

Statement of Basis

for the DRAFT CAAPP Permit for:

Icon Identity Solutions

2480 Greenleaf Avenue
Elk Grove Village, Illinois 60007

Statement of Basis No.: 98080019-1

I.D. No.: 031440AKK

Permit No.: 98080019

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Permitting Authority:

Illinois Environmental Protection Agency
Bureau of Air, Permit Section
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PREFACE

Reason for this Document

This document is a requirement of the permitting authority in accordance with 502(a) of the CAA, 40 CFR 70.7(a)(5) and 39.5(8)(b) of the Illinois Environmental Protection Act. Section 39.5(8)(b) states the following:

"The Agency shall prepare a statement that sets forth the legal and factual basis for the draft CAAPP permit conditions, including references to the applicable statutory or regulatory provisions."

Purpose of this Document

The purpose of this Statement of Basis is to provide discussion regarding the development of this CAAPP permit. This document would also provide the permitting authority, the public, the source and the US EPA with the applicability and technical matters that form the basis of the CAAPP permit.

Summary of Historical Actions leading up to today's Permitting Action

Initial CAAPP Permit (#98080019) for the source was granted on 08/09/1999 with an expiration date 08/09/2004.

Subsequent CAAPP permit for the source was granted on 08/30/2004 with an expiration date 08/30/2009.

Renewal CAAPP application had been submitted by the source to the Illinois EPA on 05/22/2009.

Limitations

This Statement of Basis is not enforceable and only sets forth the legal and factual basis for the draft revised initial CAAPP permit conditions (Chapters I and II). Chapter III would go beyond the statutory requirements for this Statement, which contains supplemental material that would assist interested parties in the education of this source and the CAAPP permit. The Statement of Basis does not shield the source from enforcement actions or its responsibility to comply with existing or future applicable regulations. Nor does the Statement of Basis constitute a defense to a violation of the Federal Clean Air Act or the Illinois Environmental Protection Act including implementing regulations.

This document does not purport to establish policy or guidance.

INTRODUCTION

The Clean Air Act Permit Program (CAAPP) is the operating permit program established in Illinois for major stationary sources as required by Title V of the federal Clean Air Act and Section 39.5 of the Illinois Environmental Protection Act. The Title V permit program (CAAPP) is the primary mechanism to apply the various air pollution control requirements established by the Clean Air Act to major sources, defined in accordance with Title V of the Clean Air Act. The CAAPP permit contains conditions identifying the state and federal applicable requirements that apply to the source. The permit also establishes the necessary monitoring and compliance demonstrations. The source must implement this monitoring to demonstrate that the source is operating in accordance with the applicable requirements of the permit. The permits themselves identify all applicable requirements applying to the various emission units as well as establish detailed provisions for testing, monitoring, recordkeeping and reporting to demonstrate compliance with the Clean Air Act. Further explanations of the specific provisions of the draft CAAPP permit are contained in the following Chapters of this Statement of Basis.

The Illinois EPA has focused in on the key elements of the permit that relate to the minimum requirements of the CAAPP Program:

- ✓ Emissions of VOM and HAP's;
- ✓ Emission Units impacting ambient air quality standards;
- ✓ Emission Units of historical importance; and
- ✓ Applicable state and federal regulations.

In addition, the Illinois EPA has committed substantial resources and effort in the development of an acceptable Statement of Basis (this document) that would meet the expectations of US EPA, Region 5. As a result, this document contains discussions that would address applicability determinations, periodic monitoring, streamlining, prompt reporting and SSM authorizations (as necessary). These discussions would involve, where necessary, a brief description and justification for the resulting conditions and terms in this draft CAAPP permit. This document begins by discussing the legal basis for the contents of the permit, moves into the factual description of the permit and ends with supplemental information that has been provided to further assist with the understanding of the background and genesis of the permit content. The materials at the end are intended to provide the reader with a roadmap of the modification and additional information that was relied upon or of enough importance to attach to this document for quick reference.

It is Illinois EPA's preliminary determination that this source's permit application meets the standards for issuance of a "final" CAAPP permit as stipulated in 39.5(10)(a) of the Act (see Chapter I - Section 2.0 of this document). The Illinois EPA is therefore initiating the necessary procedural requirements to issue a final CAAPP permit. The Illinois EPA has posted the permit and this Statement of Basis on US EPA website (see <http://www.epa.gov/reg5oair/permits/ilonline.html>).

CHAPTER I - LEGAL BASIS FOR THE PERMIT AND PERMIT CONDITIONS

1.0 Legal Basis for Program

The Illinois EPA's state operating permit program for major sources established to meet the requirements of 40 CFR Part 70 are found at 39.5 of the Illinois Environmental Protection Act [415 ILCS 5/39.5]. The program is called the Clean Air Act Permitting Program (CAAPP). The underlying statutory authority is found in the Illinois Environmental Protection Act at 415 ILCS 5/39.5. The CAAPP was given final full approval by USEPA on December 4, 2001. (see 66 FR 62946)

2.0 Legal Basis for Issuance of CAAPP Permit

In accordance with 39.5(10)(a), the Illinois EPA may only issue a CAAPP permit if all of the following standards for issuance have been met.

