217/782-2113

FEDERALLY ENFORCEABLE STATE OPERATING PERMIT -- REVISED

PERMITTEE

Knead Dough Baking Company, Inc.
Attn: Les Messina
556 St. James Gate
Bolingbrook, Illinois 60440

Application No.: 94100116 I.D. No.: 197415AAH
Applicant's Designation: Date Received: June 12, 2008
Subject: Bread Bakery
Date Issued: August 15, 2008 Expiration Date: June 28, 2011
Location: 555 South Joliet Road, Bolingbrook, Will County

This permit is hereby granted to the above-designated Permittee to OPERATE emission source(s) and/or air pollution control equipment consisting of four flour storage silos with pneumatic conveyor and five scales controlled with baghouse; one sifter with filter; five mixers; four baking lines with pan cleaning stations controlled with cyclones/baghouse; one research and development rack oven; two natural gas fired boilers; and two air make-up units 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 Volatile Organic Material (VOM) from the source to less than major source thresholds (i.e., 100 tons/year for VOM). As a result, the source is excluded from the requirement to obtain a Clean Air Act Permit Program (CAAPP) permit. The maximum emissions of this source, as limited by the conditions of this permit, are described in Attachment A.

ii. To limit emissions of VOM from the source during the seasonal allotment period from May 1 through September 30 of each year to less than 15 tons. This limitation is established at the request of the source to exempt it from the requirements of 35 Ill. Adm. Code Part 205, Emissions Reduction Market System (ERMS), pursuant to 35 Ill. Adm. Code 205.205, except reporting requirements of Section 205.300.

b. Prior to initial issuance, a draft of this permit has undergone a public notice and comment period.

c. This permit supersedes all operating permits issued for this location.

2a. Pursuant to 35 Ill. Adm. Code 212.123(a), 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 35 Ill. Adm. Code 212.122.

b. Pursuant to 35 Ill. Adm. Code 212.123(b), the emission of smoke or other particulate matter from any such emission unit may have an opacity greater than 30 percent but not greater than 60 percent for a period or periods aggregating 8 minutes in any 60 minute period provided that such opaque emissions permitted during any 60 minute period provided that such opaque emissions permitted during any 60 minute period shall occur from only one such emission unit located within a 305 m (1000 ft) radius from the center point of any other such emission unit owned or operated by such person, and provided further that such opaque emissions permitted from each such emission unit shall be limited to 3 times in any 24 hour period.

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 35 Ill. Adm. Code 212.321(c).

3. 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.

4. Pursuant to 35 Ill. Adm. Code 218.301, no person shall cause or allow the discharge of more than 3.6 kg/hr (8 lbs/hour) of organic material into the atmosphere from any emission unit, except as provided in 35 Ill. Adm. Code 218.302, 218.303, or 218.304 and the following exception: If no odor nuisance exists the limitation of 35 Ill. Adm. Code 218 Subpart G shall apply only to photochemically reactive material.

5. This permit is issued based upon the baking ovens not being subject to the control requirements of 35 Ill. Adm. Code 218 Subpart TT (Other Emission Units). Pursuant to 35 Ill. Adm. Code 218.980(f), the control requirements in 35 Ill. Adm. Code 218 Subpart TT shall not apply to bakeries.

6a. 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 odor nuisance.

b. The Permittee shall, in accordance with the manufacturer(s) and/or vendor(s) recommendations, perform periodic maintenance on the pollution control equipment covered under this permit such that the pollution control equipment be kept in proper working condition and not cause a violation of the Illinois Environmental Protection Act or regulations promulgated therein.

c. The baking ovens shall only be operated with natural gas as the fuel. The use of any other fuel in the baking ovens requires that the Permittee first obtain a construction permit from the Illinois EPA and then perform stack testing to verify compliance with all applicable requirements.

7a. Emissions of VOM from the source during the seasonal allotment period from May 1 through September 30 of each year shall not exceed 15 tons. This limitation is established at the request of the source to exempt it from the requirements of 35 Ill. Adm. Code Part 205, Emissions Reduction Market System (ERMS), pursuant to 35 Ill. Adm. Code 205.205.

b. In the event that the source's VOM emissions during the seasonal allotment period exceed 15 tons, the source shall no longer be exempt from the ERMS and shall comply with 35 Ill. Adm. Code Part 205, by holding allotment trading units (ATUs) for its VOM emissions during each seasonal allotment period.

