

217/785-1705

FEDERALLY ENFORCEABLE STATE OPERATING PERMIT -- RENEWAL

PERMITTEE

Knead Dough Baking Company, Inc.  
Attn: Les Messina  
556 St. James Gate  
Bolingbrook, Illinois 60440

Application No.: 94100116

I.D. No.: 197415AAH

Applicant's Designation:

Date Received: November 23, 2010

Subject: Bread Bakery

Date Issued:

Expiration Date:

Location: 555 South Joliet Road, Bolingbrook, Will County

This permit is hereby granted to the above-designated Permittee to OPERATE emission source(s) and/or air pollution control equipment consisting of four (4) flour storage silos with pneumatic conveyor and five (5) scales controlled with baghouse; one (1) sifter with filter; five (5) mixers; four (4) baking lines with natural gas-fired ovens and pan cleaning stations controlled with cyclones/baghouse (Line #1 Baking Oven: 1.912 mmBtu/hour, Line #2 Tunnel Oven: 5.0 mmBtu/hour, and Rack Ovens #1, #2, & #3: 0.35 mmBtu/hour (each)); one (1) 0.35 mmBtu/hour natural gas-fired research and development rack oven; two (2) 8.37 mmBtu/hour natural gas fired boilers; and two (2) 2.5 mmBtu/hour natural gas-fired air make-up units 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 Volatile Organic Material (VOM) 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 establish federally enforceable Emission Reduction Market System (ERMS) provisions, including baseline emissions, allotment for each seasonal allotment period, identification of any units deemed to be insignificant activities for the purposes of the ERMS, emissions calculation methodologies, and provisions addressing all other applicable requirements of 35 Ill. Adm. Code Part 205, which are described in Attachment B.
- b. Prior to issuance, a draft of this permit has undergone a public notice and comment period.
- c. This permit supersedes all operating permit(s) for this location.

- 2a. Pursuant to 35 Ill. Adm. Code 212.123(a), 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 35 Ill. Adm. Code 212.122.
- b. Pursuant to 35 Ill. Adm. Code 212.123(b), the emission of smoke or other particulate matter from any such emission unit may have an opacity greater than 30 percent but not greater than 60 percent for a period or periods aggregating 8 minutes in any 60 minute period provided that such opaque emissions permitted during any 60 minute period provided that such opaque emissions permitted during any 60 minute period shall occur from only one such emission unit located within a 305 m (1000 ft) radius from the center point of any other such emission unit owned or operated by such person, and provided further that such opaque emissions permitted from each such emission unit shall be limited to 3 times in any 24 hour period.
- c. Pursuant to 35 Ill. Adm. Code 212.321(a), except as further provided in 35 Ill. Adm. Code Part 212, 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 35 Ill. Adm. Code 212.321(c).
3. Pursuant to 35 Ill. Adm. Code 214.301, except as further provided by 35 Ill. Adm. Code Part 214, no person shall cause or allow the emission of sulfur dioxide into the atmosphere from any process emission source to exceed 2000 ppm.
- 4a. Pursuant to 35 Ill. Adm. Code 218.187(a)(1), on and after January 1, 2012: Except as provided in 35 Ill. Adm. Code 218.187(a)(2), the requirements of 35 Ill. Adm. Code 218.187 shall apply to all cleaning operations that use organic materials at sources that emit a total of 226.8 kg per calendar month (500 lbs per calendar month) or more of VOM, in the absence of air pollution control equipment, from cleaning operations at the source other than cleaning operations identified in 35 Ill. Adm. Code 218.187(a)(2). For purposes of 35 Ill. Adm. Code 218.187, "cleaning operation" means the process of cleaning products, product components, tools, equipment, or general work areas during production, repair, maintenance, or servicing, including but not limited to spray gun cleaning, spray booth cleaning, large and small manufactured components cleaning, parts cleaning, equipment cleaning, line cleaning, floor cleaning, and tank cleaning, at sources with emission units;
- b. Pursuant to 35 Ill. Adm. Code 218.187(b), no owner or operator of a source subject to 35 Ill. Adm. Code 218.187, other than manufacturers of coatings, inks, adhesives, or resins, shall perform any cleaning operation subject to 35 Ill. Adm. Code 218.187 unless the owner or operator meets the requirements in 35 Ill. Adm. Code 218.187(b)(1),

