217/782-2113

FEDERALLY ENFORCEABLE STATE OPERATING PERMIT

PERMITTEE

Poli-Film America, Inc.
Attn: Michael Soares
One Elgiloy Drive
Hampshire, Illinois 60140

Application No.: 06060029 I.D. No.: 089809AAN
Applicant's Designation: Date Received: June 9, 2006
Subject: Industrial Coaters
Date Issued: Expiration Date:
Location: One Elgiloy Drive, Hampshire, Kane County, 60140

This permit is hereby granted to the above-designated Permittee to OPERATE emission unit(s) and/or air pollution control equipment consisting of three (3) coating machines (M-1, M-2 and M-3), one (1) preparation area (3 coating mixing stations) and natural gas-fired combustion equipment 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. This federally enforceable state operating permit (FESOP) is issued to limit the emissions of air pollutants from the source to less than major source thresholds (i.e., 100 tons/year for volatile organic material (VOM)). As a result, the source is excluded from the requirements 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 potential emissions of VOM from the source to less than 25 tons/year. As a result, the source is excluded from the requirement of 35 Ill. Adm. Code Part 205, Emission Reduction Market System. The maximum emissions of this source, as limited by the conditions of this permit, are described in Attachment A.

iii. To limit the emissions of VOM from the construction of new emission units and other modifications at the source, which occurred without first obtaining construction permit(s) between November 15, 1992 and June 15, 2005 (the period during which the Chicago area was classified as severe nonattainment for ozone), to less than 25 tons/year. As a result, the source is excluded from the requirements of 35 Ill. Adm. Code Part 203, Major Stationary Sources Construction and Modification.

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. 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 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), 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, no person shall cause or allow the emission of sulfur dioxide into the atmosphere from any process emission source to excess 2000 ppm.

4a. Pursuant to 35 Ill. Adm. Code 218.204(c), except as provided in 35 Ill. Adm. Code 218.205, 218.207, 218.208, 218.212, 218.215 and 218.216, no owner or operator of a coating line shall apply at any time any coating in which the VOM content exceeds the following emission limitations for Paper Coating. The following emission limitations are expressed in units of VOM per volume of coating (minus water and any compounds which are specifically exempted from the definition of VOM) as applied at each coating applicator, except where noted. Compounds which are specifically exempted from the definition of VOM should be treated as water for the purpose of calculating the “less water” part of the coating composition. Compliance with 35 Ill. Adm. Code 218 Subpart F must be demonstrated through the applicable coating analysis test methods and procedures specified in 35 Ill. Adm. Code 218.105(a) and the recordkeeping and reporting requirements specified in 35 Ill. Adm. Code 218.211(c) except where noted. The emission limitations are as follows:

	kg/l	lb/gal
Paper Coating	0.28	2.3

b. 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, or 218.304 and the following exception: If no odor nuisance exists the limitation of 35 Ill. Adm. Code 218 Subpart G shall only apply to photochemically reactive material.

5. This permit is issued based upon the source not being subject to the National Emission Standards for Hazardous Air Pollutants (NESHAP) for Coating of Paper and other Web Surface Coating Operations, 40 CFR 63 Subpart JJJJ because the source does not have a potential to emit to equal to or greater than 10 tons/year for any individual Hazardous Air Pollutant (HAP) or 25 tons/year of any combination of such HAPs.

6a. Pursuant to 35 Ill. Adm. Code 218.209, no owner or operator of a coating line subject to the limitations of 35 Ill. Adm. Code 218.204 is required to meet the limitations of 35 Ill. Adm. Code 218 Subpart G (35 Ill. Adm. Code 218.301 or 218.302), after the date by which the coating line is required to meet 35 Ill. Adm. Code 218.204.

b. Pursuant to 35 Ill. Adm. Code 218.920(d), no limits under 35 Ill. Adm. Code 218 Subpart PP (Miscellaneous Fabricated Product Manufacturing Processes) shall apply to emission units with emissions of VOM to the atmosphere less than or equal to 0.91 Mg (1.0 ton) per calendar year if the total emissions from such emission units not complying with 35 Ill. Adm. Code 218.926 does not exceed 4.5 Mg (5.0 tons) per calendar year, provided that this provision shall not apply to an emission unit which is a leather coating line or operation at a source where the criteria of 35 Ill. Adm. Code 218.920(a) are not met.

7. 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.

8a. Emissions of and operation of the three coating machines (M-1, M-2 and M-3) and the preparation area (mixing stations) shall not exceed the following limits:

VOM Emissions	
(Lbs/Day)	(Tons/Year)
163.33	24.50

These limits are based on the maximum material usage and the maximum VOM content of these materials.

i. Compliance with the limit in Condition 8(a) shall be determined from the use of the following equation:

$$E = \Sigma (R_i \times C_i)$$

Where:

E = VOM or HAP emissions (lbs);

R_i = Raw material usage including coatings, inks and solvents (gallons); and

C_i = VOM or HAP content of the raw materials (% by lbs/gallon).

ii. Compliance with the annual limits of Condition 8(a) shall be determined on a daily basis from the sum of the data for the current day plus the preceding 364 days (running 365 day total).

b. Operation and emissions of the natural gas-fired combustion units shall not exceed

i. Natural gas usage: 7.5 mmscf/month and 75 mmscf/year

ii. Emissions from the combustion of natural gas:

Pollutant	Emission Factor (lbs/mmscf)	Emissions (Tons/Month)	Emissions (Tons/Year)
Carbon Monoxide (CO)	84.0	0.32	3.15
Nitrogen Oxides (NO_x)	100.0	0.38	3.75
Particulate Matter (PM)	7.6	0.03	0.29
Sulfur Dioxide (SO_2)	0.6	0.01	0.02
Volatile Organic Material (VOM)	5.5	0.02	0.21

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

iii. Compliance with the annual limits of Condition 8(b) 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).