- a. The applicant has submitted a complete and certified application for a permit, permit modification, or permit renewal consistent with 39.5(5) and (14) of the Illinois Environmental Protection Act, as applicable, and applicable regulations;
- b. The applicant has submitted with its complete application an approvable compliance plan (if necessary), including a schedule for achieving compliance, consistent with 39.5(5) of the Illinois Environmental Protection Act and applicable regulations; and
- c. The applicant has timely paid the fees required pursuant to subsection 39.5(18) of the Illinois Environmental Protection Act and applicable regulations.

2.1. Application Status

The source submitted an application for a CAAPP renewal permit on 05/22/2009. The source is currently operating under CAAPP permit issued in 2004. This application addresses all the revisions necessary to meet the minimum requirements for issuance of the permit.

2.2. Present Compliance Status

Violation Notice (VN) A-2011-00080 was issued to the source for not timely submittal of the Annual Emission Report for 2010.

It is Illinois EPA's preliminary decision to wait until the enforcement case is resolved and/or adjudicated (if at all) before including any necessary compliance schedule in the permit as stipulated in any order that may result. The general approach the IEPA has been using for this type of violations is not required such compliance schedule, because this violation is not directly related to the specific regulatory standards and emission requirements addressed in the CAAPP, this enforcement case shall be resolved outside of the compliance schedule of the proposed CAAPP.

Also, the source violated Section 39.5(5)(n) of the Act by not timely submission of the renewal CAAPP application. This regulatory requirement

establishes that CAAPP renewal application should be submitted no later than 9 months prior to the date of permit expiration. Because this violation is a procedural/legal one and not related to the violations of applicable state or federal limits/standards, no compliance schedule is required to be established in this permit.

2.3. Payment of Fees

The source is current on payment of all fees associated with operation of the emission units.

2.4. Additional Information Status

The source provided all the necessary additional application material as requested by the Illinois EPA.

3.0 Legal Basis for Conditions in the CAAPP Permit

This industrial source is subject to a variety of Federal regulations and SIP regulations, which are the legal basis for the conditions in this permit. Also, the CAAPP provides the legal basis for additional requirements such as periodic monitoring, reporting and recordkeeping. The following list summarizes those regulations that form the legal basis for the conditions in this Draft Permit and provided in the permit itself as the origin and authority.

3.1 Applicable Federal Regulations

This source operates emission units that are subject to the following Federal regulations:

40 CFR Part 63, Subpart M - NESHAP for Miscellaneous Metal Coating.

3.2 Applicable SIP Regulations

This source operates emission units that are subject to the following State regulations.

35 IAC Part 201 - PERMITS AND GENERAL PROVISIONS
35 IAC Part 212 - VISIBLE AND PARTICULATE MATTER EMISSIONS
35 IAC Part 214 - SULFUR LIMITATIONS
35 IAC Part 218 - ORGANIC MATERIAL EMISSION STANDARDS AND LIMITATIONS FOR THE CHICAGO AREA
35 IAC Part 254 - ANNUAL EMISSIONS REPORT

3.3 Other Applicable Requirements

The source also has several applicable requirements that are based on SIP approved permit, which is listed and identified in Chapter II - Section 2.0 and Chapter III - Section 4.0.

CHAPTER II - FACTUAL BASIS FOR THE PERMIT AND PERMIT CONDITIONS

1.0 SOURCE Information and Facts

1.1 Description of Source

SIC Code: 3993

County: Cook

The source is a metal and plastic coating facility that operates four paint spray booths.

Process Description

The source manufactures various types, shapes, and sizes of branded metal signage and sign components for various entities. Signs and sign components are directed to any of the for spray booths for the application of liquid paints and finishes meeting the specifications of a given job.

1.2. Single Source Status

This source is not considered a single source with any other facility.

1.3. Ambient Air Quality Status for the Area

The source is located in an area that, as of the date of permit issuance, is designated nonattainment for the National Ambient Air Quality Standards for ozone (moderate nonattainment), PM_{2.5}, and attainment or unclassifiable for all other criteria pollutants (PM₁₀, CO, lead, NO_x, SO₂). (see 40 CFR Part 81- Designation of Areas for Air Quality Planning Purposes)

1.4. Source Status

The source requires a CAAPP permit as follows: This source is considered major (based on its PTE) for the volatile organic material (VOM) emissions.