8a. Operation and VOM emissions from baking ovens #2, #4 and research oven constructed between years 1995 and 1998, shall not exceed 2.5 tons/month and 24.5 tons/year.

b. Operation and VOM emissions from baking oven #1, constructed in the year 2004, shall not exceed 2.5 tons/month and 24.5 tons/year.

c. Operation and VOM emissions from Baking Oven #3, constructed in the year 2008, shall not exceed 4.0 tons/month and 40.0 tons/year.

d. These limits are based on the maximum production rates and maximum actual VOM emissions shall be calculated from the following equation:

$$E = \Sigma(P_i \times EF_i)/2{,}000$$

Where:
E = VOM emissions (tons);

P_i = Product i production rate (tons);

EF_i = Product i Emission Factor (lb/ton);

Where:
Emissions Factor EF_i shall be calculated using the formula given by Section 9.9.6 of AP-42 (Fifth Edition, Volume I, Supplement C, February 1997):

$$EF = 0.95Y_i + 0.19t_i - 0.51Y_S - 0.86t_s + 1.90,$$

Where:
Y_i = Initial baker’s percent of yeast (yeast percentage with a reference to flour in the dough);

t_i = Total fermentation time (hours);

Y_S = Second baker’s percent of yeast (if applicable);

t_s = Fermentation Time for Second Yeast Percentage (if applicable).

c. Emissions and operation of the natural gas combustion units shall not exceed the following limits:

i. Natural Gas usage: 25 mmscf/month, 245 mmscf/year

ii. Emissions of Natural Gas:

Pollutant	Emission Factor (lb/mmscf)	Emissions (Tons/Mo)	Emissions (Tons/Yr)
Carbon Monoxide (CO)	84	1.03	10.29
Nitrogen Oxide (NO_x)	100	1.23	12.25
Particulate Matter (PM)	7.6	0.09	0.93
Sulfur Dioxide (SO_2)	0.6	0.01	0.07
Volatile Organic Material (VOM)	5.5	0.07	0.67

These limits are based on the maximum equipment operations and standard emission factors (Tables 1.4-1 and 1.4-2, AP-42, Fifth Edition, Volume I, Supplement D, July 1998).

d. This permit is issued based on negligible emissions of particulate matter from four flour storage silos, pneumatic conveyor and five scales (flour system baghouse); sifter (sifter filter); five mixers, three baking lines and pan cleaning stations (baking lines control system). For this purpose emissions from each system shall not exceed nominal emission rates of 0.1 lb/hour and 0.44 ton/yr.

e. 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).

9a. Pursuant to 35 Ill. Adm. Code 201.282, every emission source or air pollution control equipment shall be subject to the following testing requirements for the purpose of determining the nature and quantities of specified air contaminant emissions and for the purpose of determining ground level and ambient air concentrations of such air contaminants:

i. Testing by Owner or Operator. The Illinois EPA may require the owner or operator of the emission source or air pollution control equipment to conduct such tests in accordance with procedures adopted by the Illinois EPA, at such reasonable times as may be specified by the Illinois EPA and at the expense of the owner or operator of the emission source or air pollution control equipment. The Illinois EPA may adopt procedures detailing methods of testing and formats for reporting results of testing. Such procedures and revisions thereto, shall not become effective until filed with the Secretary of State, as required by the APA Act. All such tests shall be made by or under the direction of a person qualified by training and/or experience in the field of

air pollution testing. The Illinois EPA shall have the right to observe all aspects of such tests.

ii. Testing by the Illinois EPA. The Illinois EPA shall have the right to conduct such tests at any time at its own expense. Upon request of the Illinois EPA, the owner or operator of the emission source or air pollution control equipment shall provide, without charge to the Illinois EPA, necessary holes in stacks or ducts and other safe and proper testing facilities, including scaffolding, but excluding instruments and sensing devices, as may be necessary.

b. Testing required by Condition 10 shall be performed upon a written request from the Illinois EPA by a qualified independent testing service.

10a. Pursuant to 35 Ill. Adm. Code 212.107, for both fugitive and nonfugitive particulate matter emissions, a determination as to the presence or absence of visible emissions from emission units shall be conducted in accordance with Method 22, 40 CFR part 60, Appendix A, except that the length of the observing period shall be at the discretion of the observer, but not less than one minute. 35 Ill. Adm. Code 212 Subpart A shall not apply to 35 Ill. Adm. Code 212.301.

b. Pursuant to 35 Ill. Adm. Code 212.109, except as otherwise provided in 35 Ill. Adm. Code Part 212, and except for the methods of data reduction when applied to 35 Ill. Adm. Code 212.122 and 212.123, measurements of opacity shall be conducted in accordance with Method 9, 40 CFR Part 60, Appendix A, and the procedures in 40 CFR 60.675(c) and (d), if applicable, except that for roadways and parking areas the number of readings required for each vehicle pass will be three taken at 5-second intervals. The first reading shall be at the point of maximum opacity and second and third readings shall be made at the same point, the observer standing at right angles to the plume at least 15 feet away from the plume and observing 4 feet above the surface of the roadway or parking area. After four vehicles have passed, the 12 readings will be averaged.

