

217/782-2113

FEDERALLY ENFORCEABLE STATE OPERATING PERMIT

PERMITTEE

Action Athletic Equipment, Inc.  
Attn: Janet Higgins  
3144 - 21st Street  
Zion, Illinois 60099

Application No.: 01010020  
Applicant's Designation:  
Subject: Miscellaneous Manufacturing  
Date Issued:  
Location: 3144 - 21st Street, Zion

I.D. No.: 097200AAZ  
Date Received: October 27, 2006  
Expiration Date:

This permit is hereby granted to the above-designated Permittee to OPERATE emission unit(s) and/or air pollution control equipment consisting of large pad adhesive gluing operation, coating, mixing, large pad glossing operation, base coating operation, markings to pad, final coating line and a dip line to produce sporting and athletic goods 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), 10 tons/year for a single hazardous air pollutant (HAP) and 25 tons/year for totaled HAPs). As a result, the source is excluded from the 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 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 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. Pursuant to 35 Ill. Adm. Code 218.926(b)(1), every owner or operator of a plastic parts coating operation shall comply with the following requirement:

- i. The daily-weighted average VOM content shall not exceed 0.42 kg VOM/liter (3.5 lbs VOM/gallon) of coating as applied (minus water and any compounds which are specifically exempted from the definition of VOM) during any day. Owners and operators complying with this limitation are not required to comply with 35 Ill. Adm. Code 218.301.
- b. Pursuant to 35 Ill. Adm. Code 218.301, now 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.
- c. Pursuant to 35 Ill. Adm. Code 212.322, no person shall cause or allow the emission of particulate matter into the atmosphere in any one hour period from any process emission unit for which construction or modification commenced prior to April 14, 1972, which, either alone or in combination with the emission of particulate matter from all other similar process emission at a source or premises, exceeds the allowable emission rates specified in subsection (c) of 35 Ill. Adm. Code 212.322.
- 3a. This permit is issued based on the source not being subject to 40 CFR 63 Subpart PPPP Plastic Parts Coating due to this source being a synthetic minor source.
- b. This permit is issued based on the source not being subject to 40 CFR 63 Subpart HHHH Miscellaneous Coating Manufacturing due to the source mixing coatings in 55 gallon drums and the source not having equipment regulated by this Subpart.
- c. The coating mixing is not subject to 35 Ill. Adm. Code 218, Subpart PP, Miscellaneous Fabricated Product Manufacturing Processes, pursuant to 218.920(d), which states no limits under Subpart PP shall apply to affected coating mixing provided emissions of VOM to the atmosphere are 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 218.926 does not exceed 4.5 Mg (5.0 tons) per calendar year.
- d. The gluing operation is not subject to 35 Ill. Adm. Code 218, Subpart PP, Miscellaneous Fabricated Product Manufacturing Processes, pursuant to 218.920(d), which states no limits under Subpart PP shall apply to affected gluing operation provided emissions of VOM to the atmosphere are 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 218.926 does not exceed 4.5 Mg (5.0 tons) per calendar year.
- 4a. Emissions from the Final Coating Line shall not exceed the following limits:

<u>(Lbs/Month)</u>	VOM Emissions	<u>(Tons/Year)</u>
6,303		24.9

These limits are based on the maximum operating hours, maximum VOM content, and material usage.

- b. The emissions of VOM from the coating mixing shall not exceed 1.0 ton/year.
- c. The emissions of VOM from the gluing operation shall not exceed 1.0 tons/year.

Note: The sum of VOM emissions from affected gluing operation and from affected coating mixing shall not exceed 4.5 Mg (5.0 tons) per calendar year.

- d. Total VOM coating emissions plant wide shall not exceed the following limits:

<u>(Lbs/Month)</u>	VOM Emissions	<u>(Tons/Year)</u>
12,700		50.80

These limits are based on maximum operation, maximum VOM content, and material usage.

- e. Compliance of the coatings with the monthly and annual VOM emission limitations shall be based on the recordkeeping requirements and use of the formulas listed below:

- i. Emissions from Coating Operation (E1) = Actual Coating Usage (gallon) x Coating Density (lbs/gallon) x VOM Content of the Coating (weight %);
- ii. Emissions from Cleanup Operation (E2) = Actual Clean-Up Solvent Usage (gallon) x Solvent Density (lbs/gallon) x VOM content of the Clean-Up Solvent (weight %);
- iii. Emissions from Recycled Solvent (E3) = Recycled Solvent Usage (gallon) x Solvent Density (lbs/gallon) x VOM Content of the Recycled Solvent (weight %); and
- iv. Total VOM Emissions = E1 + E2 - E3

- f. The emissions of Hazardous Air Pollutants (HAPs) as listed in Section 112(b) of the Clean Air Act shall not equal or exceed 10 tons per year of any single HAP or 25 tons per year of any combination of such HAPs, or such lesser quantity as USEPA may establish in rule which would

require the Permittee to obtain a CAAPP permit from the Illinois EPA. As a result of this condition, 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.

