

217/782-2113

CONSTRUCTION PERMIT - NSPS SOURCE

PERMITTEE

Corn Products Argo Plant
Attn: Mark Bosse
6400 South Archer Avenue
Bedford Park, Illinois 60501

Application No.: 02020023

I.D. No.: 031012ABI

Applicants Designation:

Date Received: February 7, 2002

Subject: Natural Gas Boilers

Date Issued: October 15, 2002

Location: 6400 South Archer Avenue, Bedford Park

Permit is hereby granted to the above-designated Permittee to CONSTRUCT emission unit(s) and/or air pollution control equipment consisting of three natural gas fired package boilers (Boilers #7, #8, and #9), which will replace existing coal-fired boilers (Boilers #1, #2, and #3) and two existing natural gas fired boilers (Boilers #4 and #5), and ancillary equipment as described in the above referenced application and summarized in Attachment A. This Permit is granted based upon and subject to the findings and special conditions that follow:

- 1a. Each boiler (Boiler #7, #8 and #9) is subject to the New Source Performance Standard (NSPS) for Industrial-Commercial-Institutional Steam Generating Units, 40 CFR 60, Subpart A and Db. The Illinois EPA is administrating NSPS in Illinois on behalf of the United States EPA under a delegation agreement.

The emission of NO_x into the atmosphere from each boiler shall not exceed 0.1 lb/mmBtu as applicable for low heat release boiler. [40 CFR 60.44b(a)(1)(i)]
- b. At all times, the Permittee shall maintain and operate the boilers in a manner consistent with good air pollution control practice for minimizing emissions, pursuant to the NSPS, 40 CFR 60.11(d).
- 2a. The emission of smoke or other particulate matter from each boiler shall not have an opacity greater than 20 percent, pursuant to 35 IAC 212.122(a), except as allowed by 35 IAC 212.122(b) and (c).
- b. The emission of carbon monoxide (CO) into the atmosphere from each boiler shall not exceed 200 ppm, corrected to 50 percent excess air. [35 IAC 216.121]
3. The Permittee is authorized to operate the boilers in excess of the applicable limit of 35 IAC 216.121 during startup pursuant to 35 IAC 201.262 as the Permittee has affirmatively demonstrated that all reasonable efforts have been made to minimize startup emissions, duration of individual starts, and frequency of startups. This authorization is subject to the following. These requirements may be reviewed and revised by the Illinois EPA during processing of future permits for the boilers.

- a. The Permittee shall minimize startup emissions, the duration of startups and minimize the frequency of startups, by implementing any established startup procedures, which may include insuring a proper air-fuel ratio during startup and proper maintenance of each boiler.
- b. Each boiler shall be operated in a manner consistent with good air pollution control practice to minimize emissions of CO during startup. Permittee may incorporate the manufacturer's written instructions for operation and maintenance of the boiler. The Permittee shall review these procedures at least annually and shall enhance them as necessary to be consistent with good air pollution control practice based on actual operating experience and performance of the boilers.
- 4a.
 - i. Natural gas shall be the only commercial fuel fired in each boiler.
 - ii. The Permittee shall obtain approval from the Illinois EPA prior to firing any fuel other than natural gas in the boilers.
- b.
 - i. The boilers shall each be equipped, operated, and maintained with low NO_x combustors for natural gas firing and flue gas recirculation or other combustion modification technique to control NO_x emissions.
 - ii. Each boiler shall be designed to accommodate an oxidation catalyst system and such a system shall be constructed unless the Permittee obtains a performance guarantee from the boiler suppliers that their VOM emission will not exceed 2.2 lbs/hour and CO emissions will not exceed 14.6 lbs/hour. In such case, the Permittee shall provide a copy of such guarantee to the Illinois EPA prior to starting construction of the boiler. If this guarantee reflects construction of smaller boilers than described in the application, the rated heat input capacity of the boilers shall not exceed that in the performance guarantee.
- c. Natural gas usage in each boiler shall not exceed 450 million scf/month and 5,256 million scf/year.
- d. At all times the Permittee shall, to the extent practicable, maintain and operate the boilers in a manner consistent with good air pollution control practice for minimizing emissions.
- 5. Emissions from the boilers shall not exceed the following limits; the hourly limits do not apply during the startup and shutdown.

	<u>Each Boiler</u> <u>(Lbs/Hour)</u>	<u>Each Boiler</u> <u>(Tons/Year)</u>	<u>Total</u> <u>(Tons/Year)</u>
NO _x	60.00	263.0	789.0
CO	16.20	71.0	213.0

	<u>Each Boiler</u> <u>(Lbs/Hour)</u>	<u>Each Boiler</u> <u>(Tons/Year)</u>	<u>Total</u> <u>(Tons/Year)</u>
SO ₂	1.68	7.4	22.1
VOM	2.40	10.5	31.6
PM	6.00	26.3	78.9
H ₂ SO ₄	2.57	11.3	33.9

These limits are based on data in the application, including the maximum firing rate of each boiler (600 mmBtu/hr), and design emission data, e.g., a NO_x emission rate of 0.10 lb NO_x /mmBtu. Annual limits reflect continuous operation (8760 hr/yr).