c. Pursuant to 35 Ill. Adm. Code 212.110(a), measurement of particulate matter emissions from stationary emission units subject to 35 Ill. Adm. Code Part 212 shall be conducted in accordance with 40 CFR part 60, Appendix A, Methods 5, 5A, 5D, or 5E.

d. Pursuant to 35 Ill. Adm. Code 212.110(b), the volumetric flow rate and gas velocity shall be determined in accordance with 40 CFR part 60, Appendix A, Methods 1, 1A, 2, 2A, 2C, 2D, 3, and 4.

e. Pursuant to 35 Ill. Adm. Code 212.110(c), upon a written notification by the Illinois EPA, the owner or operator of a particulate matter emission unit subject to 35 Ill. Adm. Code Part 212 shall conduct the applicable testing for particulate matter emissions, opacity, or visible emissions at such person's own expense, to demonstrate compliance. Such test results shall be submitted to the Illinois EPA within thirty (30) days after conducting the test unless an alternative time for submittal is agreed to by the Illinois EPA.

11. Pursuant to 35 Ill. Adm. Code 212.110(e), the owner or operator of an emission unit subject to 35 Ill. Adm. Code Part 212 shall retain records of all tests which are performed. These records shall be retained for at least three (3) years after the date a test is performed.

12a. The Permittee shall maintain records of the following items so as to demonstrate compliance with the conditions of this permit:

i. Records addressing use of good operating practices for the pollution control equipment covered under this permit:

A. Records for periodic inspection of the pollution control equipment covered under this permit with date, individual performing the inspection, and nature of inspection; and

B. Records for prompt repair of defects, with identification and description of defect, effect on emissions, date identified, date repaired, and nature of repair.

ii. The names and amounts of products baked (tons/day, tons/month, tons/year);

iii. Baker's percent of yeast of each type of product (initial and second, wt.%);

iv. Fermentation time of each type of product (initial and second, hours).

v. Natural gas consumption (10^3 therm/month, 10^3 therm/year); and

vi. Monthly and annual emissions of CO, NO_x, PM, SO_2, and VOM, with supporting calculations (tons/month, tons/year);

b. The Permittee shall maintain the following records to determine compliance with the 15 tons VOM/ozone season limitation specified in Condition 7:

i. Records of operating data and other information for each individual emission unit or group of related emission units at the source, as specified in this permit, as appropriate, to determine actual VOM emissions during the seasonal allotment period;

ii. Records of the VOM emissions, in tons, during the seasonal allotment period, with supporting calculations, for each individual emission unit or group of related emission units at the source, determined in accordance with the procedures specified in this permit; and

iii. Total VOM emissions from the source, in tons, during each seasonal allotment period.

c. All records and logs required by this permit shall be retained at a easily accessible location at the source for at least five years (5) 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 the Illinois EPA or USEPA request for records during the course of a source inspection.

13a. If there is an exceedance of or deviation from the requirements of this permit as determined by the records required by this permit, the Permittee shall submit a report to the Illinois EPA's Compliance Section in Springfield, Illinois within 30 days after the exceedance 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 exceedances or deviation and efforts to reduce emissions and future occurrences.

b. The Permittee shall submit the seasonal emissions component of the Annual Emissions Report by November 30 of each year, reporting actual emissions of VOM during the seasonal allotment period, in accordance with 35 Ill. Adm. Code 205.205(b) and 35 Ill. Adm. Code 205.300.

14. Pursuant to 35 Ill. Adm. Code 212.110(d), a person planning to conduct testing for particulate matter emissions to demonstrate compliance shall give written notice to the Illinois EPA of that intent. Such notification shall be given at least thirty (30) days prior to the initiation of the test unless a shorter period is agreed to by the Illinois EPA. Such notification shall state the specific test methods from 35 Ill. Adm. Code 212.110 that will be used.

16. Two (2) copies of required reports and notifications shall be sent to:

Illinois Environmental Protection Illinois EPA
Division of Air Pollution Control
Compliance Section (#40)
1340 North Ninth Street
P.O. Box 19276
Springfield, IL 62794-9276

<u>and</u> one (1) copy shall be sent to the Illinois EPA 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 include operation of replacement baking oven #3 described in the Construction Permit 08060012 and correct the number of storage silos, mixers and scales.

