

217/782-2113

FEDERALLY ENFORCEABLE STATE OPERATING PERMIT

PERMITTEE

Dot Packaging Group, Inc.  
Attn: Timothy S. Hickman, Chief Financial Officer  
1500 Paramount Parkway  
Batavia, Illinois 60510

<u>Application No.:</u> 95090134	<u>I.D. No.:</u> 089010ACG
<u>Applicant's Designation:</u>	<u>Date Received:</u> December 10, 2003
<u>Subject:</u> Sheetfed Lithographic Printing	
<u>Date Issued:</u> August 14, 2007	<u>Expiration Date:</u> August 14, 2012
<u>Location:</u> 1500 Paramount Parkway, Batavia, Kane County	

This permit is hereby granted to the above-designated Permittee to OPERATE emission unit(s) and/or air pollution control equipment consisting of three sheetfed non-heatset offset lithographic printing presses, coating line #1 and catalytic afterburner, coating line #2, UV screen printing and coating line and space heaters 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 (FESOP) is issued:
  - i. To limit the emissions of air pollutants from the source to less than major source thresholds (i.e., 10 tons/year for a single hazardous air pollutant (HAP) and 25 tons/year of any combination of such HAPs). As a result, the source is excluded from the requirements to obtain a Clean Air Act Permit Program (CAAPP) permit. The maximum emissions of this source, as limited by the conditions of this permit are described in Attachment A.
  - ii. To establish federally enforceable Emission Reduction Market System (ERMS) provisions, including baseline emissions, allotment for each seasonal allotment period, identification of any units deemed to be insignificant activities for the purposes of the ERMS, emissions calculation methodologies, and provisions addressing all other applicable requirements of 35 Ill. Adm. Code Part 205, which are described in Attachment B.
- b. Prior to 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. 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. 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 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.
- 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.
- 4a. Pursuant to 35 Ill. Adm. Code 218.204(c), no owner or operator of a coating line shall apply at any time any coating in which the VOM content exceeds the following emission limitations for the specified coating. The following emission limitations are expressed in units of VOM per volume of coating (minus water and any compounds which are specifically exempted from the definition of VOM) as applied at each coating applicator, except where noted. Compounds which are specifically exempted from the definition of VOM should be treated as water for the purpose of calculating the "less water" part of the coating composition. The emission limitations are as follows:

<u>Coating</u>	<u>(kg/l)</u>	<u>(lbs/gal)</u>
Paper Coating	0.28	2.3

- b. Pursuant to 35 Ill. Adm. Code 218.207(a), any owner or operator of a coating line subject to 35 Ill. Adm. Code 218.204 may comply with 35 Ill. Adm. Code 218.207, rather than with 35 Ill. Adm. Code 218.204, if a capture system and control device are operated at all times the coating line is in operation and the owner or operator demonstrates compliance with 35 Ill. Adm. Code 218.207(c), (d), (e), (f), (g), (h), (i), (j), or (k) of (depending upon the source category) through the applicable coating analysis and capture system and control device efficiency test methods and procedures specified in 35 Ill. Adm. Code 218.105 and the recordkeeping and reporting requirements specified in 35 Ill. Adm. Code 218.211(e); and the control device is equipped with the applicable monitoring equipment specified in 35 Ill. Adm. Code 218.105(d) and the monitoring equipment is installed, calibrated, operated and maintained according to vendor specifications at all times the control device is in use. A capture system and control device, which does not demonstrate compliance with 35 Ill. Adm. Code 218.207(c), (d), (e), (f), (g), (h), (i), (j), or (k) may be used as an alternative to compliance with 35 Ill. Adm. Code 218.204 only if the alternative is approved by the Illinois EPA and approved by the USEPA as a SIP revision.
- c. i Pursuant to 35 Ill. Adm. Code 218.207(b)(1), the coating line is equipped with a capture system and control device that provides 81 percent reduction in the overall emissions of VOM from the coating line and the control device has a 90 percent efficiency; or