6. The emissions of hazardous air pollutants (HAP) as listed in Section 112(b) of the Clean Air Act shall be less than 10 tons/year of any single HAP and 25 tons/year of any combined of such HAPs. As a result of this condition, this permit is issued based on the emissions of all HAPs from this source not triggering the requirements to obtain approval Section 112(g) of the Clean Air Act.
7. Compliance with annual limits set by this permit shall be determined from a running total of 12 months of data.
- 8a. This permit is issued based on the new boilers being budget units that are subject to the NO_x Trading Program (NO_x Control and Trading Program for Specified NO_x Generating Units, 35 IAC Part 217, Subpart U).
- b. The Permittee shall comply with the applicable requirements of the NO_x Trading Program, as specified in Attachment B.
- c.
 - i. For these boilers, Attachment B is the Budget Permit required by the NO_x Trading Program and is intended to contain federally enforceable conditions addressing all applicable NO_x Trading Program requirements. The Budget Permit also addresses the Permittee's existing boilers.
 - ii. This Budget Permit shall not be effective and shall not be considered to be issued until the Illinois EPA and USEPA have received a complete account certificate of representation under 40 CFR 96, Subpart B, for an account representative of the source and each of these boilers.
 - iii. This Budget Permit shall be treated as a complete and segregable portion of this permit, as provided by 35 IAC 217.458(b)(3) and is subject to revision and renewal as part of the processing of the Clean Air Act Permit Program (CAAPP) permit for the source.
- d. Coordination of the NO_x Monitoring Requirements for the Existing Boilers with the Natural Gas-fired Boiler Project
 - i. Unless the Permittee commences construction of this project by April 15, 2003 in accordance with a construction schedule that

provides for completion of the project and shutdown of existing coal-fired boilers 1, 2 and 3 and gas-fired boilers 4 and 5 by May 30, 2004, the Permittee shall proceed to install and operate a continuous NO_x emissions monitoring system in accordance with 40 CFR Part 96, as required by the NO_x Trading Program, on each such boiler that will not be shutdown by May 30, 2004. The Permittee shall only remove this monitoring system from the boiler after the boiler is permanently shutdown.

- ii. With the notice of commencement of construction for this project provided to the Illinois EPA in accordance with 40 CFR 60.8(c), the Permittee shall submit a copy of the construction schedule for the project, including the dates that each new boiler will initially start up and each existing boiler will be shutdown. Thereafter, the Permittee shall promptly submit to the Illinois EPA, a copy of any revision to the construction schedule that would delay the dates for startup of the new boilers or shutdown of the existing boilers.
- iii. If the Permittee determines after April 15, 2003 that it will be unable to permanently shutdown any or all existing boilers 1, 2, 3, 4, and 5 by May 30, 2004, it shall immediately notify the Illinois EPA and USEPA. It shall then proceed expeditiously to install and operate a continuous emission monitoring system in accordance with 40 CFR Part 96 on such boilers so as to be able to fully comply with the requirements of the NO_x Trading Program beginning on May 31, 2004. Thereafter, once NO_x monitoring system has been installed on an existing boiler, the Permittee shall only remove the monitoring system after it has permanently shutdown the boiler and provided notice to the Illinois EPA and USEPA of such shutdown.
- iv. Nothing in these provisions shall be construed to shield the Permittee or any owner or operator of the source from noncompliance with the NO_x Trading Program and any failure under the NO_x Trading Program to fully account for any NO_x emissions from the existing boilers beginning on May 31, 2004. In particular, in order to be excused from requirements for continuous emissions monitoring in 40 CFR Part 96 for the existing boilers, the Permittee must also submit a petition to USEPA under 40 CFR 96.75 and have NO_x monitoring requirements for the existing boilers that are applicable prior to May 31, 2004, waived by USEPA.
- v. The above conditions are being imposed in conjunction with this project as timely construction and startup of this project, as currently planned by the Permittee, would require the three existing coal-fired boilers and two gas-fired boilers at the source to be shutdown prior to May 31, 2004, so that these existing boilers would not have NO_x emissions subject to compliance requirements under the NO_x Trading Program.

