

217/782-2113

FEDERALLY ENFORCEABLE STATE OPERATING PERMIT -- RENEWAL

PERMITTEE

Tredegar Film Products - Lake Zurich, Inc.  
Attn: Brian Varley  
351 North Oakwood Road  
Lake Zurich, Illinois 60047

Application No.: 91020100

I.D. No.: 097085ABE

Applicant's Designation:

Date Received: March 10, 2006

Subject: Plastic Film Mfg.

Date Issued: August 6, 2007

Expiration Date: August 6, 2012

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

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

- 1a. This federally enforceable state operating permit is issued:
  - i. To limit the emissions of air pollutants from the source to less than major source thresholds (i.e., 100 tons/year for volatile organic material (VOM), 10 tons/year for a single hazardous air pollutant (HAP) and 25 tons/year for totaled HAPs). As a result, the source is excluded from the requirements to obtain a Clean Air Act Permit Program (CAAPP) permit. The maximum emissions of this source, as limited by the conditions of this permit, are described in Attachment A.
  - ii. This permit is issued based upon the plant not being subject to the requirements of 35 Ill. Adm. Code Part 218 Subpart TT (Other Emission Units). This is consequence of the federally enforceable production and operating limitations, which restrict the potential to emit for VOM (not including clean-up solvents operations) to less than 25 tons per year.
- b. Prior to issuance, a draft of this permit has undergone a public notice and comment period.
- c. This permit supersedes all operating permits for this location.
- 2a. This permit is issued based on this source not being a participating source in the Emissions Reduction Market System (ERMS), 35 Ill. Adm. Code Part 205, pursuant to 35 Ill. Adm. Code 205.200. This is based on the source's actual volatile organic material (VOM) emissions during

the seasonal allotment period from May 1 through September 30 of each year being less than 10 tons and the source's baseline emissions also being less than 10 tons.

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

- b. No person shall cause or allow any visible emissions of fugitive particulate matter from any process, including any material handling or storage activity beyond the property line of the emission source unless the wind speed is greater than 40.2 kilometers per hour (25 miles per hour), pursuant to 35 Ill. Adm. Code 212.301 and 212.314.
- c. Pursuant to 35 Ill. Adm. Code 212.321(a), no person shall cause or allow the emission of particulate matter into the atmosphere in any one hour period from any new process emission unit which, either alone or in combination with the emission of particulate matter from all other similar process emission units for which construction or modification commenced on or after April 14, 1972, at a source or premises, exceeds the allowable emission rates specified in subsection (c) of 35 Ill. Adm. Code 212.321.
- 4. Pursuant to 35 Ill. Adm. Code 214.301, no person shall cause or allow the emission of sulfur dioxide into the atmosphere from any process emission source to excess 2000 ppm.
- 5a. Pursuant to 35 Ill. Adm. Code 218.301, no person shall cause or allow the discharge of more than 3.6 kg/hour (8 lbs/hour) of organic material into the atmosphere from any emission unit, except as provided in 35 Ill. Adm. Code 218.302, 218.303, 218.304 and the following exception: If no odor nuisance exists the limitation of 35 Ill. Adm. Code 218 Subpart G shall apply only to photochemically reactive material.
- b. In the event that the operation of this source results in an odor nuisance, the Permittee shall take appropriate and necessary actions to minimize odors, including but not limited to, changes in raw material or installation of controls, in order to eliminate the nuisance.
- 6. Emissions and operation of blown film manufacturing process shall not exceed the following limits:

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

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

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

	Material Usage		VOM Emissions	
	<u>(Tons/Mo)</u>	<u>(Tons/Yr)</u>	<u>(Tons/Mo)</u>	<u>(Tons/Yr)</u>
Polypropylene/Polyethylene Pellet	4,500	45,000	1.4	14.1
Polyolefins Styrene Copolymers	670	6,700	0.1	1.0

These limits are based on maximum material usage for the polyolefins and 0.60 lb/ton of material usage for the styrene copolymers and an emission factor of 0.56 lb VOM/ton of material usage as established by the Permittee.

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

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

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

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

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

These limits define the potential emissions of NO<sub>x</sub>, CO, PM and VOM and are based on maximum fuel usage and standard emission factors.

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

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

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

11. The emissions of Hazardous Air Pollutants (HAP) as listed in Section 112(b) of the Clean Air Act shall be less than 10 tons/year of any

single HAP and 25 tons/year of any combination 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 a Clean Air Act Permit Program Permit (CAAPP), and Section 112(g) of the Clean Air Act.