(b) (2), or (b) (3). No owner or operator of a source that manufactures coatings, inks, adhesives, or resins shall perform any cleaning operation subject to this Section unless the owner or operator meets the requirements in at least one of the following subsections: 35 Ill. Adm. Code 218.187(b) (1), (b) (2), (b) (3), (b) (4), or (b) (5).

i. The VOM content of the as-used cleaning solutions does not exceed the following emissions limitations:

	<u>kg/l</u>	<u>lb/gal</u>
All other cleaning operations not subject to a specific limitation in 35 Ill. Adm. Code 218.187(b) (1) (A) through (b) (1) (D)	0.050	0.42

ii. The VOM composite vapor pressure of each as-used cleaning solution used does not exceed 8.0 mmHg measured at 20°C (68°F);

c. 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, except as provided in 35 Ill. Adm. Code 218.302, 218.303, or 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. This permit is issued based on the boilers at this source not being subject to the National Emission Standards for Hazardous Air Pollutants (NESHAP) for Industrial, Commercial, and Institutional Boilers Area Sources, 40 CFR 63 Subpart JJJJJJ. Pursuant to 40 CFR 63.11195(e), a gas-fired boiler as defined in 40 CFR 63 Subpart JJJJJJ is not subject to 40 CFR 63 Subpart JJJJJJ and to any requirements in 40 CFR 63 Subpart JJJJJJ.

6a. Pursuant to 35 Ill. Adm. Code 218.187(a) (2) (A) (i), notwithstanding 35 Ill. Adm. Code 218.187(a) (1) janitorial cleaning operations shall be exempt from the requirements of 35 Ill. Adm. Code 218.187(b), (c), (d), (e), (f), and (g).

b. This permit is issued based upon the baking ovens not being subject to the control requirements of 35 Ill. Adm. Code 218 Subpart TT (Other Emission Units). Pursuant to 35 Ill. Adm. Code 218.980(f), the control requirements in 35 Ill. Adm. Code 218 Subpart TT shall not apply to bakeries.

7a. Pursuant to 35 Ill. Adm. Code 218.187(c), the owner or operator of a subject source shall demonstrate compliance with 35 Ill. Adm. Code 218.187 by using the applicable test methods and procedures specified in 35 Ill. Adm. Code 218.187(g) and by complying with the recordkeeping and reporting requirements specified in 35 Ill. Adm. Code 218.187(e).

b. Pursuant to 35 Ill. Adm. Code 218.187(d), the owner or operator of a source subject to the requirements of 35 Ill. Adm. Code 218.187 shall comply with the following for each subject cleaning operation. Such

requirements are in addition to work practices set forth in 35 Ill. Adm. Code 218.187(b) (4) and (b) (5), as applicable:

- i. Cover open containers and properly cover and store applicators used to apply cleaning solvents;
  - ii. Minimize air circulation around the cleaning operation;
  - iii. Dispose of all used cleaning solutions, cleaning towels, and applicators used to apply cleaning solvents in closed containers;
  - iv. Utilize equipment practices that minimize emissions.
- 8a. In the event that the operation of this source results in an odor nuisance, the Permittee shall take appropriate and necessary actions to minimize odors, including but not limited to, changes in raw material or installation of controls, in order to eliminate the odor nuisance.
- b. The Permittee shall, in accordance with the manufacturer(s) and/or vendor(s) recommendations, perform periodic maintenance on the baghouse associated with the flour storage silos with pneumatic conveyor and the scales and the filter associated with the sifter such that the baghouse and filter are kept in proper working condition and not cause a violation of the Illinois Environmental Protection Act or regulations promulgated therein.
- c. The baking ovens shall only be operated with natural gas as the fuel. The use of any other fuel in any baking oven requires that the Permittee first obtain a construction permit from the Illinois EPA and then perform stack testing to verify compliance with all applicable requirements.
- 9a. Operation and VOM emissions from the baking ovens shall not exceed the following limits:

<u>Item of Equipment</u>	<u>VOM Emissions</u>	
	<u>Tons/Month</u>	<u>Tons/Year</u>
Baking Ovens #2, #4 and Research Oven	2.45	24.50
Baking Oven #1	2.45	24.50
Baking Oven #3	4.00	<u>40.00</u>
	Total:	<u>89.00</u>

These limits are based on the maximum production rates and maximum actual VOM emissions shall be calculated from the following equation:

$$E = \Sigma (P_i \times EF_i) / 2,000$$

Where:

E = VOM emissions (tons);

P<sub>i</sub> = Product i production rate (tons);

$EF_i$  = Product i Emission Factor (lb/ton);

Where:

Emissions Factor  $EF_i$  shall be calculated using the formula given by Section 9.9.6 of AP-42 (Fifth Edition, Volume I, Supplement C, February 1997):

$$EF = 0.95Y_i + 0.19t_i - 0.51Y_s - 0.86t_s + 1.90,$$

Where:

$EF$  = Emission Factor (pounds of VOM emissions per ton of baked product);

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

$t_i$  = Total fermentation time (hours);

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

$t_s$  = Fermentation Time for Second Yeast Percentage (if applicable).

b. Emissions and operation of the natural gas combustion units shall not exceed the following limits:

i. Natural Gas usage: 25 mmscf/month, 245 mmscf/year

ii. Emissions from the combustion of Natural Gas:

<u>Pollutant</u>	Emission	Emissions	
	<u>Factor</u> <u>(lb/mmscf)</u>	<u>(Tons/Mo)</u>	<u>(Tons/Yr)</u>
Carbon Monoxide (CO)	84	1.03	10.29
Nitrogen Oxide (NO <sub>x</sub> )	100	1.23	12.25
Particulate Matter (PM)	7.6	0.09	0.93
Sulfur Dioxide (SO <sub>2</sub> )	0.6	0.01	0.07
Volatile Organic Material (VOM)	5.5	0.07	0.67

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

c. This permit is issued based on negligible emissions of particulate matter from four flour storage silos, pneumatic conveyor and five scales (flour system baghouse); sifter (sifter filter); five mixers, three baking lines and pan cleaning stations (baking lines control system). For this purpose emissions from each system 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).
10. This permit is issued based on the Potential to Emit (PTE) for Hazardous Air Pollutants (HAPs) as listed in Section 112(b) of the Clean Air Act from this source being less than 10 tons/year of any single HAP and 25 tons/year of any combination of such HAPs. As a result, this permit is issued based on the emissions of all HAPs from this source not triggering the requirements to obtain a CAAPP Permit from the Illinois EPA.
- 11a. Pursuant to 35 Ill. Adm. Code 201.282, every emission source or air pollution control equipment shall be subject to the following testing requirements for the purpose of determining the nature and quantities of specified air contaminant emissions and for the purpose of determining ground level and ambient air concentrations of such air contaminants:
- i. Testing by Owner or Operator. The Illinois EPA may require the owner or operator of the emission source or air pollution control equipment to conduct such tests in accordance with procedures adopted by the Illinois EPA, at such reasonable times as may be specified by the Illinois EPA and at the expense of the owner or operator of the emission source or air pollution control equipment. The Illinois EPA may adopt procedures detailing methods of testing and formats for reporting results of testing. Such procedures and revisions thereto, shall not become effective until filed with the Secretary of State, as required by the APA Act. All such tests shall be made by or under the direction of a person qualified by training and/or experience in the field of air pollution testing. The Illinois EPA shall have the right to observe all aspects of such tests.
  - ii. Testing by the Illinois EPA. The Illinois EPA shall have the right to conduct such tests at any time at its own expense. Upon request of the Illinois EPA, the owner or operator of the emission source or air pollution control equipment shall provide, without charge to the Illinois EPA, necessary holes in stacks or ducts and other safe and proper testing facilities, including scaffolding, but excluding instruments and sensing devices, as may be necessary.
- b. Testing required by Conditions 12 and 13 shall be performed upon a written request from the Illinois EPA by a qualified independent testing service.
12. Pursuant to 35 Ill. Adm. Code 212.110(c), upon a written notification by the Illinois EPA, the owner or operator of a particulate matter emission unit subject to 35 Ill. Adm. Code Part 212 shall conduct the applicable testing for particulate matter emissions, opacity, or visible emissions at such person's own expense, to demonstrate compliance. Such test results shall be submitted to the Illinois EPA

within thirty (30) days after conducting the test unless an alternative time for submittal is agreed to by the Illinois EPA.