- 9a. i. This permit is issued based on the construction and operation of the boilers not constituting a major modification subject to the federal rules for Prevention of Significant Deterioration of Air Quality, (PSD) 40 CFR 52.21 and Major Stationary Source Construction And Modification (MSSCAM), 35 IAC Part 203. For emissions of NO_x, CO, VOM, PM, and H₂SO₄, this determination relies upon contemporaneous decreases in emissions from existing boilers such that the net changes in emissions from this project is not significant as shown in Attachment A.
- ii. If the Permittee decides to install smaller boilers, the Permittee need not submit a revised analysis of the net change in emissions unless the Permittee wants to have the conditions imposed on the project revised by the Illinois EPA to account for lower emissions from the boilers. Any such application for revised permit shall be submitted within 30 days of the new information becoming known to the Permittee.
- b. The Permittee shall permanently remove the three existing coal fired boilers and two existing natural gas fired boilers (Boilers #4 and #5) from service promptly after the new boilers demonstrate reliable operation.
- c. The Permittee shall notify the Illinois EPA if the coal fired boilers are not permanently removed from service within 180 days of initial startup of the boilers. This notification shall include an explanation of the circumstances delaying the removal of the coal fired boilers from service, the schedule of which it is expected that these boilers will be removed from service, and demonstration that the continued operation of both the new boilers and the existing boilers (boilers 1, 2, 3, 4, and 5) will not result in a significant increase in emissions.
- d. These requirements and associated recordkeeping and reporting requirements become effective upon initial startup of the boilers. If the startup of the second and third boiler is delayed, the Illinois EPA may establish alternative limits and requirements to assure sufficient contemporaneous decreases in emissions for operation of a single boiler.
- e. Notwithstanding the above, upon completion of this project, for the purpose of avoiding interruption of steam supply during scheduled or unplanned boiler outages and associated repairs portable natural gas fired boilers are allowed to operate temporarily at this source, subject to the following provisions:
- i. Except as reasonably needed for transfer of steam load, one or more of the primary boilers must be out of service,
- ii. No more than three portable boilers shall present at any time,
- iii. Each portable boiler shall be nominally rated for no more than 70,000 lbs. of steam per hour and a rated maximum heat input no more than 90 mmBtu/hour each,

- iv. Amount of fuel consumed by each boiler shall not exceed 63 mmscf/month.
 - v. The Permittee shall notify the Illinois EPA prior to proposed installation of temporary boiler(s) along with construction application for this project. Such application shall reflect the limitations established in conditions listed above and demonstration of compliance with 40 CFR 52.21 and 40 CFR 60, Subpart Dc.
- 10a. The Permittee shall fulfill applicable notification and recordkeeping requirements of the NSPS, 40 CFR 60.7 for the construction and operation of the boilers. Notification shall be made in writing to the Illinois EPA and shall include the Written notification of the actual date of initial startup, within 15 days after such date (40 CFR 60.7(a)(3)).
- b. The notification of start up of a boiler shall include the following information, pursuant to 40 CFR 60.49b(a), if different from that contained in the construction permit application.
- i. The design heat input capacity and identification of fuels to be combusted, pursuant to 40 CFR 60.49a(a)(1); and
 - ii. The annual capacity factor at which the Permittee anticipates operating the affected facility based on the fuel fired, pursuant to 40 CFR 60.49b(a)(3).
- 11a. Under this permit, the boilers may be operated for a period of up to 180 days from initial startup to allow for equipment shakedown and emissions testing as required.
- b. Upon successful completion of the emission testing required by Condition 12 demonstrating compliance with applicable short-term limitations, the Permittee may continue to operate the boilers covered under this permit until the Illinois EPA takes Final Action on the Permittees request to modify the existing CAAPP Permit to include the boilers covered under this permit. The Permittee shall seek such modification in a timely fashion.
- c. This condition supersedes Standard Condition 6.
- 12a. Within 60 days after achieving the maximum production rate at which the boilers will be operated but not later than 180 days after initial startup, the Permittee shall have emissions testing performance for each boiler for NO_x, CO, VOM, PM, and opacity at its expense by a testing service approved by the Illinois EPA.
- b. i. Measurements for NO_x from the boilers shall be conducted in accordance with the test methods and procedures specified in 40 CFR 60.46b(c), unless alternative test procedures are approved by USEPA in which case such alternative procedures shall be applicable.

- ii. The following USEPA methods and procedures shall be used for testing of emissions:

Location of Sample Points	USEPA Method 1
Gas Flow and Velocity	USEPA Method 2
Flue Gas Weight	USEPA Method 3 or 3A
Moisture	USEPA Method 4
Particulate Matter	USEPA Method 5
Opacity	USEPA Method 9
Carbon Monoxide	USEPA Method 10
Volatile Organic Material	USEPA Method 18 or 25A
PM ₁₀	USEPA Method 201 or 201A (40 CFR 51, Appendix M)

The Permittee may report all PM emissions measured by USEPA Method 5 as PM₁₀, including back half condensable particulate. If the Permittee reports USEPA Method 5 PM emissions as PM₁₀, testing using USEPA method 201 or 201A need not be performed.