- ii. Pursuant to 35 Ill. Adm. Code 218.207(b)(2), the system used to control VOM from the coating line is demonstrated to have an overall efficiency sufficient to limit VOM emissions to no more than what is allowed under 35 Ill. Adm. Code 218.204.
- d. Pursuant to 35 Ill. Adm. Code 218.207(c), no owner or operator of a coating line subject to only one of the emission limitations from among 35 Ill. Adm. Code 218.204(a)(1), (a)(4), (c), (d), (e), (f), or (i) and equipped with a capture system and control device shall operate the subject coating line unless the requirements in 35 Ill. Adm. Code 218.207(b)(1) or (b)(2) are met.
- e. Pursuant to 35 Ill. Adm. Code 218.209, no owner or operator of a coating line subject to the limitations of 35 Ill. Adm. Code 218.204 is required to meet the limitations of 35 Ill. Adm. Code 218 Subpart G (35 Ill. Adm. Code 218.301 or 218.302).
- 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. Pursuant to 35 Ill. Adm. Code 218.405(d)(2), all owners or operators of heatset web offset, non-heatset web offset, or sheet-fed offset lithographic printing lines are not subject to 35 Ill. Adm. Code 218.407 through 218.411, unless the combined emissions of VOM from all lithographic printing line(s) at the source (including solvents used for cleanup operations associated with the lithographic printing line(s)) never exceed 45.5 kg/day (100 lbs/day) , as determined in accordance with 35 Ill. Adm. Code 218.411(a)(1)(B), before the application of capture systems and control devices.
- 6a. The catalytic afterburner combustion chamber shall be preheated to the manufacturer's recommended temperature but not lower than 540°F, before the coating process is begun on coating line #1, and this temperature shall be maintained during operation of the affected coating line.
- b. The Permittee shall follow good operating practices for the catalytic afterburner, including periodic inspection, routine maintenance and prompt repair of defects.
- 7a. i. The three sheetfed non-heatset offset lithographic printing presses are subject to the following:

<u>Emission Source</u>	<u>VOM Emissions</u>	
	<u>(Lbs/Day)</u>	<u>(Tons/Yr)</u>
3 Sheetfed Non-Heatset Lithographic Presses	100.0	18.2

- ii. For purposes of demonstrating compliance with 35 Ill. Adm. Code 218.411(a)(1)(B), the VOM emissions shall be calculated using the following:

VOM emissions from non-heatset ink usage = ink usage x VOM content x 0.05.

VOM emissions from fountain solution usage = fountain solution usage x VOM content.

VOM emissions from cleaning solution = cleaning solution usage x VOM content.

VOM emissions from other materials = material usage x VOM content.

- b. Coating line #1 shall not exceed the following limits:

<u>Emission Source</u>	<u>Coating Usage</u>		<u>Maximum VOM</u>	<u>VOM Emissions</u>	
	<u>(T/Mo)</u>	<u>(T/Yr)</u>	<u>Content</u> <u>(Wt. %)</u>	<u>(T/Mo)</u>	<u>(T/Yr)</u>
Coating Line #1	30.62	283	80	4.65	43.0

The emission limits are based on the maximum coating usage allowed, maximum VOM content of the coatings used and an overall reduction of 81 percent of VOM emissions from the coating line.

- c. The emissions of VOM from coating line #2 shall not exceed the following limits:

<u>Emission Source</u>	<u>VOM Emissions</u>	
	<u>(Tons/Month)</u>	<u>(Tons/Year)</u>
Coating Line #2	0.1	0.75

The emission limits are based on maximum operation and material balance.

- d. Operation and emissions of the natural gas fired combustion equipment including the catalytic afterburner shall not exceed the following limits:

- i. Natural Gas Usage: 7.2 mmscf/month and 72 mmscf/year
- ii. Emissions of nitrogen oxide (NO<sub>x</sub>), carbon monoxide (CO), particulate matter (PM), volatile organic material (VOM), and sulfur dioxide (SO<sub>2</sub>):

<u>Pollutant</u>	<u>Emission Factor</u>	<u>Emissions</u>	
	<u>(Lbs/mmscf)</u>	<u>(Tons/Mo)</u>	<u>(Tons/Yr)</u>
Nitrogen Oxides (NO <sub>x</sub> )	100	0.36	3.60
Carbon Monoxide (CO)	84	0.30	3.02
Particulate Matter (PM)	7.6	0.03	0.27

<u>Pollutant</u>	<u>Emission Factor</u> (Lbs/mmscf)	<u>Emissions</u>	
		(Tons/Mo)	(Tons/Yr)
Volatile Organic Material (VOM)	5.5	0.02	0.20
Sulfur Dioxide (SO <sub>2</sub> )	0.6	0.01	0.02

These limits are based on the maximum equipment operations and standard emission factors given by AP-42.