- 13a. Pursuant to 35 Ill. Adm. Code 218.187(g) (1), testing to demonstrate compliance with the requirements of 35 Ill. Adm. Code 218.187 shall be conducted by the owner or operator within 90 days after a request by the Illinois EPA, or as otherwise specified in 35 Ill. Adm. Code 218.187. Such testing shall be conducted at the expense of the owner or operator and the owner or operator shall notify the Illinois EPA in writing 30 days in advance of conducting the testing to allow the Illinois EPA to be present during the testing;
  - b. Pursuant to 35 Ill. Adm. Code 218.187(g) (2), testing to demonstrate compliance with the VOM content limitations in 35 Ill. Adm. Code 218.187(b) (1), and to determine the VOM content of cleaning solvents and cleaning solutions, shall be conducted as follows:
    - i. The applicable test methods and procedures specified in 35 Ill. Adm. Code 218.105(a) shall be used, provided, however, Method 24 shall be used to demonstrate compliance; or
    - ii. The manufacturer's specifications for VOM content for cleaning solvents may be used if such manufacturer's specifications are based on results of tests of the VOM content conducted in accordance with methods specified in 35 Ill. Adm. Code 218.105(a), however, Method 24 shall be used to determine compliance. In the event of any inconsistency between a Method 24 test and the manufacturer's specifications, the Method 24 test shall govern;
  - c. Pursuant to 35 Ill. Adm. Code 218.187(g) (3), testing to determine the VOM composite partial vapor pressure of cleaning solvents, cleaning solvent concentrates, and as-used cleaning solutions shall be conducted in accordance with the applicable methods and procedures specified in 35 Ill. Adm. Code 218.110;
14. 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.

15. Pursuant to 35 Ill. Adm. Code 212.110(e), the owner or operator of an emission unit subject to 35 Ill. Adm. Code Part 212 shall retain records of all tests which are performed. These records shall be retained for at least three (3) years after the date a test is performed.
- 16a. Pursuant to 35 Ill. Adm. Code 218.187(e)(1)(B), the owner or operator of a source exempt from the limitations of 35 Ill. Adm. Code 218.187 because of the criteria in 35 Ill. Adm. Code 218.187(a)(1) shall comply with the following: On and after January 1, 2012, collect and record the following information each month for each cleaning operation, other than cleaning operations identified in 35 Ill. Adm. Code 218.187(a)(2):
  - i. The name and identification of each VOM-containing cleaning solution as applied in each cleaning operation;
  - ii. The VOM content of each cleaning solution as applied in each cleaning operation;
  - iii. The weight of VOM per volume and the volume of each as-used cleaning solution; and
  - iv. The total monthly VOM emissions from cleaning operations at the source;
- b. Pursuant to 35 Ill. Adm. Code 218.187(e)(3), all sources complying with 35 Ill. Adm. Code 218.187 pursuant to the requirements of 35 Ill. Adm. Code 218.187(b)(1) shall collect and record the following information for each cleaning solution used:
  - i. For each cleaning solution which is prepared at the source with automatic equipment:
    - A. The name and identification of each cleaning solution;
    - B. The VOM content of each cleaning solvent in the cleaning solution;
    - C. Each change to the setting of the automatic equipment, with date, time, description of changes in the cleaning solution