The source also requires a CAAPP permit because the source is subject to a standard, limitation Section 112 (HAPs) of the CAA for which USEPA requires a CAAPP permit. Specifically, this source is subject to 40 CFR 63 Subpart M. M. M. M. M.

This source maintains synthetic minor limits (see Condition 3.4(a)) for HAP's. This condition is being imposed so that the source is not a major source for HAP emissions. Because PTE of HAP's had never been limited through the federally enforceable permit for this source on or before compliance date (January 2, 2007) of 40 CFR Part 63 Subpart M. M. M. M. M., these limits are based on the USEPA policy ("once in - always in" provision) and the source is considered to be major for the underlined MACT standard, 40 CFR Part 63, Subpart M. M. M. M. M.

This source is considered a natural minor for the following regulated air pollutants: PM₁₀, PM_{2.5}, nitrogen oxides (NO_x), carbon monoxide (CO), and sulfur dioxide (SO₂).

1.5. Annual Emissions

The following table lists annual emissions (tons) of criteria pollutants for this source, as reported in the Annual Emission Reports (AER) sent to the Illinois EPA:

Pollutant	2010	2009	2008	2007	2006
CO	0.1	0.1	0.14	1.14	1.04
NOx	0.48	0.5	0.69	1.47	1.56
PM	0.1	0.13	0.16	0.18	0.19
SO ₂	0.003	0.003	0.004	0.008	0.007
VOM	8.08	9.09	9.42	19.21	20.01
CO _{2E}	576.05	604.51	829.85	1,216.00	----
HAP (total of top 4 for that yr)	3.37	3.47	0.39	4.47	5.96

1.6. Fee Schedule

The annual actual emissions from the source for purposes of "duty to pay fees", not considering insignificant activities as addressed by Section 6, shall not exceed the following limitations

Pollutant	Tons/Year
Volatile Organic Material (VOM)	25.0
Sulfur Dioxide (SO ₂)	0.02
Particulate Matter (PM)	1.59
Nitrogen Oxides (NO _x)	2.67
HAP, not included in VOM or PM (HAP)	---
Total	29.28

2.0 SIP Permit Facts

CAAPP permits must address all "applicable requirements," which includes the terms and conditions of preconstruction permits issued under regulations approved by USEPA in accordance with Title I of the CAA. (See definition of applicable requirements in Section 39.5(1) of the Act). Preconstruction permits, commonly referred to in Illinois as construction permits, derive from the New Source Review ("NSR") permit programs required by Title I of the CAA. These programs include the two major NSR permit programs: 1) the Prevention of Significant Deterioration ("PSD") program, and the nonattainment NSR program. These programs also encompass state construction permit programs for projects that are not major.

In the CAAPP or Illinois's Title V permit program, the Illinois EPA's practice is to identify requirements that are carried over from an earlier Title I permit into a new or renewed CAAPP permit as "TI" conditions (i.e., Title I conditions). Title I conditions that are revised as part of their incorporation into a CAAPP permit are further designated as "TIR". Title I conditions that are newly established through a CAAPP permit are designated as "TIN". It is important that Title I Conditions be identified in a CAAPP permit because these conditions will not expire when the CAAPP permit expires. Because the underlying authority for Title I Conditions comes from Title I of

the CAA and their initial establishment in Title I permits, the effectiveness of TI Conditions derives from Title I of the CAA rather than being linked to Title V of the CAA. For "changes" to be made to Title I conditions, they must either cease to be applicable based on obvious circumstances, e.g., the subject emission unit is permanently shut down, or appropriate Title I procedures must be followed to change the conditions.

T1 Limits

<i>Condition</i>	<i>Description</i>
Section 4 Condition 4.1(2)(d)(i)(D) and (E)	NSR avoidance limit

This draft permit contains terms and conditions that address the applicability of permit programs for new and modified sources under Title I of the Clean Air Act (CAA) and regulations promulgated there-under, including 40 CFR 52.21, Prevention of Significant Deterioration (PSD) and 35 IAC Part 203, Major Stationary Sources Construction and Modification. Any such terms and conditions are identified within the draft permit by TI. Any conditions established in a construction permit pursuant to Title I and not revised or deleted in this draft permit, remain in effect pursuant to Title I provisions until such time that the Illinois EPA revises or deletes them. Where the source has requested that the Illinois EPA establish new conditions or revise such conditions in the CAAPP permit/Title I permit, those conditions are consistent with the information provided in the CAAPP application and will remain in effect pursuant to Title I provisions until such time that the Illinois EPA revises or deletes them.

CHAPTER III - SUPPLEMENTAL DISCUSSIONS REGARDING THE PERMIT

1.0 Due Diligence Discussions

The information provided in this Chapter of the Statement of Basis is being provided, in addition to that required by 502(a) of the CAA; 40 CFR 70.7(a)(5) and 39.5(8)(b), to assist interested parties in understanding what additional information may have been relied on to support this draft CAAPP permit. This chapter would contain material that is beyond the statutory requirement as furtherance of the information in Chapters I and II.