- e. This permit is issued based on negligible emissions of VOM from the UV screen printing and coating line. For this purpose, emissions shall not exceed nominal emission rates of 0.1 lbs/hour and 0.44 tons/year.
- f. The emissions of Hazardous Air Pollutants (HAPs) as listed in Section 112(b) of the Clean Air Act shall not equal or exceed 10 tons per year of any single HAP or 25 tons per year of any combination of such HAPs, or such lesser quantity as USEPA may establish in rule which would require the Permittee to obtain a CAAPP permit from the Illinois EPA. As a result of this condition, this permit is issued based on the emissions of any HAP from this source not triggering the requirement to obtain a CAAPP permit from the Illinois EPA.
- g. Compliance with annual limits 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).
8. Pursuant to 35 Ill. Adm. Code 218.211(a), the VOM content of each coating and the efficiency of each capture system and control device shall be determined by the applicable test methods and procedures specified in 35 Ill. Adm. Code 218.105 to establish the records required under 35 Ill. Adm. Code 218.211.
9. Pursuant to 35 Ill. Adm. Code 218.105(d)(2)(A)(ii), An owner or operator that uses an afterburner or carbon adsorber to comply with any Section of 35 Ill. Adm. Code Part 218 shall use Illinois EPA and USEPA approved continuous monitoring equipment which is installed, calibrated, maintained, and operated according to vendor specifications at all times the control device is in use except as provided in 35 Ill. Adm. Code 218.105(d)(3). The continuous monitoring equipment must monitor for each afterburner which has a catalyst bed, commonly known as a catalytic afterburner, the temperature rise across each catalytic afterburner bed or VOM concentration of exhaust.
- 10a. 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. Pursuant to 35 Ill. Adm. Code 218.211(c)(2), any owner or operator of a coating line subject to the limitations of 35 Ill. Adm. Code 218.204 other than 35 Ill. Adm. Code 218.204(a)(2) or (a)(3) and complying by means of 35 Ill. Adm. Code 218.204 shall collect and record all of the following information for each coating line and maintain the information at the source for a period of three years:
  - i. The name and identification number of each coating as applied on each coating line.
  - ii. The weight of VOM per volume and the volume of each coating (minus water and any compounds which are specifically exempted from the definition of VOM) as applied each day on each coating line.
- c. Pursuant to 35 Ill. Adm. Code 218.211(e)(2), any owner or operator of a coating line subject to the limitations of 35 Ill. Adm. Code 218.207 and complying by means of 35 Ill. Adm. Code 218.207(c), (d), (e), (f), (g) or (h) shall collect and record all of the following information each day for each coating line and maintain the information at the source for a period of three years:
  - i. Control device monitoring data.
  - ii. A log of the operating time for the capture system, control device, monitoring equipment and the associated coating line.
  - iii. A maintenance log for the capture system, control device and monitoring equipment detailing all routine and non-routine maintenance performed including dates and duration of any outages.

d. Pursuant to 35 Ill. Adm. Code 218.411(a)(2), an owner or operator of lithographic printing line(s) exempt from the limitations of 35 Ill. Adm. Code 218.407 because of the criteria in 35 Ill. Adm. Code 218.405(d) shall collect and record either the information in 35 Ill. Adm. Code 218.411(a)(2)(A) or (a)(2)(B) for all lithographic printing lines at the source:

i. Standard recordkeeping, including the following:

- A. The name and identification of each fountain solution additive, lithographic ink, and cleaning solvent used on any lithographic printing line, recorded each month;
- B. A daily record which shows whether a lithographic printing line at the source was in operation on that day;
- C. The VOM content and the volume of each fountain solution additive, lithographic ink, and cleaning solvent used on any lithographic printing line, recorded each month;
- D. The total VOM emissions at the source each month, determined as the sum of the product of usage and VOM content for each fountain solution additive, cleaning solvent, and lithographic ink (with the applicable ink VOM emission adjustment) used at the source, calculated each month; and
- E. The VOM emissions in lbs/day for the month, calculated in accordance with 35 Ill. Adm. Code 218.411(a)(1)(B).

ii. Purchase and inventory recordkeeping, including the following:

- A. The name, identification, and VOM content of each fountain solution additive, lithographic ink, and cleaning solvent used on any lithographic printing line, recorded each month;
- B. Inventory records from the beginning and end of each month indicating the total volume of each fountain solution additive, lithographic ink, and cleaning solvent to be used on any lithographic printing line at the source;
- C. Monthly purchase records for each fountain solution additive, lithographic ink, and cleaning solvent used on any lithographic printing line at the source;
- D. A daily record which shows whether a lithographic printing line at the source was in operation on that day;
- E. The total VOM emissions at the source each month, determined as the sum of the product of usage and VOM

content for each fountain solution additive, cleaning solvent, and lithographic ink (with the applicable ink VOM emission adjustment) used at the source calculated each month based on the monthly inventory and purchase records required to be maintained pursuant to 35 Ill. Adm. Code 218.411(a)(2)(B)(i), (a)(2)(B)(ii) and (a)(2)(B)(iii); and

- F. The VOM emissions in lbs/day for the month, calculated in accordance with 35 Ill. Adm. Code 218.411(a)(1)(B).
- e. The Permittee shall maintain records of the following items so as to demonstrate compliance with the Conditions of this permit:
  - i. Coating usage (tons/month and tons/year);
  - ii. Solvent usage (lbs/month and tons/year);
  - iii. Natural gas usage (mmscf/month and mmscf/year); and
  - iv. Monthly and annual emissions of VOM and HAPs, with supporting calculations (tons/month and tons/year).
- f. All records and logs required by this permit shall be retained at a readily accessible location at the source for at least five (5) years from the date of entry and shall be made available for inspection and copying by the Illinois EPA or USEPA upon request. Any records retained in an electronic format (e.g., computer) shall be capable of being retrieved and printed on paper during normal source office hours so as to be able to respond to an Illinois EPA or USEPA request for records during the course of a source inspection.
- 11a. 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.
- b. Pursuant to 35 Ill. Adm. Code 218.211(c)(3), any owner or operator of a coating line subject to the limitations of 35 Ill. Adm. Code 218.204 of and complying by means of 35 Ill. Adm. Code 218.204 shall notify the Illinois EPA in the following instances:
  - i. Any record showing violation of 35 Ill. Adm. Code 218.204 shall be reported by sending a copy of such record to the Illinois EPA within 30 days following the occurrence of the violation.
  - ii. At least 30 calendar days before changing the method of compliance from 35 Ill. Adm. Code 218.204 to 35 Ill. Adm. Code 218.205 or 35 Ill. Adm. Code 218.207, the owner or operator shall comply with

all requirements of 35 Ill. Adm. Code 218.211(d)(1) or (e)(1), respectively. Upon changing the method of compliance from 35 Ill. Adm. Code 218.204 to 35 Ill. Adm. Code 218.205 or 35 Ill. Adm. Code 218.207, the owner or operator shall comply with all requirements of 35 Ill. Adm. Code 218.211(d) or (e), respectively.

