

217/782-2113

FEDERALLY ENFORCEABLE STATE OPERATING PERMIT -- REVISED

PERMITTEE

FPM

Attn: Michael Migala
1349 West Bryn Mawr Avenue
Itasca, Illinois 60143

Application No.: 02060055

I.D. No.: 043450AAC

Applicant's Designation:

Date Received: September 26, 2005

Subject: Metal Heat Treating

Date Issued: January 30, 2006

Expiration Date: April 23, 2008

Location: 1349 West Bryn Mawr Avenue, Itasca

This permit is hereby granted to the above-designated Permittee to OPERATE emission unit(s) and/or air pollution control equipment consisting of 3 heat treating lines with quench tanks, 2 endothermic generators, and quench oil storage tank (1,000-gallon) 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 combined emissions of air pollutants from two plants (FPM, located at 1349 West Bryn Mawr Avenue and ITW Buildex, located at 1349 and 1500 West Bryn Mawr Avenue, I.D. 043450AAA), which constitute a single source for the purpose of Clean Air Act Permit Program (CAAPP), to less than major source thresholds (i.e., 100 tons/year for volatile organic material (VOM), 10 tons/year for a single hazardous air pollutant (HAP) and 25 tons/year for totaled HAP). As a result, the source excluded from the requirement to obtain a CAAPP permit. The maximum emissions of the plants, as limited by the conditions of this permit are described in Attachment A. The source has elected to obtain separate permits for each location.
 - ii. To limit emissions of VOM from the source (both plants combined) 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, except reporting requirements of Section 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. 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 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.
3. Emissions and operation of natural gas combustion equipment shall not exceed the following limits:

Natural Gas Usage: 13 mmscf/month and 142 mmscf/year

<u>Pollutant</u>	<u>Emission Factor</u> (Lb/mmscf)	<u>Emissions</u>	
		(Tons/Mo)	(Tons/Yr)
Nitrogen Oxides (NO _x)	100	0.7	7.1
Carbon Monoxide (CO)	84	0.5	6.0
Particulate Matter (PM)	7.6	0.05	0.5
Volatile Organic Materials (VOM)	5.5	0.04	0.4

These limits are based on the maximum operating rate and standard AP-42 emission factors. Compliance with annual limits shall be determined from a running total of 12 months of data.

4. Quench oil usage and VOM emissions of the quenching operations shall not exceed 1.7 tons/month and 13.0 tons/year. For this purpose quench oil usage shall be determined as the amount of virgin quench oil added to the quench tanks minus the amount of quench oil shipped off site for recycling or disposal (less solids). Compliance with annual limits shall be determined from a running total of 12 months of data.
5. 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, pursuant to 35 Ill. Adm. Code 212.301.
6. In the event that the operation of this emission unit 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.
- 7a. The Permittee shall maintain monthly records of the following items:
 - i. Natural gas usage (mmscf/month and mmscf/year);

- ii. Quench oil usage (tons/month, tons/year) and certified amount of used quench oil sent off site (tons/month, tons/year); and
 - iii. Emissions of regulated pollutants and HAP with supporting calculations (tons/month, tons/year).
 - b. The Permittee shall maintain the following records to determine compliance with the 15 tons VOM/ozone season limitation specified in Condition 2:
 - 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 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.
- 8. All records and logs required by this permit shall be retained at a readily accessible location at the source for at least three 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.
- 9a. 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.
- 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.
- 10. Two (2) copies of required reports and notifications concerning equipment operation or repairs, performance testing or a continuous monitoring system 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 include quenching operations modification described in the construction permit 04070006 and to implement federally enforceable limitation on the seasonal emission of volatile organic materials.

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

Donald E. Sutton, P.E.
Manager, Permit Section
Division of Air Pollution Control

DES:VJB:psj

cc: Illinois EPA, FOS Region 1
Lotus Notes

Attachment A - Emission Summary

This attachment provides a summary of the maximum emissions from two plants, FPM and ITW Buildex, I.D. #043450AAA, 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, 10 tons per year of any single HAP, and 25 tons per year of any combination of HAPs 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.

<u>Emission Units</u>	E M I S S I O N S (TONS/YEAR)					
	<u>VOM</u>	<u>NO_x</u>	<u>CO</u>	<u>PM</u>	<u>HAPs</u>	
					<u>Single</u>	<u>Total</u>
Three Quenching Lines	13.0					
Fuel Combustion Equipment	0.4	7.1	6.0	0.5		
ITW Buildex, I.D. 043450AAA	<u>16.1</u>	<u>7.1</u>	<u>5.9</u>	<u>1.8</u>		
Plant-Wide Total	29.5	14.2	11.9	2.3	< 10	< 25

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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.

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