1.1 Field Inspection Results

Most recent source inspection was conducted in 2008 and did not reveal any violations pursuant to the inspection report.

1.2 Historical Non-compliance

Past historical non-compliance issues at this source are the "paper" violations for not timely submitted annual emission reports or semi-annual monitoring reports to the Illinois EPA. These issues had been settled long ago and all needed reports submitted.

2.0 Justifications and Rationale

2.1 Source-Wide Applicable Requirements Summary

Synthetic Minor Limits for HAPs • See the Permit, page 15, (Condition 3.4)

Source wide

- ✓ Recordkeeping as follows (Condition 3.4(b)):
 - o Monthly and annual records of individual and total HAP usage (ton/mo and ton/yr) and HAP emissions (ton/mo and ton/yr)
- ✓ Reporting as follows (Condition 3.5(a)):
 - o Prompt reporting of deviations from the limits in Condition 3.4(a)

Rationale and Justification

Rationale and Justification for Periodic Monitoring

Periodic Monitoring is sufficient for HAP emissions because:

- The source has a substantial margin of compliance.
- There is a small likelihood of an exceedance.
- Emissions do not vary significantly under normal operation and/or vary slowly with time.

Prompt Reporting Discussion

- ✓ Prompt reporting of deviations has been established as 30 days. See rationale in further in 3.0.

2.2 Paint Spray Booths Applicable Requirements Summary

35 IAC 212.123(a) Opacity	• See the Permit, page 18, (Condition 4.1(2)(a))
35 IAC 212.321(a) PM	• See the Permit, page 18, (Condition 4.1(2)(b))
35 IAC 214.301 SO ₂	• See the Permit, page 19, (Condition 4.1(2)(c))
35 IAC 218.204(j)(1) VOM	• See the Permit, page 19, (Condition 4.1(2)(d)(i))
T1	• See the Permit, page 19-20, (Condition 4.1(2)(d)(i)(D))
40 CFR 63.3890(b) HAP	• See the Permit, page 21, (Condition 4.1(2)(e))

Opacity

- ✓ Monitoring as follows (Condition 4.1(2)(a)(ii)):
 - o Monthly inspections of filters
- ✓ Recordkeeping as follows (Condition 4.1(2)(a)(ii)):
 - o Date, time and results of inspections
- ✓ Reporting as follows (Condition 4.1(5)(a)):
 - o Prompt reporting within 30 days

Rationale and Justification

Rationale and Justification for Periodic Monitoring

Periodic Monitoring is sufficient for these paint spray booths because:

- Source has not exhibited a history of non-compliance.
- Emissions are considered negligible

Prompt Reporting Discussion

Prompt reporting of deviations has been established as 30 days. See rationale further in 3.0.

PM Emissions

- ✓ Monitoring as follows (Condition 4.1(2)(b)(ii)):
 - o Monthly inspections of filters
- ✓ Recordkeeping as follows (Condition 4.1(2)(b)(ii)):
 - o Date, time and results of inspections
 - o Monthly and annual records of solids in applied coatings
- ✓ Reporting as follows (Condition 4.1(5)(a)):
 - o Prompt reporting within 30 days

Rationale and Justification

Rationale and Justification for Periodic Monitoring

Periodic Monitoring is sufficient for these paint spray booths because:

- Source has not exhibited a history of non-compliance.

- For enclosed coating operations, PM emissions are considered negligible

Prompt Reporting Discussion

Prompt reporting of deviations has been established as 30 days. See rationale further in 3.0.

SO₂ Emissions

- ✓ Monitoring as follows (Condition 4.1(2)(c)(ii)):
 - o Semi-annual inspections of spray booth ovens and burners
- ✓ Recordkeeping as follows (Condition 4.1(2)(c)(ii)):
 - o Date, time and results of inspections
 - o Certification from a gas supplier on the sulfur content
- ✓ Reporting as follows (Condition 4.1(5)(a)):
 - o Prompt reporting within 30 days

Rationale and Justification

Rationale and Justification for Periodic Monitoring

Periodic Monitoring is sufficient for these paint spray booths because:

- Source has not exhibited a history of non-compliance.
- SO₂ emissions are generated from ovens only and considered negligible

Prompt Reporting Discussion

Prompt reporting of deviations has been established as 30 days. See rationale further in 3.0.

