

217/782-2113

FEDERALLY ENFORCEABLE STATE OPERATING PERMIT -- REVISED

PERMITTEE

Diageo North America, Inc.
Attn: Timothy A. Murray
24440 West 143rd Street
Plainfield, Illinois 60544

<u>Application No.:</u> 73032482	<u>I.D. No.:</u> 197080AAC
<u>Applicant's Designation:</u>	<u>Date Received:</u> April 27, 2009
<u>Subject:</u> Distilled Spirits, Adult Beverage and Ready-To-Drink Plant	
<u>Date Issued:</u> October 15, 2009	<u>Expiration Date:</u> October 6, 2011
<u>Location:</u> 24440 West 143rd Street, Plainfield, 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 a ready-to-drink line (14 storage tanks, 4 blend tanks, 7 bottling tanks, and 1 heels tank), bulk loading, a malt beverage line (4 outside storage tanks, 2 premix tanks, 4 bottling tanks, 9 NMB storage tanks, and filling operations) and a distilled spirits plant (gin processing line, vodka processing line and Smirnoff processing line), one natural-gas-fired-heater, and two natural-gas-fired boilers 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., volatile organic material (VOM) to less than 100 tons per year). 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 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.
 - iii. To establish federally enforceable production and operating limitations, which restrict the potential to emit for VOM from emission units not regulated by 35 Ill. Adm. Code 218 Subpart B to less than 25 tons/year so that the source is not subject to the requirements of 35 Ill. Adm. Code Part 218 Subpart TT (Other Emission Units).

- 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. 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 212.306, all normal traffic pattern access areas surrounding storage piles specified in 35 Ill. Adm. Code 212.304 and all normal traffic pattern roads and parking facilities which are located on mining or manufacturing property shall be paved or treated with water, oils or chemical dust suppressants. All paved areas shall be cleaned on a regular basis. All areas treated with water, oils or chemical dust suppressants shall have the treatment applied on a regular basis, as needed, in accordance with the operating program required by 35 Ill. Adm. Code 212.309, 212.310 and 212.312.
 - d. Pursuant to 35 Ill. Adm. Code 212.309(a), the emission units described in 35 Ill. Adm. Code 212.304 through 212.308 shall be operated under the provisions of an operating program, consistent with the requirements set forth in 35 Ill. Adm. Code 212.310 and 212.312, and prepared by the owner or operator and submitted to the Illinois EPA for its review. Such operating program shall be designed to significantly reduce fugitive particulate matter emissions.
 - e. Pursuant to 35 Ill. Adm. Code 212.310, as a minimum the operating program shall include the following:
 - i. The name and address of the source;
 - ii. The name and address of the owner or operator responsible for execution of the operating program;
 - iii. A map or diagram of the source showing approximate locations of storage piles, conveyor loading operations, normal traffic pattern access areas surrounding storage piles and all normal traffic patterns within the source;
 - iv. Location of unloading and transporting operations with pollution control equipment;

- v. A detailed description of the best management practices utilized to achieve compliance with 35 Ill. Adm. Code 212 Subpart K, including an engineering specification of particulate collection equipment, application systems for water, oil, chemicals and dust suppressants utilized and equivalent methods utilized;
 - vi. Estimated frequency of application of dust suppressants by location of materials; and
 - vii. Such other information as may be necessary to facilitate the Illinois EPA's review of the operating program.
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 exceed 2000 ppm.
4. No person shall cause or allow the emission of carbon monoxide (CO) into the atmosphere from any fuel combustion emission source with actual heat input greater than 2.9 MW (10 mmBtu/hour) to exceed 200 ppm, corrected to 50 percent excess air, pursuant to 35 Ill. Adm. Code 216.121.
- 5a. Pursuant to 35 Ill. Adm. Code 218.122(a), no person shall cause or allow the discharge of more than 3.6 kg/hour (8 lbs/hour) of organic material into the atmosphere during the loading of any organic material from the aggregate loading pipes of any loading area having through-put of greater than 151 cubic meters per day (40,000 gallons/day) into any railroad tank car, tank truck or trailer unless such loading area is equipped with submerged loading pipes or a device that is equally effective in controlling emissions and is approved by the Illinois EPA according to the provisions of 35 Ill. Adm. Code 201, and further processed consistent with 35 Ill. Adm. Code 218.108.
- b. Pursuant to 35 Ill. Adm. Code 218.122(b), no person shall cause or allow the loading of any organic material into any stationary tank having a storage capacity of greater than 946 liters (250 gallons), unless such tank is equipped with a permanent submerged loading pipe or an equivalent device approved by the Illinois EPA according to the provisions of 35 Ill. Adm. Code 201, and further processed consistent with 35 Ill. Adm. Code 218.108, or unless such tank is a pressure tank as described in 35 Ill. Adm. Code 218.121(a) or is fitted with a recovery system as described in 35 Ill. Adm. Code 218.121(b)(2).
- c. 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, or 218.304 and the following exception: If no odor nuisance exists the limitation of 35 Ill. Adm. Code 218 Subpart G shall only apply to photochemically reactive material.