- c. Pursuant to 35 Ill. Adm. Code 218.211(e)(3), any owner or operator of a coating line subject to the limitations of 35 Ill. Adm. Code 218.207 and complying by means of 35 Ill. Adm. Code 218.207(c), (d), (e), (f), (g) or (h) shall notify the Illinois EPA in the following instances:
    - i. Any record showing violation of 35 Ill. Adm. Code 218.207 shall be reported by sending a copy of such record to the Illinois EPA within 30 days following the occurrence of the violation.
    - ii. At least 30 calendar days before changing the method of compliance with 35 Ill. Adm. Code 218 Subpart F from 35 Ill. Adm. Code 218.207 to 35 Ill. Adm. Code 218.204 or 35 Ill. Adm. Code 218.205, the owner or operator shall comply with all requirements of 35 Ill. Adm. Code 218.207(c)(1) or (d)(1), respectively. Upon changing the method of compliance with 35 Ill. Adm. Code 218 Subpart F from 35 Ill. Adm. Code 218.207 to 35 Ill. Adm. Code 218.204 or 35 Ill. Adm. Code 218.205, the owner or operator shall comply with all requirements of 35 Ill. Adm. Code 218.207(c) or (d), respectively.
  - d. Pursuant to 35 Ill. Adm. Code 218.411(a)(3), an owner or operator of lithographic printing line(s) exempt from the limitations of 35 Ill. Adm. Code 218.407 because of the criteria in 35 Ill. Adm. Code 218.405(d) shall notify the Illinois EPA in writing if the combined emissions of VOM from all lithographic printing lines (including inks, fountain solutions, and solvents used for cleanup operations associated with the lithographic printing lines) at the source ever exceed 45.5 kg/day (100 lbs/day), before the use of capture systems and control devices, within 30 days after the event occurs. Such notification shall include a copy of all records of such event.
12. 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 Agency  
Division of Air Pollution Control  
9511 West Harrison  
Des Plaines, Illinois 60016

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If you have any questions on this, please call David Hulskotter at 217/782-2113.

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

Date Signed: \_\_\_\_\_

ECB:DWH:psj

cc: Illinois EPA, FOS Region 1  
Lotus Notes

Attachment A - Emission Summary

This attachment provides a summary of the maximum emissions from the printing 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 are below the levels, (e.g., 100 tons per year of VOM, 10 tons per year for a single HAP, and 25 tons per year for totaled HAPs) 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 less material is handled, and control measures are more effective than required in this permit.

<u>Emission Unit</u>	E M I S S I O N S (Tons/Year)						<u>Single HAP</u>	<u>Total HAPs</u>
	<u>CO</u>	<u>NO<sub>x</sub></u>	<u>PM</u>	<u>SO<sub>2</sub></u>	<u>VOM</u>			
Non-Heatset Offset Printing Presses					18.20			
Coating Line #1	---	---	---	---	43.00			
Coating Line #2	---				0.75			
Fuel Combustion	3.02	3.60	0.27	0.02	0.20			
UV Coating Line					<u>0.44</u>			
Totals	<u>3.02</u>	<u>3.60</u>	<u>0.27</u>	<u>0.02</u>	<u>62.59</u>	< 10	< 25	

DWH:psj

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 CAA.

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' 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 shall 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 IAC 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 IAC 205.500 and 35 IAC 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 IAC 205.710). Sources may also transfer or sell the ATUs that they hold to other sources or participants (35 IAC 205.630).

2. Applicability

This source is considered a "participating source" for purposes of the ERMS, 35 IAC Part 205.

3. Obligation to Hold Allotment Trading Units (ATUs)

- a. Pursuant to 35 IAC 205.150(c)(1) and 35 IAC 205.720, and as further addressed by Condition 8 of this Attachment, as of December 31 of each year, this source shall hold ATUs in its account in an amount not less than the ATU equivalent of its VOM emissions during the preceding seasonal allotment period (May 1 - September 30), not including VOM emissions from the following, or the source shall be subject to "emissions excursion compensation," as described in Condition 5 of this Attachment.
- i. VOM emissions from emission units that the Illinois EPA determines would qualify as insignificant activities under 35 Ill. Adm. Code 201, Subpart F if the source were a CAAPP source and for which a statement to this effect is contained in the FESOP for a participating or new participating source are exempt from the requirements of, in accordance with 35 IAC 205.220(b);
  - ii. Excess VOM emissions associated with startup, malfunction, or breakdown of an emission unit for sources permitted to operate during startup, malfunction or breakdown pursuant to 35 Ill. Adm. Code 201.262, in accordance with 35 IAC 205.225;
  - iii. Excess VOM emissions to the extent allowed by a Variance, Consent Order, or Compliance Schedule, in accordance with 35 IAC 205.320(e)(3);
  - iv. Excess VOM emissions that are a consequence of an emergency as approved by the Illinois EPA, pursuant to 35 IAC 205.750; and
  - v. VOM emissions from certain new and modified emission units as addressed by Condition 8(b) of this Attachment, if applicable, in accordance with 35 IAC 205.320(f).
- b. Notwithstanding the above condition, in accordance with 35 IAC 205.150(c)(2), if a source commences operation of a major modification, pursuant to 35 IAC Part 203, the source shall hold ATUs in an amount not less than 1.3 times its seasonal VOM emissions attributable to such major modification during the seasonal allotment period, determined in accordance with the construction permit for such major modification or applicable provisions of this permit.