- constituents (e.g., cleaning solvents), and a description of changes to the proportion of cleaning solvent and water (or other non-VOM);
  - D. The proportion of each cleaning solvent and water (or other non-VOM) used to prepare the as-used cleaning solution;
  - E. The VOM content of the as-used cleaning solution with supporting calculations; and
  - F. A calibration log for the automatic equipment, detailing periodic checks;
- ii. For each batch of cleaning solution which is not prepared at the source with automatic equipment:
- A. The name and identification of each cleaning solution;
  - B. Date, time of preparation, and each subsequent modification of the batch;
  - C. The VOM content of each cleaning solvent in the cleaning solution;
  - D. The total amount of each cleaning solvent and water (or other non-VOM) used to prepare the as-used cleaning solution; and
  - E. The VOM content of the as-used cleaning solution, with supporting calculations. For cleaning solutions that are not prepared at the site but are used as purchased, the manufacturer's specifications for VOM content may be used if such manufacturer's specifications are based on results of tests of the VOM content conducted in accordance with methods specified in 35 Ill. Adm. Code 218.105(a);
- c. Pursuant to 35 Ill. Adm. Code 218.187(e)(4), all sources complying with 35 Ill. Adm. Code 218.187 pursuant to the requirements of 35 Ill. Adm. Code 218.187(b)(2) shall collect and record the following information for each cleaning solution used:
- i. The name and identification of each cleaning solution;
  - ii. Date, time of preparation, and each subsequent modification of the batch;
  - iii. The molecular weight, density, and VOM composite partial vapor pressure of each cleaning solvent, as determined in accordance with the applicable methods and procedures specified in 35 Ill. Adm. Code 218.110;
  - iv. The total amount of each cleaning solvent used to prepare the as-used cleaning solution; and

- v. The VOM composite partial vapor pressure of each as-used cleaning solution, as determined in accordance with the applicable methods and procedures specified in 35 Ill. Adm. Code 218.110;
  - d. Pursuant to 35 Ill. Adm. Code 218.187(e)(10), all records required by 35 Ill. Adm. Code 218.187(e) shall be retained by the source for at least three years and shall be made available to the Illinois EPA upon request.
- 17a. The Permittee shall maintain records of the following items so as to demonstrate compliance with the conditions of this permit:
- i. Records addressing use of good operating practices for the baghouse associated with the flour storage silos with pneumatic conveyor and the scales and the filter associated with the sifter:
    - A. Records for periodic inspection of the baghouse associated with the flour storage silos with pneumatic conveyor and the scales and the filter associated with the sifter with date, individual performing the inspection, and nature of inspection; and
    - B. Records for prompt repair of defects, with identification and description of defect, effect on emissions, date identified, date repaired, and nature of repair.
  - ii. The names and amounts of products baked (tons/day, tons/month, tons/year);
  - iii. Baker's percent of yeast of each type of product (initial and second, wt.%);
  - iv. Fermentation time of each type of product (initial and second, hours);
  - v. VOM emission factor for each product with supporting calculations (lb/ton);
  - vi. Natural gas consumption ( $10^3$  therm/month,  $10^3$  therm/year); and
  - vii. Monthly and annual emissions of CO, NO<sub>x</sub>, PM, SO<sub>2</sub>, and VOM from the source, with supporting calculations (tons/month, tons/year);
- b. All records and logs required by this permit shall be retained at a easily 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 storage device) shall be capable of being retrieved and printed on paper during normal source office hours so as to be able to respond to the Illinois EPA or USEPA request for records during the course of a source inspection.

18. Pursuant to 35 Ill. Adm. Code 212.110(d), a person planning to conduct testing for particulate matter emissions to demonstrate compliance shall give written notice to the Illinois EPA of that intent. Such notification shall be given at least thirty (30) days prior to the initiation of the test unless a shorter period is agreed to by the Illinois EPA. Such notification shall state the specific test methods from 35 Ill. Adm. Code 212.110 that will be used.
- 19a. Pursuant to 35 Ill. Adm. Code 218.187(e) (1) (C), the owner or operator of a source exempt from the limitations of 35 Ill. Adm. Code 218.187 because of the criteria in 35 Ill. Adm. Code 218.187(a) (1) shall comply with the following: Notify the Illinois EPA of any record that shows that the combined emissions of VOM from cleaning operations at the source, other than cleaning operations identified in 35 Ill. Adm. Code 218.187(a) (2), ever equal or exceed 226.8 kg/month (500 lbs/month), in the absence of air pollution control equipment, within 30 days after the event occurs.
  - b. Pursuant to 35 Ill. Adm. Code 218.187(e) (2) (B), all sources subject to the requirements of 35 Ill. Adm. Code 218.187 shall at least 30 calendar days before changing the method of compliance between 35 Ill. Adm. Code 218.187(b) (1), (b) (2), (b) (4), or (b) (5) and 35 Ill. Adm. Code 218.187(b) (3), notify the Illinois EPA in writing of such change. Such notification shall include a demonstration of compliance with the newly applicable subsection;
  - c. Pursuant to 35 Ill. Adm. Code 218.187(e) (9), all sources subject to the requirements of 35 Ill. Adm. Code 218.187(b) and (d) shall notify the Illinois EPA of any violation of 35 Ill. Adm. Code 218.187(b) or (d) by providing a description of the violation and copies of records documenting the violation to the Illinois EPA within 30 days following the occurrence of the violation.
- 20a. 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 exceedances or deviation and efforts to reduce emissions and future occurrences.
  - b. 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)  
1340 North Ninth Street  
P.O. Box 19276  
Springfield, IL 62794-9276