VOM Emissions

- ✓ Monitoring as follows (Condition 4.1(2)(d)(ii)):
 - o Annual testing of VOM content in applied coating
 - o Annual testing of VOM content in applied cleaning solvents
- ✓ Recordkeeping as follows (Condition 4.1(2)(d)(ii)):
 - o Monthly and annual coating/solvents usage
 - o Density of each coating and the weight of VOM per volume of each coating
 - o Cleanup solvent usage
 - o Monthly and annual emissions of VOM
 - o Natural gas usage
 - o VOM content test results
 - o VOM emissions
- ✓ Reporting as follows (Condition 4.1(5)(a)):
 - o Prompt reporting within 30 days (RACT)

Rationale and Justification

Rationale and Justification for Periodic Monitoring

Periodic Monitoring is sufficient for these paint spray booths because:

- Source has not exhibited a history of non-compliance.
- Monitoring is consistent with other sources in this source category.

Prompt Reporting Discussion

Prompt reporting of deviations has been established as 30 days. See rationale further in 3.0.

HAP Emissions

- ✓ Monitoring as follows (Condition 4.1(2)(e)(ii)):
 - o Mass of organic HAP shall be calculated in accordance with 40 CFR 63.3951
- ✓ Recordkeeping as follows (Condition 4.1(2)(e)(ii)):
 - o Records required by 40 CFR 63.3930
- ✓ Reporting as follows (Condition 4.1(5)(b)):
 - o Semiannual report of deviations (MACT)

Rationale and Justification

Rationale and Justification for Periodic Monitoring

Periodic Monitoring is sufficient for these paint spray booths because:

- Source has not exhibited a history of non-compliance.
- Monitoring is consistent with other sources in this source category.

3.0 Prompt Reporting Discussion

Among other terms and conditions, CAAPP permits contain reporting obligations to assure compliance with applicable requirements. These reporting obligations are generally four-fold. More specifically, each CAAPP permit sets forth any reporting requirements specified by state or federal law or regulation, requires prompt reports of deviations from applicable requirements, requires reports of deviations from required monitoring and requires a report certifying the status of compliance with terms and conditions of the CAAPP permit over the calendar year.

The number and frequency of reporting obligations in any CAAPP permit is source-specific. That is, the reporting obligations are directly related to factors, including the number and type of emission units and applicable requirements, the complexity of the source and the compliance status. This four-fold approach to reporting is common to virtually all CAAPP permits as described below. Moreover, this is the approach established in the draft CAAPP permit for Icon Identity

Regulatory Reports

Many state and federal environmental regulations establish reporting obligations. These obligations vary from rule-to-rule and thus from CAAPP source to CAAPP source and from CAAPP permit to CAAPP permit. The variation is found in the report triggering events, reporting period, reporting frequency and reporting content. Regardless, the CAAPP makes clear that all reports established under applicable regulations shall be carried forward into the CAAPP permit as stated in 39.5(7)(b) of the Act. Generally, where sufficiently

detailed to meet the exacting standards of the CAAPP, the regulatory reporting requirements are simply restated in the CAAPP permit. Depending on the regulatory obligations, these regulatory reports may also constitute a deviation report as described below.

The draft CAAPP permit for Icon Identity would embody all regulatory reporting as promulgated under federal and state regulations under the CAA and the Act. Depending on the frequency of the report, the regulatory report may also satisfy the prompt reporting obligations discussed below. These reports must be certified by a responsible official.

These reports are generally found in the reporting sections for each emission unit group. The various regulatory reporting requirements are summarized in the table at the end of this Reporting Section.

Deviation Reports (Prompt Reporting)

Section 39.5(7)(f)(ii) of the Act mandates that each CAAPP Permit require prompt reporting of deviations from the permit requirements.

Neither the CAAPP nor the federal rules upon which the CAAPP is based and was approved by USEPA define the term "prompt". Rather, 40 CFR Part 70.6(a)(3)(iii)(B) intended that the term have flexibility in application. The USEPA has acknowledged for purposes of administrative efficiency and clarity that the permitting authority (in this case, Illinois EPA) has the discretion to define "prompt" in relation to the degree and type of deviation likely to occur at a particular source. The Illinois EPA follows this approach and defines prompt reporting on a permit-by-permit basis. In instances where the underlying applicable requirement contains "prompt" reporting, the Illinois EPA typically incorporates the pre-established time frame in the CAAPP permit (e.g., a NESHAP or NSPS deviation report). Where the underlying applicable requirement fails to explicitly set forth the time frame for reporting deviations, the Illinois EPA generally uses a time frame of 30 days to define prompt reporting of deviations.

This approach to prompt reporting of deviations as discussed herein is consistent with the requirements of 39.5(7)(f)(ii) of the Act as well as 40 CFR Part 70 and the CAA. The reporting arrangement is designed so that the source will appropriately notify the Illinois EPA of those events that might warrant attention. The timing for these event-specific notifications is necessary and appropriate as it gives the source enough time to conduct a thorough investigation into the causes of an event, collecting any necessary data, and developing preventive measures, to reduce the likelihood of similar events, all of which must be addressed in the notification for the deviation, while at the same time affording regulatory authority and the public timely and relevant information. The approach also affords the Illinois EPA and USEPA an opportunity to direct investigation and follow-up activities, and to make compliance and enforcement decisions in a timely fashion.