4. Market Transactions

- a. The source shall apply to the Illinois EPA for and obtain authorization for a Transaction Account prior to conducting any market transactions, as specified at 35 IAC 205.610(a).

- b. The Permittee shall promptly submit to the Illinois EPA any revisions to the information submitted for its Transaction Account, pursuant to 35 IAC 205.610(b).
- c. The source shall have at least one account officer designated for its Transaction Account, pursuant to 35 IAC 205.620(a).
- d. Any transfer of ATUs to or from the source from another source or general participant must be authorized by a qualified Account Officer designated by the source and approved by the Illinois EPA, in accordance with 35 IAC 205.620, and the transfer must be submitted to the Illinois EPA for entry into the Transaction Account database.

5. Emissions Excursion Compensation

Pursuant to 35 IAC 205.720, if the source fails to hold ATUs in accordance with Condition 3 of this Attachment, it shall provide emissions excursion compensation in accordance with the following:

- a. Upon receipt of an Excursion Compensation Notice issued by the Illinois EPA, the source shall purchase ATUs from the ACMA in the amount specified by the notice, as follows:
  - i. The purchase of ATUs shall be in an amount equivalent to 1.2 times the emissions excursion; or
  - ii. If the source had an emissions excursion for the seasonal allotment period immediately before the period for the present emissions excursion, the source shall purchase ATUs in an amount equivalent to 1.5 times the emissions excursion.
- b. If requested in accordance with paragraph (c) below or in the event that the ACMA balance is not adequate to cover the total emissions excursion amount, the Illinois EPA will deduct ATUs equivalent to the specified amount or any remaining portion thereof from the ATUs to be issued to the source for the next seasonal allotment period.
- c. Pursuant to 35 IAC 205.720(c), within 15 days after receipt of an Excursion Compensation Notice, the owner or operator may request that ATUs equivalent to the amount specified be deducted from the source's next seasonal allotment by the Illinois EPA, rather than purchased from the ACMA.

6. Quantification of Seasonal VOM Emissions

- a. The methods and procedures specified in this permit for determining VOM emissions and compliance with VOM emission limitations shall be used for determining seasonal VOM emissions for purposes of the ERMS, with the following exceptions [35 IAC 205.315(b)]:

No exceptions

- b. The Permittee shall report emergency conditions at the source to the Illinois EPA, in accordance with 35 IAC 205.750, if the Permittee intends to deduct VOM emissions in excess of the technology-based emission rates normally achieved that are attributable to the emergency from the source's seasonal VOM emissions for purposes of the ERMS. These reports shall include the information specified by 35 IAC 205.750(a), and shall be submitted in accordance with the following:
  - i. An initial emergency conditions report within two days after the time when such excess emissions occurred due to the emergency; and
  - ii. A final emergency conditions report, if needed to supplement the initial report, within 10 days after the conclusion of the emergency.

