

217/782-2113

FEDERALLY ENFORCEABLE STATE OPERATING PERMIT -- REVISED

PERMITTEE

Tredegar Film Products - Lake Zurich, Inc.
Attn: Harry K. Makridakis
351 North Oakwood Road
Lake Zurich, Illinois 60047

Application No.: 91020100

I.D. No.: 097085ABE

Applicant's Designation:

Date Received: September 8, 2008

Subject: Plastic Film Mfg.

Date Issued:

Expiration Date:

Location: 351 North Oakwood Road, Lake Zurich, Lake County

This permit is hereby granted to the above-designated Permittee to OPERATE emission source(s) and/or air pollution control equipment consisting of blown film, cast film manufacturing process and extraflex film manufacturing processes and wipe cleaning operations. Each process consists of extruders, resin transport systems with baghouse filters, resin blending units with filters, and regrinders pursuant to the above-referenced application. This Permit is subject to standard conditions attached hereto and the following special condition(s):

- 1a. This federally enforceable state operating permit is issued:
 - i. To limit the emissions of air pollutants from the source to less than major source thresholds (i.e., 100 tons/year for 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 establish federally enforceable production and operating limitations, which restrict the potential to emit for VOM to less than 25 tons per year so that the source is not subject to the requirements of 35 Ill. Adm. Code Part 218 Subpart TT (Other Emission Units).
- b. Prior to issuance, a draft of this permit has undergone a public notice and comment period.
- c. This permit supersedes all operating permits for this location.
- 2a. This permit is issued based on this source not being a participating source in the Emissions Reduction Market System (ERMS), 35 Ill. Adm. Code Part 205, pursuant to 35 Ill. Adm. Code 205.200. This is based on the source's actual volatile organic material (VOM) emissions during the seasonal allotment period from May 1 through September 30 of each

year being less than 10 tons and the source's baseline emissions also being less than 10 tons.

- b. The Permittee shall maintain the following records to allow the confirmation of actual VOM emissions during the seasonal allotment period:
 - i. Records of operating data and other information for each individual emission unit or group of related emission units at the source, 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 that may be specified in this permit; and
 - iii. Total VOM emissions from the source, in tons, during each seasonal allotment period, which shall be compiled by November 30 of each year.
- c. In the event that the source's VOM emissions during the seasonal allotment period equal or exceed 10 tons, the source shall become a participating source in the ERMS and shall comply with 35 Ill. Adm. Code Part 205, by holding allotment trading units (ATUs) for its VOM emissions during each seasonal allotment period, unless the source obtains exemption from the ERMS by operating with seasonal VOM emissions of no more than 15 tons pursuant to a limitation applied for and established in a Clean Air Act Permit Program (CAAPP) permit or a Federally Enforceable State Operating Permit (FESOP).
- d. Pursuant to 35 Ill. Adm. Code 205.316(a), any participating or new participating source shall not operate without a CAAPP permit or FESOP. Pursuant to 35 Ill. Adm. Code 205.316(a)(2), if a participating or new participating source does not have a CAAPP permit containing ERMS provisions and the source elects to obtain a permit other than a CAAPP permit, the source shall apply for and obtain a FESOP that contains, in addition to other necessary provisions, federally enforceable ERMS provisions, including baseline emissions, allotment for each seasonal allotment period, identification of any units deemed to be insignificant activities for purposes of the ERMS, emissions calculation methodologies, and provisions addressing all other applicable requirements of 35 Ill. Adm. Code Part 205.
- 3a. No person shall cause or allow the emission of smoke or other particulate matter, with an opacity greater than 30 percent, into the atmosphere from any emission unit other than those emission units subject to the requirements of 35 Ill. Adm. Code 212.122, pursuant to 35 Ill. Adm. Code 212.123(a), except as allowed by 35 Ill. Adm. Code 212.123(b) and 212.124.
- b. No person shall cause or allow any visible emissions of fugitive particulate matter from any process, including any material handling or

storage activity beyond the property line of the emission source unless the wind speed is greater than 40.2 kilometers per hour (25 miles per hour), pursuant to 35 Ill. Adm. Code 212.301 and 212.314.