12. This permit is issued based on negligible emissions of particulate matter from the blown film, cast film, and extraflex film processes. For this purpose emissions from each emission source, shall not exceed nominal emission rates of 0.1 lb/hour and 0.44 tons/year.
13. Compliance with the annual limits of this permit shall be determined on a monthly basis from the sum of the data for the current month plus the preceding 11 months (running 12 month total).
- 14a. Pursuant to 40 CFR 63.10(b)(3), if an owner or operator determines that his or her stationary source that emits (or has the potential to emit, without considering controls) one or more hazardous air pollutants regulated by any standard established pursuant to section 112(d) or (f) of the Clean Air Act, and that stationary source is in the source category regulated by the relevant standard, but that source is not subject to the relevant standard (or other requirement established under 40 CFR Part 63) because of limitations on the source's potential to emit or an exclusion, the owner or operator must keep a record of the applicability determination on site at the source for a period of 5 years after the determination, or until the source changes its operations to become an affected source, whichever comes first. The record of the applicability determination must be signed by the person making the determination and include an analysis (or other information) that demonstrates why the owner or operator believes the source is unaffected (e.g., because the source is an area source). The analysis (or other information) must be sufficiently detailed to allow the USEPA and/or Illinois EPA to make a finding about the source's applicability status with regard to the relevant standard or other requirement. If relevant, the analysis must be performed in accordance with requirements established in relevant subparts of 40 CFR Part 63 for this purpose for particular categories of stationary sources. If relevant, the analysis should be performed in accordance with USEPA guidance materials published to assist sources in making applicability determinations under Section 112 of the Clean Air Act, if any. The requirements to determine applicability of a standard under 40 CFR 63.1(b)(3) and to record the results of that determination under 40 CFR 63.10(b)(3) shall not by themselves create an obligation for the owner or operator to obtain a Title V permit.
- b. The Permittee shall maintain records of the following items so as to demonstrate compliance with the conditions of this permit:
  - i. Polyethylene/polypropylene and other plastic resin usage in each process (tons/month and tons/year);
  - ii. Amount of solvent used in the wipe cleaning process (gallons/month and gallons/year);

- iii. VOM content of the solvent used in the wipe cleaning process (lbs/gallon);
  - iv. Records which indicate the VOM emission factor development and an explanation showing why the emission would be representative of these processes;
  - v. Material Safety Data Sheets (MSDS) for each VOM and HAP containing material;
  - vi. Maintenance records of all control equipment;
  - vii. Natural gas consumption (mmft<sup>3</sup>/month and mmft<sup>3</sup>/year); and
  - viii. Monthly and annual CO, NO<sub>x</sub>, PM, VOM, and HAP emissions from the source with supporting calculations (tons/month and tons/year).
15. All records and logs required by this permit shall be retained at a readily accessible location at the source for at least five (5) years from the date of entry and shall be made available for inspection and copying by the Agency or USEPA upon request. Any records retained in an electronic format (e.g., computer) shall be capable of being retrieved and printed on paper during normal source office hours so as to be able to respond to an Illinois EPA or USEPA request for records during the course of a source inspection.
16. If there is an exceedance of or deviation from the requirements of this permit as determined by the records required by this permit, the Permittee shall submit a report to the Illinois EPA's Compliance Section in Springfield, Illinois within 30 days after the exceedance/deviation. The report shall include the emissions released in accordance with the recordkeeping requirements, a copy of the relevant records, and a description of the exceedance or deviation and efforts to reduce emissions and future occurrences.
17. Two (2) copies of required reports and notifications shall be sent to:

Illinois Environmental Protection Agency  
Division of Air Pollution Control  
Compliance Section (#40)  
P.O. Box 19276  
Springfield, Illinois 62794-9276

and one (1) copy shall be sent to the Illinois EPA's regional office at the following address unless otherwise indicated:

Illinois Environmental Protection Illinois EPA  
Division of Air Pollution Control  
9511 West Harrison  
Des Plaines, Illinois 60016

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Please note that equipment from construction permit 06030069 has been incorporated into this permit to include a new cast film line and a twilfit cast film line into the cast film manufacturing process.

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

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

Date Issued: \_\_\_\_\_

ECB:JRS:psj

cc: IEPA, FOS Region 1  
Lotus Notes

Attachment A - Emissions Summary

This attachment provides a summary of the maximum emissions from the plastic film manufacturing plant operating in compliance with the requirements of this federally enforceable permit. In preparing this summary, the Illinois EPA used the annual operating scenario which results in maximum emissions from such a plant. The resulting maximum emissions well below the levels (e.g., 100 tons/year of VOM, 10 tons/year of single HAP and 25 tons/year of total HAPs) at which this source would be considered a major source for purposes of the Clean Air Act Permit Program.

<u>Equipment</u>	VOM <u>(T/Yr)</u>	HAPs		NO <sub>x</sub> <u>(T/Yr)</u>	CO <u>(T/Yr)</u>	PM <u>(T/Yr)</u>
		<u>Combined</u> <u>(T/Yr)</u>	<u>Single</u> <u>(T/Yr)</u>			
Blown Film Manufacturing	7.0	----	----	----	----	----
Cast Film Manufacturing	15.1	----	----	----	----	----
Extraflex Film Manufacturing	2.8	----	----	----	----	----
Wipe Cleaning Process	1.3	----	----	----	---	---
Natural Gas	<u>0.3</u>	----	----	<u>5.0</u>	<u>4.2</u>	<u>0.4</u>
Totals:	26.5	< 25	< 10	<u>5.0</u>	<u>4.2</u>	<u>0.4</u>

ECB:JRS:psj