- c. At least 60 days prior to the actual date of testing, a written test plan shall be submitted to the Illinois EPA for review. This plan shall describe the specific procedures for testing and shall include as a minimum:
 - i. The person(s) who will be performing sampling and analysis and their experience with similar tests.
 - ii. The specific conditions under which testing shall be performed including a discussion of why these conditions will be representative of maximum emissions and the means by which the operating parameters for the source will be tracked and recorded.
 - iii. The test method(s) which will be used, with the specific analysis method, if the method can be used with different analysis methods.
 - iv. The specific determinations of emissions and operation which are intended to be made, including sampling and monitoring locations. The Permittee may also propose for approval by the Illinois EPA a plan for testing of selected boiler for emissions of PM and VOM.
- d. The Illinois EPA shall be notified prior to these tests to enable the Illinois EPA to observe these tests. Notification for the expected date of testing shall be submitted a minimum of thirty (30) days prior to the expected date. Notification of the actual date and expected time of testing shall be submitted a minimum of five (5) working days prior to the actual date of the test. The Illinois EPA may at its discretion accept notifications with shorter advance notice provided that the Illinois EPA will not accept such notifications if it interferes with the Illinois EPA's ability to observe testing.

- e. Three copies of the Final Reports for these tests shall be forwarded to the Illinois EPA within 30 days after the test results are compiled and finalized. The Final Report from testing shall contain a minimum:
 - i. A summary of results;
 - ii. General information;
 - iii. Description of test method(s), including a description of sampling points, sampling train, analysis equipment, and test schedule;
 - iv. Detailed description of test conditions, including:
 - A. Fuel consumption;
 - B. Boiler firing rate;
 - v. Data and calculations, including copies of all raw data sheets and records of laboratory analysis, sample calculations, and data on equipment calibration.
- 13a. Pursuant to 40 CFR 60.48b(b)(1), The Permittee shall install, calibrate, maintain, and operate a continuous monitoring system, and record the output of the system, for measuring NO_x emissions discharged to the atmosphere from each boiler. These systems shall be operated to comply with applicable requirements of the NSPS, 40 CFR 60.48b, and the NO_x Trading Program, 40 CFR 96, Subpart H, whichever is more stringent.
- b. The Permittee shall install monitors on each boiler to measure and record fuel consumption (scf).
- 14a. The Permittee shall maintain a file of the following items for the boilers:
 - i. The written instructions being followed by the Permittee as good combustion practices and good air pollution control practice to minimize emission in accordance with Condition 3(a) and 4(d);
 - ii. A copy of the Final Report(s) for emission testing conducted pursuant to Condition 12.
- b. The Permittee shall maintain the following daily and monthly operating records for the boilers:
 - i. The quantity of fuel consumed by each boiler (standard cubic feet), as monitored in accordance with Condition 13.
- c. The Permittee shall maintain the following records related to each startup of a boiler:
 - i. Date, time and duration of each startup;

- ii. Description of the startup, if written operating procedures are not followed during the startup or significant problem occurs during the startup including detailed explanation.
 - d. The Permittee shall keep inspection, maintenance and repair logs with dates and the nature of such activities for the boilers.
 - e. The Permittee shall maintain the following records related to emissions from the boilers:
 - i. Other data, not addressed above, used or relied upon by the Permittee to determine emissions;
 - ii. Monthly emissions of NO_x, CO, SO₂, VOM, and PM from each boiler. Emissions shall be calculated based on emission monitoring data (NO_x), fuel consumption and operating data and site-specific emission factors developed from emission test data or by other procedures approved by the Illinois EPA in the source's CAAPP permit (NO_x PM, VOM, SO₂, and CO);
 - iii. The annual emissions of NO_x, SO₂, PM, VOM and CO for each month using current months data and previous 11 months data with supporting calculations.
 - f. The Permittee shall maintain records that identify any day in which emissions or operation of a boiler exceed an applicable standard or limitation.
- 15. 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 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 request for records during the course of a source inspection.
- 16. 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 written report to the Illinois EPA within 30 days after the exceedance. This report shall include the type and quantity of 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.
- 17. Two 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
1021 North Grand Avenue
Springfield, Illinois 62794-9276

and one 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

- 18a. Compliance with the emission limits for PM, VOM, and CO in this permit shall be demonstrated by proper operation of boilers in a manner that is consistent with that during emission testing in accordance by Condition 12 that shows compliance with applicable short-term limits, based on the records required by Condition 14 and other relevant data.
- b. Compliance with the HAP emission limits in Condition 6 shall be demonstrated by good operating practices as required by Condition 4(d), and emissions calculated using Standard emission factors such as USEPA's Compliation of Air Pollutant Emission Factors, AP-42, or site specific emission factors developed from testing the boilers.
19. This permit is issued based on this source, as described in the application, not being subject to the requirements of the federal Acid Rain Program in accordance with 40 CFR Part 72.6(b)(4)(i), because the facility will not be selling one-third or more of its potential electrical output generated at the plant, pursuant to 40 CFR 72.6(b)(4)(i).
20. This approval to construct does not relieve the Permittee of the responsibility to comply with all local, state, and federal regulations which are part of the applicable Illinois State Implementation Plan, as well as all other applicable federal, state, and local requirements.