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

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

It should be noted that this permit has been revised so as to include operation of the equipment described in Construction permit 12030050.

If you have any questions on this permit, please call David Hulskotter at 217/785-1705.

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

Date Signed: \_\_\_\_\_

ECB:DWH:

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 Agency 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 per year for 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>Emission Units</u>	E M I S S I O N S (Tons/Year)				
	<u>CO</u>	<u>NO<sub>x</sub></u>	<u>PM</u>	<u>SO<sub>2</sub></u>	<u>VOM</u>
Baking Ovens #2, #4					24.50
Baking Oven #1					24.50
Baking Oven #3					40.00
Natural Gas Combustion Units	10.29	12.25	0.93	0.07	0.67
Flour Storage, Transfer and Handling	--	--	<u>1.32</u>	--	--
Plant-Wide Total	10.29	12.25	2.25	0.07	89.67

ECB:DWH

Attachment B -- EMISSION 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 Clean Air Act.

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' 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 shall 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

This source is considered a "participating source" for purposes of the ERMS, 35 Ill. Adm. Code Part 205.

3. Obligation to Hold Allotment Trading Units (ATUs)

- a. Pursuant to 35 Ill. Adm. Code 205.150(c)(1) and 35 Ill. Adm. Code 205.720, and as further addressed by Condition 8 of this Attachment, as of December 31 of each year, this source shall hold ATUs in its account in an amount not less than the ATU equivalent of its VOM emissions during the preceding seasonal allotment period (May 1 - September 30), not including VOM emissions from the following, or the source shall be subject to "emissions excursion compensation," as described in Condition 5 of this Attachment.
    - i. VOM emissions from emission units that the Illinois EPA determines would qualify as insignificant activities under 35 Ill. Adm. Code 201.Subpart F if the source were a CAAPP source and for which a statement to this effect is contained in the FESOP for a participating or new participating source are exempt from the requirements of 35 Ill. Adm. Code Part 205, in accordance with 35 Ill. Adm. Code 205.220(b);
    - ii. Excess VOM emissions associated with startup, malfunction, or breakdown of an emission unit for sources permitted to operate during startup, malfunction or breakdown pursuant to 35 Ill. Adm. Code 201.262, in accordance with 35 Ill. Adm. Code 205.225;
    - iii. Excess VOM emissions to the extent allowed by a Variance, Consent Order, or Compliance Schedule, in accordance with 35 Ill. Adm. Code 205.320(e)(3);
    - iv. Excess VOM emissions that are a consequence of an emergency as approved by the Illinois EPA, pursuant to 35 Ill. Adm. Code 205.750; and
    - v. VOM emissions from certain new and modified emission units as addressed by Condition 8(b) of this Attachment, if applicable, in accordance with 35 Ill. Adm. Code 205.320(f).
  - b. Notwithstanding the above condition, in accordance with 35 Ill. Adm. Code 205.150(c)(2), if a source commences operation of a major modification, pursuant to 35 Ill. Adm. Code Part 203, the source shall hold ATUs in an amount not less than 1.3 times its seasonal VOM emissions attributable to such major modification during the seasonal allotment period, determined in accordance with the construction permit for such major modification or applicable provisions of this permit.
4. Market Transaction
- a. The source shall apply to the Illinois EPA for and obtain authorization for a Transaction Account prior to conducting any market transactions, as specified at 35 Ill. Adm. Code 205.610(a).