7. Annual Account Reporting

- a. For each year in which the source is operational, the Permittee shall submit, as a component of its Annual Emissions Report, seasonal VOM emissions information to the Illinois EPA for the seasonal allotment period. This report shall include the following information [35 IAC 205.300]:
  - i. Actual seasonal emissions of VOM from the source;
  - ii. A description of the methods and practices used to determine VOM emissions, as required by this permit, including any supporting documentation and calculations;
  - iii. A detailed description of any monitoring methods that differ from the methods specified in this permit, as provided in 35 IAC 205.337;
  - iv. If a source has experienced an emergency, as provided in 35 IAC 205.750, the report shall reference the associated emergency conditions report that has been approved by the Illinois EPA;
  - v. If a source's baseline emissions have been adjusted due to a Variance, Consent Order, or CAAPP permit Compliance Schedule, as provided for in 35 IAC 205.320(e)(3), the report shall provide documentation quantifying the excess VOM emissions during the season that were allowed by the Variance, Consent Order, or Compliance Schedule, in accordance with 35 IAC 205.320(e)(3); and
  - vi. If a source is operating a new or modified emission unit for which three years of operational data is not yet available, as specified in 35 IAC 205.320(f), the report shall specify seasonal VOM emissions attributable to the new emission unit or the modification of the emission unit.

- b. This report shall be submitted by October 31 of each year, for the preceding seasonal allotment period.

8. Allotment of ATUs to the Source

- a.
  - i. The allotment of ATUs to this source is 166 ATUs per seasonal allotment period.
  - ii. This allotment of ATUs reflects the Illinois EPA's determination that the source's baseline emissions were 18.33 tons per season.
  - iii. The source's allotment reflects 88% of the baseline emissions (12% reduction), except for the VOM emissions from specific emission units excluded from such reduction, pursuant to 35 IAC 205.405, including units complying with MACT or using BAT, as identified in Condition 10 of this Attachment of this permit.
  - iv. ATUs will be issued to the source's Transaction Account by the Illinois EPA annually. These ATUs will be valid for the seasonal allotment period following issuance and, if not retired in this season, the next seasonal allotment period.
  - v. Condition 3(a) of this Attachment becomes effective beginning in the seasonal allotment period following the initial issuance of ATUs by the Illinois EPA into the Transaction Account for the source.

b. Contingent Allotments for New or Modified Emission Units

None

- c. Notwithstanding the above, part or all of the above ATUs will not be issued to the source in circumstances as set forth in 35 IAC Part 205, including:
  - i. Transfer of ATUs by the source to another participant or the ACMA, in accordance with 35 IAC 205.630;
  - ii. Deduction of ATUs as a consequence of emissions excursion compensation, in accordance with 35 IAC 205.720; and
  - iii. Transfer of ATUs to the ACMA, as a consequence of shutdown of the source, in accordance with 35 IAC 205.410.

9. Recordkeeping for ERMS

The Permittee shall maintain copies of the following documents as its Compliance Master File for purposes of the ERMS [35 IAC 205.700(a)]:

- a. Seasonal component of the Annual Emissions Report;

- b. Information on actual VOM emissions, as recorded and as required by Condition 6(g) of this permit and Condition 6(a) of this Attachment; and
- c. Any transfer agreements for the purchase or sale of ATUs and other documentation associated with the transfer of ATUs.

10. Exclusions from Further Reductions

- a. VOM emissions from the following emission units shall be excluded from the VOM emissions reductions requirements specified in 35 IAC 205.400(c) and (e) as long as such emission units continue to satisfy the following [35 IAC 205.405(a)]:
  - i. Emission units that comply with any NESHAP or MACT standard promulgated pursuant to the CAA;
  - ii. Direct combustion emission units designed and used for comfort heating purposes, fuel combustion emission units, and internal combustion engines; and
  - iii. An emission unit for which a LAER demonstration has been approved by the Illinois EPA on or after November 15, 1990.

The source has demonstrated in its ERMS application and the Illinois EPA has determined that the following emission units qualify for exclusion from further reductions because they meet the criteria as indicated above [35 IAC 205.405(a) and (c)]:

Fuel Combustion Emission Units

- b. VOM emissions from emission units using BAT for controlling VOM emissions shall not be subject to the VOM emissions reductions requirement specified in 35 IAC 205.400(c) or (e) as long as such emission unit continues to use such BAT [35 IAC 205.405(b)].

The source has demonstrated in its ERMS application and the Illinois EPA has determined that the following emission units qualify for exclusion from further reductions because these emission units use BAT for controlling VOM emissions as indicated above [35 IAC 205.405(b) and (c)]:

None