If you have any questions concerning this permit, please call Minesh Patel at 217/782-2113.

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

DES:MVP:jar

cc: Region 1

Source: Corn Products Argo Plant
 I.D.: 031012ABI
 Permit: 02020023

Attachment A - Change in Emissions

TABLE I

Permitted Emissions for the New Boilers (Combined)

<u>Contaminant</u>	<u>Quantity (Tons/Year)</u>
NO _x	789.0
CO	213.0
VOM	31.6
PM	78.9
H ₂ SO ₄	33.9

TABLE II

Contemporaneous Decreases in Actual Emissions

<u>Contaminant</u>	<u>Coal fired boilers (Tons/Year)</u>	<u>Natural gas boilers (Tons/Year)</u>	<u>Total (Tons/Year)</u>
NO _x	- 3,427.6	- 150.3	- 3,577.9
CO	- 78.0	- 45.0	- 123.0
VOM	- 9.4	- 2.9	- 12.3
PM	- 949.0	- 4.0	- 953.0
H ₂ SO ₄	- 139.0	- 0.0	- 139.0

Note: Based upon the actual emissions from removal of coal fired boilers and natural gas boilers averaged over two years (1999 and 2000). In particular, during these years the average annual consumption of coal by the plant was 338,500 tons. The shutdown of the coal fired boilers and elimination of coal fuel by the plant will also result in a very large decrease in emissions of SO₂ (12,200 tons/year) so that the plant's SO₂ emissions result in decrease. The reduction in PM emissions does not include the reduction from elimination of coal handling and storage.

TABLE III

Contemporaneous Changes in Emissions of NO_x, CO, PM, and H₂SO₄

<u>Contaminant</u>	<u>Quantity (Tons/Year)</u>
NO _x	0.7
CO	0.2
PM	33.4
H ₂ SO ₄	---

Note: This table accounts for increases and decreases in emissions of pollutants from other project that occurred at the above referenced source during the applicable five-year contemporaneous period (April 1997 through April 2002).

TABLE IV

Contemporaneous Changes in Emissions of VOM

<u>Permit No.</u>	<u>Project Description</u>	<u>Quantity (Tons/Year)</u>
01010069	Royal T Project - C dryer	----
02040007	Acidulation Rebuild Project	----
	Total	----

Note: This table accounts for increases and decreases in emissions of VOM from other project that occurred at the above referenced source during the applicable five-year contemporaneous period (January 2000 through December 2004). While the above projects are expected to reduce actual VOM emissions, the permits did not require reductions in VOM emissions to occur.

TABLE V

Net Change in Emissions (Tons/Year)

<u>Contaminant</u>	<u>Allowable Project Emissions</u>	<u>Contemporaneous Decreases</u>	<u>Other Past Contemporaneous Changes</u>	<u>Net Contemporaneous Change</u>
NO _x	789.0	- 3,577.9	0.70	- 2,788.9
CO	213.0	- 123.0	0.20	90.2
VOM	31.6	- 12.3	-----	19.3
PM	78.9	- 953.0	33.40	- 840.7
H ₂ SO ₄	33.9	- 139.0	0.00	- 105.1

Note: This table represents the net change in emissions associated with the new boilers.

Attachment B - Requirements of the NO_x Trading Program

1. Description of NO_x Trading Program

The NO_x Trading Program is a regional "cap and trade" market system for large sources of NO_x emissions in the eastern United States, including Illinois. It is designed to reduce and maintain NO_x emissions from the emission units covered by the program within a budget to help contribute to attainment and maintenance of the ozone ambient air quality standard in the multi-state region covered by the program, as required by Section 126 of the Clean Air Act (CAA). The NO_x Trading Program applies in addition to other applicable requirements for NO_x emissions and in no way relaxes these existing requirements.

Emission units that are subject to the NO_x Trading Program are referred to as "budget units." Sources that have one or more budget unit subject to the NO_x Trading Program are referred to as budget sources.

The NO_x Trading Program controls NO_x emissions from budget units during a seasonal control period from May 1 through September 30 of each year, when weather conditions are conducive to formation of ozone in the ambient air. (In 2004, the first year that the NO_x Trading Program is in effect, the control period will be May 31 through September 30.) By November 30 of each year, the allowance transfer deadline, each budget source must hold "NO_x allowances" for the actual NO_x emissions of its budget units during the preceding control period. The USEPA will then retire NO_x allowances in the source's accounts in amounts equivalent to its seasonal emissions. If a source does not have sufficient allowances in its accounts, USEPA would subtract allowances from the source's future allocation for the next control period and impose other penalties as appropriate. Stringent monitoring procedures developed by USEPA apply to budget units to assure that actual emissions of NO_x emissions are accurately determined.