- c. Pursuant to 35 Ill. Adm. Code 212.321(a), no person shall cause or allow the emission of particulate matter into the atmosphere in any one hour period from any new process emission unit which, either alone or in combination with the emission of particulate matter from all other similar process emission units for which construction or modification commenced on or after April 14, 1972, at a source or premises, exceeds the allowable emission rates specified in subsection (c) of 35 Ill. Adm. Code 212.321.
- 4. 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.
- 5a. 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, 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.
- b. 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 nuisance.
- 6. Emissions and operation of blown film manufacturing process shall not exceed the following limits:

Polypropylene/Polyethylene Pellet Usage		VOM Emissions	
<u>(Tons/Month)</u>	<u>(Tons/Year)</u>	<u>(Tons/Month)</u>	<u>(Tons/Year)</u>
2,500	25,000	0.7	7.0

These limits are based on maximum material usage and an emission factor of 0.56 lb VOM/ton of material usage as established by the Permittee.

- 7. Emissions and operation of cast film manufacturing and twilfit cast line processes shall not exceed the following limits:

<u>Material</u>	Material Usage		VOM Emissions		
	<u>(Tons/Mo)</u>	<u>(Tons/Yr)</u>	<u>(lb/Ton)</u>	<u>(Ton/Mo)</u>	<u>(Tons/Yr)</u>
Polypropylene/Polyethylene Pellet	3,200	32,000	0.56	0.9	9.0
Polyolefins Styrene Copolymers	1,500	15,000	0.60	0.5	4.5
				Total:	<u>14.6</u>

These limits are based on maximum material usage and emission factors established by the Permittee. Compliance with the annual limits of this condition shall be determined from a running total of 12 months of data.

8. Emissions and operation of extraflex film manufacturing process shall not exceed the following limits:

Polypropylene/Polyethylene Pellet Usage		VOM Emissions	
<u>(Tons/Month)</u>	<u>(Tons/Year)</u>	<u>(Tons/Month)</u>	<u>(Tons/Year)</u>
1,000	10,000	0.28	2.8

These limits are based on maximum material usage and an emission factor of 0.56 lb VOM/ton of material usage as established by the Permittee.

- 9a. Emissions and operation of all fuel combustion emission sources shall not exceed the following limits:

<u>Material</u>	<u>(mmscf/Mo)</u>	<u>(mmscf/Yr)</u>	<u>Pollutant</u>	<u>Emission</u>	<u>Emissions</u>	
				<u>Factor</u>	<u>(T/Mo)</u>	<u>(T/Yr)</u>
Natural Gas	10	100	NO _x	100	0.5	5.0
			CO	84	0.42	4.2
			PM	7.6	0.1	0.4
			VOM	5.5	0.1	0.3

These limits define the potential emissions of NO_x, CO, PM and VOM and are based on maximum fuel usage and standard emission factors.

- b. Natural gas shall be the only fuel used in all the fuel combustion emission sources. Use of any fuel other than natural gas requires a permit revision.
10. Emissions of volatile organic material (VOM) and operation of the wipe cleaning process shall not exceed the following limits:

Solvent Usage		VOM Content	VOM Emissions	
<u>(Gallons/Mo)</u>	<u>(Gallons/Year)</u>	<u>(Lbs/Gallon)</u>	<u>(Tons/Month)</u>	<u>(Tons/Year)</u>
40	400	6.51	0.13	1.3

These limits define the potential emissions of VOM and are based on maximum material usages, maximum VOM content, and limits as requested by the company. Pursuant to 35 Ill. Adm. Code 218.980(b)(1)(B), the applicability of 35 Ill. Adm. Code 218 Subpart TT does not include VOM emissions from clean-up solvents operations.