The draft CAAPP permit for Icon Identity would require prompt reporting as required by the Act in the fashion described in this subsection. In addition, pursuant to 39.5(7)(f)(i), this draft CAAPP permit would also require the source to provide a summary of all deviations with the semi-annual monitoring report. These reports must be certified by a responsible official, and are generally found in the reporting sections for each emission unit group.

Prompt reporting of deviations is critical in order to have timely notice of deviations and the opportunity to respond, if necessary. The effectiveness of the permit depends upon, among other important elements, timely and accurate reporting. The Illinois EPA, USEPA and the public rely on timely and accurate reports submitted by the source to measure compliance and to direct investigation and follow-up activities. Prompt reporting is evidence of the source's good faith in disclosing deviations and describing the steps taken to return to compliance and prevent similar incidents.

Any occurrence that results in an excursion from any emission limitation, operating condition, or work practice standard as specified in this draft CAAPP permit is a deviation subject to prompt reporting. Additionally, any failure to comply with any permit term or condition is a deviation of that permit term or condition and must be reported to the Illinois EPA as a permit deviation. The deviation may or may not be a violation of an emission limitation or standard. A permit deviation can exist even though other indicators of compliance suggest that no emissions violation or exceedance has occurred. Reporting permit deviations does not necessarily result in enforcement action. The Illinois EPA has the discretion to take enforcement action for permit deviations that may or may not constitute a deviation from an emission limitation or standard or the like, as necessary and appropriate.

As a result, the Illinois EPA's approach to prompt reporting of deviations as discussed herein is consistent with the requirements of 39.5(7)(f)(ii) of the Act as well as 40 CFR Part 70 and the CAA. This reporting arrangement is designed so that the source will appropriately notify the Illinois EPA of those events that might warrant individual attention.

Semi-Annual Monitoring Reports

Section 39.5(7)(f)(i) of the Act mandates that each CAAPP permit require a report relative to monitoring obligations as set forth in the permit. Depending upon the monitoring obligation at issue, the semi-annual monitoring report may also constitute a deviation report as previously discussed. This monitoring at issue includes instrumental and non-instrumental emissions monitoring, emissions analyses, and emissions testing established by state or federal laws or regulations or as established in the CAAPP permit. This monitoring also includes recordkeeping. Each deviation from each monitoring requirement must be identified in the relevant semi-annual report. These reports provide a timely opportunity to assess for compliance patterns of concern. The semi-annual reports shall be submitted regardless of any deviation events. Reporting periods for semi-annual monitoring reports are January 1 through June 30 and July 1 through December 31 of each calendar year. Each semi-annual report is due within 30 days after the close of reporting period. The reports shall be certified by a responsible official.

The draft CAAPP permit for Icon Identity would require such reports at Condition 3(5)(b).

Annual Compliance Certifications

Section 39.5(7)(p)(v) of the Act mandates that each CAAPP permit require a source to submit a certification of its compliance status with each term and condition of its CAAPP permit. The reports afford a broad assessment of a CAAPP sources compliance status. The CAAPP requires that this report be

submitted, regardless of compliance status, on an annual basis. Each CAAPP permit requires this annual certification be submitted by May 1 of the year immediately following the calendar year reporting period. The report shall be certified by a responsible official.

The draft CAAPP permit for Icon Identity would require such a report at Condition 2(6)(a).

4.0 Greenhouse Gas Provision Discussions

On June 3, 2010, USEPA adopted rules for the initial permitting of major sources of emissions of greenhouse gases (GHG). See, 75 FR 31514-31608. Prompted by the earlier adoption of GHG emissions standards for motor vehicles under Title II of the CAA, the USEPA's rules implement a two-phased program for permitting major sources of GHG under Title V permit programs. Annual Emission Reports submitted to the Illinois EPA by Icon Identity, which detail the facility's actual annual emissions of GHG, provide the necessary data to appropriately address emissions of GHG in the proposed CAAPP permit. The data in these reports clearly show the facility is not a major source for emissions of GHG with a large margin of compliance with GHG threshold and without significant fuel burning combustion processes operated on site, potential to emit of GHG at this source stays well below applicable thresholds.

5.0 Periodic Monitoring General Discussions

Pursuant to Section 504(c) of the Clean Air Act, a Title V permit must set forth monitoring requirements, commonly referred to as "Periodic Monitoring," to assure compliance with the terms and conditions of the permit. A general discussion of Periodic Monitoring is provided below.