The number of NO_x allowances available for budget sources is set by the overall budget for NO_x emissions established by USEPA. This budget requires a substantial reduction in NO_x emissions from historical levels as necessary to meet air quality goals. In Illinois, separate rules have been established for the budget units that are electrical generating units (EGU) and for large units at manufacturing plants and institutions (non EGU), like the boilers at this source. Under these rules, the allocation or share of the NO_x allowances for existing non-EGU is set in an amount established by rule [35 IAC Part 217, Appendix E]. New budget unit may obtain NO_x allowances from the "new source set-aside," a portion of the overall budget reserved for new budget units for the first three control periods in which a new budget operates EGU under the NO_x Trading Program.

In addition to directly receiving or purchasing NO_x allowances as described above, budget sources may transfer NO_x allowances from one of their units to another. They may also purchase allowances in the marketplace from other sources that are willing to sell some of the allowances that they have received. Each budget source must designate an account representative to handle all its allowance transactions. The USEPA, in a central national system, will maintain allowance accounts and record transfer of allowances among accounts.

The ability of sources to transfer allowances will serve to minimize the costs of reducing NO_x emissions from budget units to comply with the overall NO_x budget. In particular, the NO_x emissions of budget units that may be most economically controlled will be targeted by sources for further control of emissions. This will result in a surplus of NO_x allowances from those units that can be transferred to other units at which it is more difficult to control NO_x emissions. Experience with reduction of sulfur dioxide emissions under the federal Acid Rain program has shown that this type of trading program not only achieves regional emission reductions in a more cost-effective manner but also results in greater overall reductions than application of traditional emission standards to individual emission units.

The USEPA developed the plan for the NO_x Trading Program with assistance from affected states. Illinois' rules for the NO_x Trading Program are located at 35 IAC Part 217, Subpart U and W, for non-EGUs and EGUs, respectively, and have been approved by the USEPA. These rules provide for interstate trading, as mandated by Section 9.9 of the Environmental Protection Act (Act). Accordingly, these rules refer to and rely upon federal rules at 40 CFR Part 96, which have been developed by USEPA for certain aspects of the regional program, and which an individual state must follow to allow for interstate trading of NO_x allowances.

Note: This narrative description of the NO_x Trading is for informational purposes only and is not enforceable.

2. Applicability

- a. The new boilers to be constructed pursuant to this permit would be budget units for purposes of Illinois' NO_x Trading Program. In addition, the Permittee's existing boilers are also budget units. Accordingly, this source would be a budget source and the Permittee is the owner or operator of a budget source and budget units. In the remainder of this section, these boilers as listed below, are addressed as budget units.

- Existing Coal-Fired Boiler 1*
- Existing Coal-Fired Boiler 2*
- Existing Coal-Fired Boiler 3*
- Existing Gas-Fired Boiler 4*
- Existing Gas-Fired Boiler 5*
- Existing Gas-Fired Boiler 6
- New Gas-Fired Boiler 7
- New Gas-Fired Boiler 8
- New Gas-Fired Boiler 9

Note: Boiler to be shutdown as part of this project.

- b. This Permit does not provide "low-emitter status" for the any units pursuant to 35 IAC 217.472.

3. General Provisions of the NO_x Trading Program

- a. This source and the budget units at this source shall comply with all applicable requirements of Illinois' NO_x Trading Program, i.e., 35 IAC Part 217, Subpart U, and 40 CFR Part 96 (excluding 40 CFR 96.4(b) and 96.55(c), and excluding 40 CFR 96, Subparts C, E and I), pursuant to 35 IAC 217.456(a) and 217.456(f)(2).
- b. Any provision of the NO_x Trading Program that applies to a budget source (including any provision applicable to the account representative of a budget source) shall also apply to the owner or operator of such budget sources and to the owner and operator of each budget unit at the source, pursuant to 35 IAC 217.456(f)(3).
- c. Any provision of the NO_x Trading Program that applies to a budget EGU (including any provision applicable to the account representative of a budget unit) shall also apply to the owner or operator of such budget unit. Except with regard to requirements applicable to budget units with a common stack under 40 CFR 96, Subpart H, the owner and operator and the account representative of one budget unit shall not be liable for any violation by any other budget unit of which they are not an owner or operator or the account representative, pursuant to 35 IAC 217.456(f)(4).