9. This permit is issued based on the Potential to Emit (PTE) for Hazardous Air Pollutants (HAP) as listed in Section 112(b) of the Clean Air Act from the 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 any HAP from this source not triggering the requirement to obtain a CAAPP permit from the Illinois EPA or the NESHAP for Coating of Paper and other Web Surface Coating Operations, 40 CFR 63 Subpart JJJJ.

10a. 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 11 and 12 shall be performed upon a written request from the Illinois EPA by a qualified independent testing service.

11. 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, pursuant to 35 Ill. Adm. Code 212.110(c).

12. Pursuant to 35 Ill. Adm. Code 218.211(a), the VOM content of each coating and the efficiency of each capture system and control device shall be determined by the applicable test methods and procedures specified in 35 Ill. Adm. Code 218.105 to establish the records required under 35 Ill. Adm. Code 218.211.

13. 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.

14a. 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.

b. Pursuant to 35 Ill. Adm. Code 218.211(c)(2), any owner or operator of a coating line subject to the limitations of 35 Ill. Adm. Code 218.204 other than 35 Ill. Adm. Code 218.204(a)(2) or (a)(3) and complying by means of 35 Ill. Adm. Code 218.204 shall collect and record all of the following information and maintain the information at the source for a period of three years:

i. The name and identification number of each coating as applied.

ii. The weight of VOM per volume and the volume of each coating (minus water and any compounds which are specifically exempted from the definition of VOM) as applied each day.

15a. The Permittee shall maintain records of the following items so as to demonstrate compliance with the Conditions of this permit:

i. Coating usage (gallons/day and gallons/year);

ii. Solvent usage (gallons/day and gallons/year);

iii. VOM and HAP contents of materials used (percent by weight);

iv. The densities of materials used (lbs/gallon);

v. Natural gas consumption (mmscf/month and mmscf/year);

vi. Daily and annual VOM emissions from the three coating machines (M-1, M-2 and M-3) and the preparation area (mixing stations) with supporting calculations (lbs/day and tons/year); and

vii. Monthly and annual emissions of CO, NO_x, PM, SO_2, VOM and HAPs (individual and combined) from the source with supporting calculations (tons/month and tons/year).

b. 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.

16. 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.

17a. Pursuant to 35 Ill. Adm. Code 218.211(c)(3), any owner or operator of a coating line subject to the limitations of 35 Ill. Adm. Code 218.204 of and complying by means of 35 Ill. Adm. 218.204 shall notify the Illinois EPA in the following instances:

i. Any record showing violation of 35 Ill. Adm. Code 218.204 shall be reported by sending a copy of such record to the Illinois EPA within 30 days following the occurrence of the violation.

ii. At least 30 calendar days before changing the method of compliance from 35 Ill. Adm. Code 218.204 to 35 Ill Adm. Code 218.205 or 35 Ill. Adm. Code 218.207, the owner or operator shall comply with all requirements of 35 Ill Adm. Code 218.211(d)(1) or (e)(1), respectively. Upon changing the method of compliance from 35 Ill. Adm. Code 218.204 to 35 Ill. Adm. Code 218.205 or 35 Ill. Adm. Code 218.207, the owner or operator shall comply with all requirements of 35 Ill. Adm. Code 218.211(d) or (e), respectively.

b. Pursuant to 35 Ill. Adm. Code 218.990, upon request by the Illinois EPA, the owner or operator of an emission unit which is exempt from the

requirements of 35 Ill. Adm. Code 218 Subparts PP, QQ, RR, TT or 35 Ill. Adm. Code 218.208(b) shall submit records to the Illinois EPA within 30 calendar days from the date of the request that document that the emission unit is exempt from those requirements.

18a. If there is an exceedance of or 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.

b. 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

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

Edwin C. Bakowski, P.E. Date Signed: _____
Manager, Permit Section
Division of Air Pollution Control

ECB:DWH:psj

cc: Illinois EPA, FOS Region 1
Lotus Notes

Attachment A - Emission Summary

This attachment provides a summary of the maximum emissions from the industrial coating plant 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 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 less material is handled, and control measures are more effective than required in this permit.

	E M I S S I O N S (Tons/Year)				
Emission Unit	CO	NO_x	PM	SO_2	VOM
3 Coating Machines	----	----	---	----	24.50
Natural Gas-Fired Combustion Equipment	3.15	3.75	0.29	0.02	0.21
Totals	3.15	3.75	0.29	0.02	24.71

DWH:psj