As a general matter, the required content of a CAAPP permit with respect to such Periodic Monitoring is addressed in Section 39.5(7) of the Environmental Protection Act (Act). Section 39.5(7)(b) of the Act provides that in a CAAPP permit,

The Agency shall include among such conditions applicable monitoring, reporting, record keeping and compliance certification requirements, as authorized by paragraphs d, e, and f of this subsection, that the Agency deems necessary to assure compliance with the Clean Air Act, the regulations promulgated thereunder, this Act, and applicable Board regulations. When monitoring, reporting, record keeping and compliance certification requirements are specified within the Clean Air Act, regulations promulgated thereunder, this Act, or applicable regulations, such requirements shall be included within the CAAPP permit.

Section 39.5(7)(d)(ii) of the Act further provides that a CAAPP permit shall,

Where the applicable requirement does not require periodic testing or instrumental or noninstrumental monitoring (which may consist of recordkeeping designed to serve as monitoring), require Periodic Monitoring sufficient to yield reliable data from the relevant time period that is representative of the source's compliance with the permit.

Accordingly, the scope of the Periodic Monitoring that must be included in a CAAPP permit is not restricted to monitoring requirements that were adopted through rulemaking or imposed through permitting. When applicable regulatory emission standards and control requirements or limits and control requirement in relevant Title 1 permits are not accompanied by compliance procedures, it is necessary for Monitoring for these standards, requirements or limits to be established in a CAAPP permit. Monitoring requirements must also be established when standards and control requirement are accompanied by compliance procedures but those procedures are not adequate to assure compliance with the applicable standards or requirements. For this purpose, the requirements for Periodic Monitoring in a CAAPP permit may include requirements for emission testing, emissions monitoring, operational monitoring, non-instrumental monitoring, and recordkeeping for each emission unit or group of similar units at a facility, as required by rule or permit, as appropriate or as needed to assure compliance with the applicable substantive requirements. Various combinations of monitoring measures will be appropriate for different emission units depending on their circumstances, including the substantive emission standards, limitations and control requirements to which they are subject.

What constitutes sufficient Periodic Monitoring for particular emission units, including the timing or frequency associated with such Monitoring requirements, must be determined by the permitting authority based on its knowledge, experience and judgment. For example, as Periodic Monitoring must collect representative data, the timing of Monitoring requirements need not match the averaging time or compliance period of the associated substantive requirements, as set by the relevant regulations and permit provisions. The timing of the various requirements making up the Periodic Monitoring for an emission unit is something that must be considered when those Monitoring requirements are being established. For this purpose, Periodic Monitoring often consists of requirements that apply on a regular basis, such as routine recordkeeping for the operation of control devices or the implementation of the control practices for an emission unit. For certain units, this regular monitoring may entail "continuous" monitoring of emissions, opacity or key operating parameters of a process or its associated control equipment, with direct measurement and automatic recording of the selected parameter(s). As it is infeasible or impractical to require emissions monitoring for most emission units, instrumental monitoring is more commonly conducted for the operating parameters of an emission unit or its associated control equipment. Monitoring for operating parameter(s) serves to confirm proper operation of equipment, consistent with operation to comply with applicable emission standards and limits. In certain cases, an applicable rule may directly specify that a particular level of an operating parameter be maintained, consistent with the manner in which a unit was being operated during emission testing. Periodic Monitoring may also consist of requirements that apply on a periodic basis, such as inspections to verify the proper functioning of an emission unit and its associated controls.

The Periodic Monitoring for an emission unit may also include measures, such as emission testing, that would only be required once or only upon specific request by the Illinois EPA. These requirements would always be accompanied by Monitoring requirements would apply on a regular basis. When emission testing or other measure is only required upon request by the Illinois EPA, it is included as part of the Periodic Monitoring for an emission unit to facilitate

a response by the Illinois EPA to circumstances that were not contemplated when Monitoring was being established, such as the handling of a new material or a new mode of operation. Such Monitoring would also serve to provide further verification of compliance, along with other potentially useful information. As emission testing provides a quantitative determination of compliance, it would also provide a determination of the margin of compliance with the applicable limit(s) and serve to confirm that the Monitoring required for an emission unit on a regular basis is reliable and appropriate. Such testing might also identify specific values of operating parameters of a unit or its associated control equipment that accompany compliance and can be relied upon as part of regular Monitoring.