- 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. For purposes of this permit, a storage tank at this source is any tank subject to and complying with 35 Ill. Adm. Code 218.122(a) and (b).
 - c. The boilers and water heater shall only be operated with natural gas as the fuel. The use of any other fuel in the boilers and water heater 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 and operation of the distilled spirits plant shall not exceed the following limits:
- i. Monthly and annual VOM emissions from storage tanks:

<u>Emission Units</u>	VOM Emissions	
	<u>(Tons/Month)</u>	<u>(Tons/Year)</u>
Storage Tanks	2.00	20.00

These limits are based on maximum tank throughput and use of the TANKS Emissions Estimation Software (Version 4.09D, October 3, 2005). Compliance with the above limit shall be determined from use of the following equation:

$$E_{ST} = \frac{V_{DS}EF_{DS} + V_{RTD}EF_{RTD} + V_{PAB}EF_{PAB} + V_{BL}EF_{BL}}{2,000}$$

Where:

- E_{ST} = VOM Emissions from Storage Tanks (Tons);
- V_{DS} = Volume of Distilled Spirits produced (1,000 WG);
- EF_{DS} = Emission factor for Distilled Spirits storage tanks (0.68 lb/1,000 WG);
- V_{RTD} = Volume of Ready to Drink product produced (1,000 WG);
- EF_{RTD} = Emission factor for Ready to Drink storage tanks (0.08 lb/1,000 WG);
- V_{PAB} = Volume of Progressive Adult Beverages produced (1,000 WG);
- EF_{PAB} = Emission factor for Progressive Adult Beverages storage tanks (0.08 lb/1,000 WG);

- V_{BL} = Volume of bulk liquids loaded (1,000 WG); and
- EF_{BL} = Emission factor for the bulk loading storage tanks (0.34 lb/1,000 WG).

Note: WG means wine gallons (3.785 liters)

- ii. Monthly and annual VOM emissions from process tanks shall not exceed the following limits:

<u>Emission Units</u>	<u>VOM Emissions</u>	
	<u>(Tons/Month)</u>	<u>(Tons/Year)</u>
Process Tanks	1.99	19.90

These limits are based on maximum tank throughput and use of the TANKS Emissions Estimation Software (Version 4.09D, October 3, 2005). Compliance with the above limit shall be determined from use of the following equation:

$$E_{PT} = \frac{V_{DS}EF_{DS} + V_{RTD}EF_{RTD} + V_{PAB}EF_{PAB}}{2,000}$$

Where:

- E_{PT} = VOM Emissions from process tanks (Tons);
- V_{DS} = Volume of Distilled Spirits produced (1,000 WG);
- EF_{DS} = Emission factor for Distilled Spirits process tanks (0.81 lb/1,000 WG);
- V_{RTD} = Volume of Ready to Drink product produced (1,000 WG);
- EF_{RTD} = Emission factor for Ready to Drink process tanks (0.22 lb/1,000 WG);
- V_{PAB} = Volume of Progressive Adult Beverages produced (1,000 WG); and
- EF_{PAB} = Emission factor for Progressive Adult Beverages process tanks (0.10 lb/1,000 WG).