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

Edwin C. Bakowski, P.E. Date Signed: _____
Acting Manager, Permit Section
Division of Air Pollution Control

ECB:VJB:jws

cc: Illinois EPA, FOS Region 1
Lotus Notes

Attachment A - Emission Summary

This attachment provides a summary of the maximum emission from the Bread Bakery operating in compliance with the requirements of this federally enforceable permit. In preparing this summary, the Agency used the annual operating scenario which results in maximum emissions from such a plant. The resulting maximum emissions are below the levels (e.g., 100 tons per year of VOM) at which this source would be considered a major source for purposes of the Clean Air Act Permit Program. Actual emissions from this source will be less than predicted in this summary to the extent that material is handled, and control measures are more effective than required in this permit.

	E M I S S I O N S (Tons/Year)				
Emission Units	CO	NO_x	PM	SO_2	VOM
Baking Ovens #2, #4					24.5
Baking Oven #1					24.5
Baking Oven #3					40.0
Natural Gas Combustion Units	10.3	12.3	0.9	0.07	0.7
Flour Storage, Transfer and Handling			1.3		
Plant-Wide Total	10.3	12.3	2.2	0.07	89.7

ECB:VJB:jws

Attachment B - Emissions Reduction Market System (ERMS)

1. Description of ERMS

The ERMS is a "cap and trade" market system for major stationary sources located in the Chicago ozone nonattainment area. It is designed to reduce VOM emissions from stationary sources to contribute to reasonable further progress toward attainment, as required by Section 182(c) of the Clean Air Act.

The ERMS addresses VOM emissions during a seasonal allotment period from May 1 through September 30. Participating sources must hold "allotment trading units" (ATUs) for their actual seasonal VOM emissions. Each year participating sources are issued ATUs based on allotments set in the sources' FESOP or CAAPP permits. These allotments are established from historical VOM emissions or "baseline emissions" lowered to provide the emissions reductions from stationary sources required for reasonable further progress.

By December 31 of each year, the end of the reconciliation period following the seasonal allotment period, each source should have sufficient ATUs in its transaction account to cover its actual VOM emissions during the preceding season. A transaction account's balance as of December 31 will include any valid ATU transfer agreements entered into as of December 31 of the given year, provided such agreements are promptly submitted to the Illinois EPA for entry into the transaction account database. The Illinois EPA will then retire ATUs in sources' transaction accounts in amounts equivalent to their seasonal emissions. When a source does not appear to have sufficient ATUs in its transaction account, the Illinois EPA will issue a notice to the source to begin the process for Emissions Excursion Compensation.

In addition to receiving ATUs pursuant to their allotments, participating sources may also obtain ATUs from the market, including ATUs bought from other participating sources and general participants in the ERMS that hold ATUs (35 Ill. Adm. Code 205.630) and ATUs issued by the Illinois EPA as a consequence of VOM emissions reductions from an Emissions Reduction Generator or an Intersector Transaction (35 Ill. Adm. Code 205.500 and 35 Ill. Adm. Code 205.510). During the reconciliation period, sources may also buy ATUs from a secondary reserve of ATUs managed by the Illinois EPA, the "Alternative Compliance Market Account" (ACMA) (35 Ill. Adm. Code 205.710). Sources may also transfer or sell the ATUs that they hold to other sources or participants (35 Ill. Adm. Code 205.630).

2. Applicability

Emissions of VOM from the source during the seasonal allotment period from May 1 through September 30 of each year shall not exceed 15 tons, not including VOM emissions from insignificant emission units and activities. This limitation is established at the request of the source to exempt it from the requirements of 35 Ill. Adm. Code Part 205, Emissions Reduction Market System (ERMS), pursuant to 35 Ill. Adm. Code 205.205.

3. Recordkeeping and Reporting

a. The Permittee shall maintain the following records to determine compliance with the above limitation:

i. Records of operating data and other information for each individual emission unit or group of related emission units at the source, as specified in this permit, as appropriate, to determine actual VOM emissions during the seasonal allotment period;

ii. Records of the VOM emissions, in tons, during the seasonal allotment period, with supporting calculations, for each individual emission unit or group of related emission units at the source, determined in accordance with the procedures, which may be specified in this permit; and

iii. Total VOM emissions from the source, in tons, during each seasonal allotment period.

b. The Permittee shall submit the seasonal emissions component of the Annual Emissions Report by November 30 of each year, reporting actual emissions of VOM during the seasonal allotment period, in accordance with 35 Ill. Adm. Code 205.205(b) and 35 Ill. Adm. Code 205.300.

c. In the event that the source's VOM emissions during the seasonal allotment period exceed 15 tons, the source shall no longer be exempt from the ERMS and shall immediately comply with 35 Ill. Adm. Code Part 205, including holding allotment trading units (ATUs) for its VOM emissions during the first seasonal allotment period it exceeds 15 tons and each seasonal allotment period, thereafter, pursuant to 35 Ill. Adm. Code 205.150(c).

VJB:jws