4. Obligation to Hold NO_x Allowances

- a. Beginning in 2004, by November 30 of each year, the allowance transfer deadline, the account representative of each budget unit of this source shall hold allowances available for compliance deduction under 40 CFR 96.54 in the budget unit's compliance account or the source's overdraft account in an amount that shall not be less than the budget unit's total NO_x emissions for the preceding control period, rounded to the nearest whole ton, as determined in accordance with 40 CFR 96, Subpart H, plus any number necessary to account for actual utilization (e.g., for testing, start-up, malfunction, and shutdown) under 40 CFR 96.42(e) for the control period, pursuant to 35 IAC 217.456(d)(1). For purposes of this requirements, an allowance may not be utilized for a control period in a year prior to the year for which the allowance is allocated, pursuant to 35 IAC 217.456(d)(4).
- b. The account representative of a budget unit that has excess emissions in any control period, i.e., NO_x emissions in excess of the number of NO_x allowances held as provided above, shall surrender allowances as required for deduction under 40 CFR 96.54(d)(1) and the Act, pursuant to 35 IAC 201.456(f)(5). In addition, the Permittee and the owner or operator of a budget unit shall pay any fine, penalty, or assessment, or comply with any other remedy imposed under 40 CFR 96.54(d)(3) and the Act, pursuant to 35 IAC 217.456(f)(6). Each ton of NO_x emitted in excess of the number of NO_x allowances held as provided above for

each budget unit for each control period shall constitute a separate violation of 35 IAC Part 217, Subpart W and the Act, pursuant to 35 IAC 217.456(d)(2).

- c. An allowance allocated by the Illinois EPA or USEPA under the NO_x Trading Program is a limited authorization to emit one ton of NO_x in accordance with the NO_x Trading Program. As explained by 35 IAC 217.456(d)(5), no provisions of the NO_x Trading Program, the budget permit application, the budget permit, or a retired unit exemption under 40 CFR 96.5 and no provision of law shall be construed to limit the authority of the United States or the State of Illinois to terminate or limit this authorization. As further explained by 35 IAC 217.456(d)(6), an allowance allocated by the Illinois EPA or USEPA under the NO_x Trading Program does not constitute a property right. As provided by 35 IAC 217.456(d)(2), allowances shall be held in, deducted from, or transferred among allowances accounts in accordance with 35 IAC Part 217, Subpart U, and 40 CFR 96, Subparts F and G.

5. Monitoring Requirements for Budget Units

- a. The Permittee shall comply with the monitoring requirements of 40 CFR Part 96, Subpart H, for each budget unit and the compliance of each budget unit with the emission limitation under Paragraph 4 shall be determined by the emission measurements recorded and reported in accordance with 40 CFR 96, Subpart H, pursuant to 35 IAC 217.456(c)(1), (c)(2) and (d)(3).

Note: Pursuant to 40 CFR 96.70(b), new budget units that commence operation on or before January 1, 2003 are to begin complying with applicable monitoring requirements of 40 CFR Part 96 by the applicable date specified by 40 CFR 96.7(b). While existing budget units are to generally begin complying with applicable monitoring requirements of 40 CFR Part 96 at least one year in advance of the start of the first control period governed by the NO_x Trading Program, the Permittee shall proceed as instructed by USEPA for existing budget units that it expects to permanently shutdown before May 31, 2004.

- b. The account representative for the source and each budget unit at the source shall comply with those sections of the monitoring requirements of 40 CFR 96, Subpart H, applicable to an account representative, pursuant to 35 IAC 217.456(c)(1) and (d)(3).

6. Recordkeeping Requirements for Budget Units

Unless otherwise provided below, the Permittee shall keep on site at the source each of the following documents for a period of 5 years from the date the document is created. This 5-year period may be extended for cause at any time prior to the end of the 5 years, in writing by the Illinois EPA or the USEPA.

- a. The account certificate of representation of the account representative for the source and each budget EGU at the source and all documents that demonstrate the truth of the statements in the account certificate of representation, in accordance with 40 CFR 96.13, as provided by 35 IAC 217.756(e)(1)(A). These certificates and documents must be retained on site at the source for at least 5-years after they are superseded because of the submission of a new account certificate of representation changing the account representative.
 - b. All emissions monitoring information, in accordance with 40 CFR 96, Subpart H, (provided that to the extent that 40 CFR 96, Subpart H, provides for a 3-year period for retaining records, the 3-year period shall apply) pursuant to 35 IAC 217.456(e)(1)(B).
 - c. Copies of all reports, compliance certifications, and other submissions and all records made or required under the NO_x Trading Program or documents necessary to demonstrate compliance with requirements of the NO_x Trading Program, pursuant to 35 IAC 217.456(e)(1)(C).
 - d. Copies of all documents used to complete a budget permit application and any other submission under the NO_x Trading Program, pursuant to 35 IAC 217.456(e)(1)(D).
7. Reporting Requirements for Budget Units
- a. The account representative for this source and each budget unit at this source shall submit to the Illinois EPA and USEPA the reports and compliance certifications required under the NO_x Trading Program, including those under 40 CFR 96, Subparts D and H and 35 IAC 217.474, pursuant to 35 IAC 217.456(e)(2).
 - b. Notwithstanding the provisions for CAAPP permits, these submittals need only be signed by the designated representative, who may serve in place of the responsible official for this purpose as provided by the Section 39.5(1) of the Act, and submittals to the Illinois EPA need only be made to the Illinois EPA, Air Compliance Unit.
8. Allocation of NO_x Allowances to Budget Units
- a. The budget units that are "new" units, which are not listed in 35 IAC Part 217, Appendix E, are not entitled to NO_x allowances pursuant to 35 IAC 217.466.
 - b. i. The budget units identified in Paragraph 2 that are "existing" units listed in 35 IAC Part 217, Appendix E, are entitled to NO_x allowances as specified by Appendix E, subject to transfer of allowance from the source made in accordance with 35 IAC 217.462(b). (The portion of Appendix E that applies to the Permittee is provided in