- b. The Permittee shall promptly submit to the Illinois EPA any revisions to the information submitted for its Transaction Account, pursuant to 35 Ill. Adm. Code 205.610(b).
- c. The source shall have at least one account officer designated for its Transaction Account, pursuant to 35 Ill. Adm. Code 205.620(a).
- d. Any transfer of ATUs to or from the source from another source or general participant must be authorized by a qualified Account Officer designated by the source and approved by the Illinois EPA, in accordance with 35 Ill. Adm. Code 205.620, and the transfer must be submitted to the Illinois EPA for entry into the Transaction Account database.

5. Emission Excursion Compensation

Pursuant to 35 Ill. Adm. Code 205.720, if the source fails to hold ATUs in accordance with Condition 3 of this Attachment, it shall provide emissions excursion compensation in accordance with the following:

- a. Upon receipt of an Excursion Compensation Notice issued by the Illinois EPA, the source shall purchase ATUs from the ACMA in the amount specified by the notice, as follows:
  - i. The purchase of ATUs shall be in an amount equivalent to 1.2 times the emissions excursion; or
  - ii. If the source had an emissions excursion for the seasonal allotment period immediately before the period for the present emissions excursion, the source shall purchase ATUs in an amount equivalent to 1.5 times the emissions excursion.
- b. If requested in accordance with paragraph (c) below or in the event that the ACMA balance is not adequate to cover the total emissions excursion amount, the Illinois EPA will deduct ATUs equivalent to the specified amount or any remaining portion thereof from the ATUs to be issued to the source for the next seasonal allotment period.
- c. Pursuant to 35 Ill. Adm. Code 205.720(c), within 15 days after receipt of an Excursion Compensation Notice, the owner or operator may request that ATUs equivalent to the amount specified be deducted from the source's next seasonal allotment by the Illinois EPA, rather than purchased from the ACMA.

6. Quantification of Seasonal VOM Emissions

- a. The methods and procedures specified in this permit for determining VOM emissions and compliance with VOM emission limitations shall be used for determining seasonal VOM emissions

for purposes of the ERMS, with the following exceptions [35 Ill. Adm. Code 205.315(b)]:

No exceptions

- b. The Permittee shall report emergency conditions at the source to the Illinois EPA, in accordance with 35 Ill. Adm. Code 205.750, if the Permittee intends to deduct VOM emissions in excess of the technology-based emission rates normally achieved that are attributable to the emergency from the source's seasonal VOM emissions for purposes of the ERMS. These reports shall include the information specified by 35 Ill. Adm. Code 205.750(a), and shall be submitted in accordance with the following:
    - i. An initial emergency conditions report within two days after the time when such excess emissions occurred due to the emergency; and
    - ii. A final emergency conditions report, if needed to supplement the initial report, within 10 days after the conclusion of the emergency.
7. Annual Account Reporting
- a. For each year in which the source is operational, the Permittee shall submit, as a component of its Annual Emissions Report, seasonal VOM emissions information to the Illinois EPA for the seasonal allotment period. This report shall include the following information [35 Ill. Adm. Code 205.300]:
    - i. Actual seasonal emissions of VOM from the source;
    - ii. A description of the methods and practices used to determine VOM emissions, as required by this permit, including any supporting documentation and calculations;
    - iii. A detailed description of any monitoring methods that differ from the methods specified in this permit, as provided in 35 Ill. Adm. Code 205.337;
    - iv. If a source has experienced an emergency, as provided in 35 Ill. Adm. Code 205.750, the report shall reference the associated emergency conditions report that has been approved by the Illinois EPA;
    - v. If a source's baseline emissions have been adjusted due to a Variance, Consent Order, or CAAPP permit Compliance Schedule, as provided for in 35 Ill. Adm. Code 205.320(e) (3), the report shall provide documentation quantifying the excess VOM emissions during the season that were allowed by the Variance, Consent Order, or Compliance Schedule, in accordance with 35 Ill. Adm. Code 205.320(e) (3); and