- g. 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).
5. Pursuant to 35 Ill. Adm. Code 218.928(a), when in the option of the Illinois EPA it is necessary to conduct testing to demonstrate compliance with Section 281.926, the owner or operator of a VOM emission unit subject to the requirements of this Subpart shall, at his own expense, conduct such test in accordance with the applicable test methods and procedures specified in Section 218.105.
6. 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.
7. The Permittee shall maintain records of the following items so as to demonstrate compliance with the Conditions of this permit
  - a. The name and identification number of each coating and cleaning solvent as applied;

- b. The usage of each coating and cleaning solvent in units of gallons/month;
  - c. The weight of VOM per volume of each coating (minus water and any compounds which are specifically exempted from the definition of VOM) as applied;
  - d. The daily-weighted average VOM content of all coatings as applied;
  - e. The aggregate monthly and annual VOM emissions from the coating operations based on the coating and cleaning solution usage and VOM content, and with supporting calculations;
  - f. If credit is desired for VOM emissions from waste materials, aggregate records of materials disposed of or recycled shall be maintained for all coatings, cleaning solvents, and any other VOM containing material use on the affected base coating operation on a monthly basis;
  - g. Density of each coating and clean-up solvent (lbs/gallon);
  - h. VOM content of each clean-up solvent (lbs/gallon; and
  - i. Records of any testing of VOM and HAP content (in weight %) of coatings and cleaning solvents, which include the following [Section 39.5(7)(e) of the Act]:
    - i. Identification of material tested;
    - ii. Results of analysis;
    - iii. Documentation of analysis methodology; and
    - iv. Person performing analysis.
8. 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.
9. Pursuant to 35 Ill. Adm. Code 218.991(a)(3), any owner or operator of a coating line which is subject to the requirements of 35 Ill. Adm. Code 218 Subpart TT and comply by means of the daily-weighted average VOM content limitation shall notify the Illinois EPA in the following instances:

- i. Of a violation of the requirements of 35 Ill. Adm. Code 218 Subpart TT by sending a copy of any record showing a violation 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 with 35 Ill. Adm. Code 218 Subpart PP from the use of complying coatings to the use of capture systems and control devices, the owner or operator shall comply with all requirements of 35 Ill. Adm. Code 218.991(a)(1). Upon changing the method of compliance with 35 Ill. Adm. Code 218 Subpart PP from the use of complying coatings to the use of capture systems and control devices, the owner or operator shall comply with all requirements of 35 Ill. Adm. Code 218.991(a).
10. 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/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.
11. 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
12. Compliance of each coating with daily-weighted average VOM limitation of 35 Ill. Adm. Code 218.926(b)(1) shall be based on the recordkeeping requirements and by the use of the following equation, as defined in 35 Ill. Adm. Code 211.1670:

$$VOM_w = \left[ \sum_{i=1}^n V_i C_i \right] / V_T$$

Where:

- $VOM_w$  = The average VOM content of two or more coatings as applied each day on the coating line in units of kg VOM/liter (lb VOM/gallon) of coating (minus water and any compounds which are specifically exempted from the definition of VOM);
- $n$  = The number of different coatings as applied each day on the coating line;
- $V_i$  = The volume of each coating (minus water and any compounds which are specifically exempted from the definition of VOM) as applied each day on the coating line in units of liter (gallon);
- $C_i$  = The VOM content of each coating as applied each day on the coating line in units of kg VOM/liter (lb VOM/gallon) of coating (minus water and any compounds which are specifically exempted from the definition of VOM); and
- $V_T$  = The total volume of all coatings (minus water and any compounds which are specifically exempted from the definition of VOM) as applied each day on the coating line.

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

Edwin C. Bakowski, P.E.  
Acting 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 printing 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, 10 tons per year for a single HAP, and 25 tons per year for totaled 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 Unit</u>	E M I S S I O N S (Tons/Year)		
	<u>VOM</u>	<u>Single HAP</u>	<u>Total HAPs</u>
Totals	50.80	< 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' FESOP or 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. 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 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, which may be 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 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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