There are a number of considerations or factors that are or may be relevant when evaluating the need to establish new monitoring requirements as part of the Periodic Monitoring for an emission unit. These factors include: 1) The nature of the emission unit or process and its emissions; 2) The variability in the operation and the emissions of the unit or process over time; 3) The use of add-on air pollution control equipment or other practices to control emissions and comply with the applicable substantive requirement(s); 4) The nature of that control equipment or those control practices and the potential for variability in their effectiveness; 5) The nature of the applicable substantive requirement(s) for which Periodic Monitoring is needed; 6) The nature of the compliance procedures that specifically accompany the applicable requirements; 7) The type of data that would already be available for the unit; 8) The effort needed to comply with the applicable requirements and the expected margin of compliance; 9) The likelihood of a violation of applicable requirements; 10) The nature of the Periodic Monitoring that may be readily implemented for the emission unit; 11) The extent to which such Periodic Monitoring would directly address the applicable requirements; 12) The nature of Periodic Monitoring commonly required for similar emission units at other facilities and in similar circumstances; 13) The interaction or relationship between the different measures in the Periodic Monitoring for an emission unit; and 14) The feasibility and reasonableness of requiring additional measures in the Periodic Monitoring for an emission unit in light of other relevant considerations.

CHAPTER IV - CHANGES FROM PREVIOUSLY ISSUED CAAPP PERMITS

1.0 General Permit Changes

This renewal CAAPP draft is presented in the new format and considers recommendations of USEPA Region V office, interactions with public and regulated community, and 15 years of IEPA experience in running CAAPP program in the state.

Sections - Old CAAPP Permit Layout	Sections - New CAAPP Permit Layout
Section 1 - SOURCE IDENTIFICATION	Section 1 - Source Information
Section 2 - LIST OF ABBREVIATIONS/ACRONYMS	Section 2 - General Permit Requirements
Section 3 - INSIGNIFICANT ACTIVITIES	Section 3 - Source Requirements
Section 4 - SIGNIFICANT EMISSION UNITS	Section 4 - Emission Unit Requirements
Section 5 - OVERALL SOURCE CONDITIONS	Section 5 - Title I Requirements
Section 6 - EMISSIONS REDUCTION MARKET SYSTEM	Section 6 - Insignificant Activities
Section 7 - UNIT SPECIFIC CONDITIONS	Section 7 - Other Requirements
Section 8 - GENERAL PERMIT CONDITIONS	Section 8 - State Only Requirements
Section 9 - STANDARD PERMIT CONDITIONS	Attachments
Section 10 - ATTACHMENTS	

2.0 Specific Permit Condition Changes

Section 3 - Condition 3.2(a): Fugitive PM Operating Program is incorporated by reference
Condition 3.2.4(a): Synthetic minor limits for HAP's are established
Condition 3.5(a): Prompt reporting

Section 4 - Condition 4.1(2)(a): applicable opacity requirements and inspection requirements for filters
Condition 4.1(2)(c): applicable SO₂ requirements and inspection requirements for ovens
Condition 4.1(2)(e): applicable HAP standards from 40 CFR 63.3890
Condition 4.1(5)(a) and 4.1(5)(b): prompt reporting and reporting of deviation

Section 8 - Condition 8.2(a) and (b): newly promulgated RACT standards for miscellaneous metal and plastic coating

APPENDICES

Appendix A - Public Notice

Illinois Environmental Protection Agency

Public Notice

Proposed Renewal of the Clean Air Act Permit Program Permit for Icon Identity Solutions in Elk Grove Village

Icon Identity Solutions has requested that the Illinois Environmental Protection Agency (Illinois EPA) renew the Clean Air Act Permit Program (CAAPP) permit regulating air emissions from its metal and plastic coating facility located at 2480 Greenleaf Avenue in Elk Grove Village. Based on its review of the application, the Illinois EPA has made a preliminary determination that the application meets the standards for issuance and has prepared a draft permit for public review.

The Illinois EPA is accepting comments on the draft permit. Comments must be postmarked by midnight August 19, 2011. If sufficient interest is expressed in the draft permit, a hearing may be held. Requests for information, comments, and questions should be directed to Brad Frost, Division of Air Pollution Control, Illinois Environmental Protection Agency, PO. Box 19506, Springfield, Illinois 62794-9506, phone 217/782-2113, TDD phone number 217/782-9143.

Persons wanting more information may obtain copies of the draft permit and project summary at <http://www.epa.gov/reg5oair/permits/ilonline.html>. The repositories for these documents and the application are at the Illinois EPA's offices at 9511 West Harrison in Des Plaines, 847/294-4000 and 1340 North Ninth St., Springfield, 217/782-7027 (please call ahead to assure that someone will be available to assist you). Copies of the documents will be made available upon request.

The CAAPP is Illinois' operating permit program for major sources of emissions, as required by Title V of the Clean Air Act (Act). The conditions of CAAPP permits are enforceable by the public, as well as by the USEPA and Illinois EPA. In addition to implementing Title V of the Act, CAAPP permits may contain "Title I Conditions," i.e., conditions established under the permit programs for new and modified emission units, pursuant to Title I of the Act. The permit contains T1 conditions in section 4.1(2) that were established in previously issued permits. The permit contains no T1 conditions that are being revised or newly established by this application.

The beginning of this public comment period also serves as the beginning date of the USEPA 45 day review period, provided the USEPA does not seek a separate proposed period.