Paragraph 12). The number of NO_x allowances actually allocated for these budget units shall be the number of NO_x allowances allocated by the Illinois EPA in accordance with 35 IAC 217.466(a) and issued by USEPA, which may reflect adjustments to the overall allocations to budget units as provided for by 35 IAC 217.460 and 217.462(c).

- ii. To the extent that NO_x allowances remain in the NSSA after any allocation for new budget units, the Permittee is also entitled to a pro-rata share of such remaining allowances as provided by 35 IAC 217.466(d).
 - c. The Permittee, owner or operator of the existing budget units listed in Paragraph 2, may transfer the NO_x allowances allocated to those units, to other budget units including the Permittee's "new" units, in accordance with the provisions of 35 IAC 217.462(b).
9. Eligibility to Obtain NO_x Allowances from the New Source Set-Aside
- a. The Permittee is eligible to obtain NO_x allowances from the new source set-aside, as provided by 35 IAC 217.468 for the budget units that are new units.
 - b. The Permittee is not eligible to obtain NO_x allowances from the new source set-aside for its existing budget units.
10. Eligibility for Early Reduction Credits (ERC)
- The Permittee is not eligible to request NO_x allowances for its budget units for any early reductions in NO_x emissions, as provided by 35 IAC 217.470, because the units have not been equipped with NO_x continuous emission monitoring systems or are new units.
11. Budget Permit Required by the NO_x Trading Program
- a. For the budget units identified in Paragraph 2, this Appendix to this Construction Permit is the Budget Permit required by the NO_x Trading Program and is intended to contain federally enforceable conditions addressing all applicable NO_x Trading Program requirements for the these budgets. This Budget Permit shall be treated as a complete and segregable portion of the source's permit, as provided by 35 IAC 217.458(a)(2).
 - b. The Permittee and any other owner or operator of this source and each budget unit at the source shall operate the budget units in compliance with this Budget Permit, pursuant to 35 IAC 217.456(b)(2).
 - c. No provision of this Budget Permit or the associated application shall be construed as exempting or excluding the Permittee, or other owner or operator and, to the extent applicable, the account representative of a budget source or budget unit from

compliance with any other regulation or requirement promulgated under the CAA, the Act, the approved State Implementation Plan, or other federally enforceable permit, pursuant to 35 IAC 217.456(g).

- d. Upon recordation by USEPA under 40 CFR 96, Subpart F or G, every allocation, transfer, or deduction of an allowance to or from the budget unit' compliance accounts or to or from the source's general or overdraft account is deemed to amend automatically and become part of this budget permit, pursuant to 35 IAC 217456(d)(7). This automatic amendment of this budget permit shall be deemed in operation of law and will not require any further review.
- e. No revision of this Budget Permit shall excuse any violation of the requirements of the NO_x Trading Program that occurs prior to the date that the revisions to this permit takes effect, pursuant to 35 IAC 217.456(f)(1).
- f.
 - i. This budget permit expires on October 1, 2007.
 - ii. The Permittee, or other owner or operator of the source, shall reapply for a Budget Permit for the source as required by 35 IAC Part 217, Subpart U and Section 39.5 of the Act. For purposes of the NO_x Trading Program, the application shall contain the information specified by 35 IAC 217.458(b)(2). The budget permit then issued by the Illinois EPA will supersede this permit.

12. References

35 IAC Part 217 Appendix E (Provisions Applicable to the Permittee)

Company I.D. No./Name	Unit Designation	Unit Description	Budget Allocation	Budget Allocation Less 3% NSSA
1	2	3	4	5
Corn Products/ 031012ABI	91020069160	Boiler 6 - Gas	55	53
Corn Products/ 031012ABI	73020146041	Boiler 1 - Coal	210	204
Corn Products/ 031012ABI	73020146042	Boiler 2 - Coal	210	203
Corn Products/ 031012ABI	73020146043	Boiler 4 - Gas	81	79
Corn Products/ 031012ABI	73020147045	Boiler 3 - Coal	211	205
Corn Products/ 031012ABI	73020147046	Boiler 5 - Gas	81	79
Company Totals			848	823