11. The emissions of Hazardous Air Pollutants (HAP) as listed in Section 112(b) of the Clean Air Act from this source shall not exceed 0.9 tons/month and 9.0 tons/year of any single HAP and 2.25 tons/month and 22.5 tons/year of any combination of such HAPs. As a result of this condition, this permit is issued based on the emissions of any HAP from this source not triggering the requirements to obtain a CAAPP permit from the Illinois EPA, and Section 112(g) of the Clean Air Act.
12. This permit is issued based on negligible emissions of particulate matter from the blown film, cast film, and extraflex film processes. For this purpose emissions from each emission source, shall not exceed nominal emission rates of 0.1 lb/hour and 0.44 tons/year.

13. 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).
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.
- 15a. The Permittee shall maintain records of the following items so as to demonstrate compliance with the conditions of this permit:
 - i. Polyethylene/polypropylene and other plastic resin usage in the blown film manufacturing process and the extraflex film manufacturing process (tons/month and tons/year);
 - ii. Polypropylene/polyethylene pellet and polyolefins styrene copolymers usage in the cast film manufacturing and twilfit cast line processes (ton/mo and tons/year);
 - iii. Amount of solvent used in the wipe cleaning process (gallons/month and gallons/year);
 - iv. VOM content of the solvent used in the wipe cleaning process (lbs/gallon);

- v. Records which indicate the VOM emission factor development and an explanation showing why the emission would be representative of these processes;
 - vi. Material Safety Data Sheets (MSDS) for each VOM and HAP containing material;
 - vii. Maintenance records of all control equipment;
 - viii. Natural gas consumption (mmft³/month and mmft³/year);
 - ix. Monthly and annual VOM emissions from the cast film manufacturing and twilfit cast line processes with supporting calculations (ton/day and tons/year); and
 - x. Monthly and annual CO, NO_x, PM, VOM, and HAP emissions 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 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.
- 17a If there is an exceedance of or a deviation from the requirements of this permit as determined by the records required by this permit, the Permittee shall submit a report to the Illinois EPA's Compliance Section in Springfield, Illinois within 30 days after the exceedance or deviation. The report shall include the emissions released in accordance with the recordkeeping requirements, a copy of the relevant records, and a description of the exceedance or deviation and efforts to reduce emissions and future occurrences.
- 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 Illinois EPA
Division of Air Pollution Control
9511 West Harrison
Des Plaines, Illinois 60016

It should be noted that this permit has been revised to change decrease emissions and usage of in Polypropylene/polyethylene pellet and increase usage and emissions in Polyolefins Styrene Copolymers in the cast film manufacturing process.

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

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

Date Signed: _____

ECB:JRS:jws

cc: Illinois EPA, FOS Region 1
Lotus Notes

Attachment A - Emissions Summary

This attachment provides a summary of the maximum emissions from the plastic film manufacturing 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 well below the levels (e.g., 100 tons/year of VOM, 10 tons/year of single HAP and 25 tons/year for any combination of such HAPs) at which this source would be considered a major source for purposes of the Clean Air Act Permit Program.

<u>Equipment</u>	<u>NO_x</u> <u>(T/Yr)</u>	<u>CO</u> <u>(T/Yr)</u>	<u>PM</u> <u>(T/Yr)</u>	<u>VOM</u> <u>(T/Yr)</u>	<u>HAPs</u>	
					<u>Combined</u> <u>(T/Yr)</u>	<u>Single</u> <u>(T/Yr)</u>
Blown Film Manufacturing	----	----	----	7.0	----	----
Cast Film Manufacturing	----	----	----	13.5	----	----
Extraflex Film Manufacturing	----	----	----	2.8	----	----
Wipe Cleaning Process	----	---	---	1.3	----	----
Natural Gas	<u>5.0</u>	<u>4.2</u>	<u>0.4</u>	<u>0.3</u>	----	----
Totals:	5.0	4.2	0.4	24.9	9.0	22.5

ECB:JRS:jws