- vi. If a source is operating a new or modified emission unit for which three years of operational data is not yet available, as specified in 35 Ill. Adm. Code 205.320(f), the report shall specify seasonal VOM emissions attributable to the new emission unit or the modification of the emission unit.
  - b. This report shall be submitted by October 31 of each year, for the preceding seasonal allotment period.
8. Allotment of ATUs to the Source
- a.
    - i. The allotment of ATUs to this source is 97 ATUs per seasonal allotment period.
    - ii. This allotment of ATUs reflects the Illinois EPA's determination that the source's baseline emissions were 10.976 tons per season.  
  
This determination includes the use of 2003 as the baseline season, the first seasonal allotment period in which the source's emissions equaled or exceeded 10 tons, as specified by 35 Ill. Adm. Code 205.320(b).
    - iii. The source's allotment reflects 88% of the baseline emissions (12% reduction), except for the VOM emissions from specific emission units excluded from such reduction, pursuant to 35 Ill. Adm. Code 205.405, including units complying with MACT or using BAT, as identified in Condition 10 of this Attachment of this permit.
    - iv. ATUs will be issued to the source's Transaction Account by the Illinois EPA annually. These ATUs will be valid for the seasonal allotment period following issuance and, if not retired in this season, the next seasonal allotment period.
    - v. Condition 3(a) of this Attachment becomes effective beginning in the seasonal allotment period following the initial issuance of ATUs by the Illinois EPA into the Transaction Account for the source.
  - b. Contingent Allotments for New or Modified Emission Units  
  
None
  - c. Notwithstanding the above, part or all of the above ATUs will not be issued to the source in circumstances as set forth in 35 Ill. Adm. Code Part 205, including:
    - i. Transfer of ATUs by the source to another participant or the ACMA, in accordance with 35 Ill. Adm. Code 205.630;

- ii. Deduction of ATUs as a consequence of emissions excursion compensation, in accordance with 35 Ill. Adm. Code 205.720; and
- iii. Transfer of ATUs to the ACMA, as a consequence of shutdown of the source, in accordance with 35 Ill. Adm. Code 205.410.

9. Recordkeeping for ERMS

The Permittee shall maintain copies of the following documents as its Compliance Master File for purposes of the ERMS [35 Ill. Adm. Code 205.700(a)]:

- a. Seasonal component of the Annual Emissions Report;
- b. Information on actual VOM emissions, as recorded and as required by Condition 17(a) of this permit and Condition 6(a) of this Attachment; and
- c. Any transfer agreements for the purchase or sale of ATUs and other documentation associated with the transfer of ATUs.

10. Exclusions from Further Reductions

- a. VOM emissions from the following emission units shall be excluded from the VOM emissions reductions requirements specified in 35 Ill. Adm. Code 205.400(c) and (e) as long as such emission units continue to satisfy the following [35 Ill. Adm. Code 205.405(a)]:
  - i. Emission units that comply with any NESHAP or MACT standard promulgated pursuant to the Clean Air Act;
  - ii. Direct combustion emission units designed and used for comfort heating purposes, fuel combustion emission units, and internal combustion engines; and
  - iii. An emission unit for which a LAER demonstration has been approved by the Illinois EPA on or after November 15, 1990.

The source has demonstrated in its ERMS application and the Illinois EPA has determined that the following emission units qualify for exclusion from further reductions because they meet the criteria as indicated above [35 Ill. Adm. Code 205.405(a) and (c)]:

Fuel Combustion Emission Units

- b. VOM emissions from emission units using BAT for controlling VOM emissions shall not be subject to the VOM emissions reductions requirement specified in 35 Ill. Adm. Code 205.400(c) or (e) as

long as such emission unit continues to use such BAT [35 Ill. Adm. Code 205.405(b)].

The source has demonstrated in its ERMS application and the Illinois EPA has determined that the following emission units qualify for exclusion from further reductions because these emission units use BAT for controlling VOM emissions as indicated above [35 Ill. Adm. Code 205.405(b) and (c)]:

None