operating program;
 - iii. A map or diagram of the source showing approximate locations of storage piles, conveyor loading operations, normal traffic pattern access areas surrounding storage piles and all normal traffic patterns within the source;
 - iv. Location of unloading and transporting operations with pollution control equipment;
 - v. A detailed description of the best management practices utilized to achieve compliance with 35 Ill. Adm. Code 212 Subpart K, including an engineering specification of particulate collection equipment, application systems for water, oil, chemicals and dust suppressants utilized and equivalent methods utilized;

- vi. Estimated frequency of application of dust suppressants by location of materials; and
- vii. Such other information as may be necessary to facilitate the Illinois EPA's review of the operating program.
- g. Pursuant to 35 Ill. Adm. Code 212.321(a), no person shall cause or allow the emission of particulate matter into the atmosphere in any one hour period from any new process emission unit which, either alone or in combination with the emission of particulate matter from all other similar process emission units for which construction or modification commenced on or after April 14, 1972, at a source or premises, exceeds the allowable emission rates specified in subsection (c) of 35 Ill. Adm. Code 212.321.
- 3. Pursuant to 35 Ill. Adm. Code 214.301, no person shall cause or allow the emission of sulfur dioxide into the atmosphere from any process emission source to excess 2000 ppm.
- 4. Pursuant to 35 Ill. Adm. Code 218.301 no person shall cause or allow the discharge of more than 3.6 kg/hr (8 lbs/hr) of organic material into the atmosphere from any emission unit, unless such emissions are controlled by thermal incineration so as either to reduce such emissions to 10 ppm equivalent methane (molecular weight 16) or less, or to convert 85 percent of the hydrocarbons to carbon dioxide and water. The following exception applies: If no odor nuisance exists the limitation shall apply only to photochemically reactive material.
- 5a. 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. 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.
- b. 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 shall comply with 35 Ill. Adm. Code Part 205, by holding allotment trading units (ATUs) for its VOM emissions during each seasonal allotment period.
- 6a. Emissions and operation of the bread baking operations shall not exceed the following limits:

<u>Baked Goods Production</u>		<u>VOM Emissions</u>	
<u>Tons/Month</u>	<u>Tons/Year</u>	<u>Tons/Month</u>	<u>Tons/Year</u>
1,500	15,000	4.0	40.0

These limits are based on the maximum production capacity and standard emission factors (Section 9.9.6, AP-42, 5th Edition, Volume I, Supplement C, February 1997). VOM emissions shall be calculated using the following formula:

$$E = \Sigma(P_j \times EF_j) / 2,000$$

Where:

E = VOM emissions (ton);

P_j = Baked product j production (tons)

EF_j = Emission Factor for product j (pounds of VOM emissions per ton of baked product);

$$EF_j = 0.95Y_i + 0.195t_i - 0.51Y_s - 0.86t_s + 1.90$$

Where:

Y_i = Initial baker's percent of yeast (yeast percentage with a reference to flour in the dough);

t_i = Total fermentation time (hours);

Y_s = Secondary baker's percent of yeast (if applicable);

t_s = Fermentation Time for the Secondary Yeast (if applicable).

b. Operation and emissions of the fuel combustion equipment shall not exceed the following limits:

i. Natural Gas Usage: 6.5 mmscf/month, 65.0 mmscf/year

ii. Emissions from the combustion of natural gas:

<u>Pollutant</u>	<u>Emission Factor</u>	<u>Emissions</u>	
	<u>(lb/mmscf)</u>	<u>(ton/mo)</u>	<u>(ton/yr)</u>
Nitrogen Oxides (NO _x)	100	0.3	3.3
Carbon Monoxide (CO)	84	0.3	2.7
Volatile Organic Material (VOM)	5.5	0.02	0.2

These limits are based on the maximum production capacity and standard emission factors (Tables 1.4-1 and 1.4-2 of AP-42, Volume I, Fifth Edition, Supplement D, July 1998).

c. This permit is issued based on negligible emission of particulate matter from flour receiving and pneumatic transfer system. For this purpose emission shall not exceed nominal emission rates of 0.1 lb/hour and 0.44 ton/yr.

d. Compliance with the annual limits of this permit shall be determined on a monthly basis from the sum of the data for the current month plus the preceding 11 months (running 12 month total).

- 7a. The Permittee shall maintain records of the following items so as to demonstrate compliance with the conditions of this permit:
 - i. The names and amounts of products baked (tons/mo and tons/yr);
 - ii. Percentage of yeast (initial and second) of each product for each batch of product;
 - iii. Fermentation time (initial and spike) of each batch of product (hours);
 - iv. VOM emission factor (lb/ton) for each batch of product.
 - v. Natural gas consumption (mmscf/mo, mmscf/yr);
 - vi. Monthly and annual CO, NO_x, PM, and VOM emissions with supporting calculations (ton/mo, ton/yr);
- b. The Permittee shall maintain the following records to determine compliance with the 15 tons VOM/ozone season limitation specified in Condition 5(a):
 - i. Records of operating data and other information as specified in 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 this permit; and
 - iii. Total VOM emissions from the source, in tons, during each seasonal allotment period.
- c. All records and logs required by this permit shall be retained at a readily accessible location at the source for at least five (5) 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.
8. If there is an exceedance of or a deviation from 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 or deviation. 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 deviation and efforts to reduce emissions and future occurrences.

9. Two (2) copies of required reports and notifications shall be sent to:

Illinois Environmental Protection Illinois EPA
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 Illinois EPA
Division of Air Pollution Control - Regional Office
9511 West Harrison
Des Plaines, Illinois 60016

It should be noted that this permit has been revised to include process modification described in the Construction Permit 07090047.

It should also be noted that this permit has been revised to include a 15 tons VOM per ozone season limit so that the source is excluded 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 35 Ill. Adm. Code 205.300.

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

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

ECB:VJB:

cc: Illinois EPA, FOS Region 1
Lotus Notes

Attachment A - Emission Summary

This attachment provides a summary of the maximum emission from the Bread Bakery 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. This is production of 12,850 tons of bread per year. The resulting maximum emissions are below the levels (e.g., 100 tons per year of VOM) at which this source would be considered a major source for purposes of the Clean Air Act Permit Program. Actual emissions from this source will be less than predicted in this summary to the extent that material is handled, and control measures are more effective than required in this permit.

<u>Process</u>	E M I S S I O N S (tons/yr)			
	<u>VOM</u>	<u>NO_x</u>	<u>CO</u>	<u>PM</u>
Baking	40.0	--	--	--
Fuel Combustion	0.2	3.3	2.7	--
<u>Flour Handling</u>	--	--	--	<u>0.44</u>
Total	40.2	3.3	2.7	0.44

DES:VJB:

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 as specified in 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 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 shall immediately comply with 35 Ill. Adm. Code Part 205, including holding allotment trading units (ATUs) for its VOM emissions during the first seasonal allotment period it exceeds 15 tons and each seasonal allotment period, thereafter, pursuant to 35 Ill. Adm. Code 205.150(c).