- b. Emissions and operation of all emission units constructed between November 15, 1992 and June 15, 2005 (the period during which the Chicago area was classified as severe nonattainment for ozone) shall not exceed the following limits:

<u>Emission Units</u>	<u>Production Rate or Throughput</u>		<u>VOM Emissions</u>		
	<u>(WG/Month)</u>	<u>(WG/Year)</u>	<u>(lb/1000 WG)</u>	<u>(Tons/Month)</u>	<u>(Tons/year)</u>
Flavor Room Tanks Gin and Vodka Processing Line Flavored Malt Beverage Line	5,000,000	50,000,000	0.3653	0.91	9.13
RTD Line	420,000	4,200,000	1.49	0.31	3.11
Bulk Loading	5,000,000	50,000,000	0.18	0.45	4.50
	1,800,000	18,000,000	0.30	0.27	2.70
	300,000	3,000,000	0.34	0.05	0.51
				Total:	19.95

- i. The above limits are based on the maximum production rates and emission factors derived from the use of TANKS Emissions Estimation Software (Version 4.09D, October 3, 2005).
 - ii. The above limitations contain revisions to previously issued Permits 97040115, 99040030, 02010061, and 04070080. The source has requested that the Illinois EPA establish conditions in this permit that allow various refinements from the conditions of the aforementioned permits. The source has requested these revisions and has addressed the applicability and compliance of Title I of the Clean Air Act, specifically 35 Ill. Adm. Code Part 203, Major Stationary Sources Construction and Modification. These limits continue to ensure that the construction and/or modification addressed in these previously-issued construction permits do not constitute a new major source or major modification pursuant to these rules. These limits are the primary enforcement mechanism for the equipment and activities permitted in these previously-issued construction permits and the information in this construction permit application contains the most current and accurate information for the source. Specifically, production and throughput have been adjusted to reflect increase production at the source with an overall reduction in the corresponding VOM emission limits for this group of emission units.
- c. Emissions and operation of two (2) 21.75 mmBtu/hour boilers and one (1) 1.96 mmBtu/hour water heater shall not exceed the following limits:
- i. Natural Gas Usage: 117,000 therms/month and 1,170,0000 therms/year
 - ii. Emissions from the combustion of natural gas:

<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 _x)	100	0.59	5.90
Carbon Monoxide (CO)	84	0.49	4.90
Particulate Matter (PM)	7.6	0.04	0.40

<u>Pollutant</u>	Emission	Emissions	
	Factor (Lbs/mmscf)	(Tons/Mo)	(Tons/Yr)
Volatile Organic Material (VOM)	5.5	0.03	0.30
Sulfur Dioxide (SO ₂)	0.6	0.01	0.10

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

- d. 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).
8. This permit is issued based on the Potential to Emit (PTE) for Hazardous Air Pollutants (HAP) as listed in Section 112(b) of the Clean Air Act being less than 10 tons/year of any single HAP and 25 tons/year of any combination of such HAPs. As a result, 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 (CAAPP) Permit.
- 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.
- 10. 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 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.
- 12. 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.
- 13. Pursuant to 35 Ill. Adm. Code 218.129(f), the owner or operator of each storage vessel specified in 35 Ill. Adm. Code 218.119 shall maintain

readily accessible records of the dimension of the storage vessel and an analysis of the capacity of the storage vessel. Each storage vessel with a design capacity less than 40,000 gallons is subject to no provisions of 35 Ill. Adm. Code Part 218 other than those required by maintaining readily accessible records of the dimensions of the storage vessel and analysis of the capacity of the storage vessel.

- 14a. The Permittee shall maintain records of the following items so as to demonstrate compliance with the conditions of this permit:
- i. Distilled Spirits production (gallons/month and gallons/year);
 - ii. Ready to Drink production (gallons/month and gallons/year);
 - iii. Progressive Adult Beverages production (gallons/month and gallons/year);
 - iv. Bulk loading throughput (gallons/month and gallons/year);
 - v. Flavor room tank throughput (gallons/month and gallons/year);
 - vi. Gin and Vodka processing line production (gallons/month and gallons/year);
 - vii. Flavored malt beverage line production (gallons/month and gallons/year);
 - viii. Natural gas usage (therms/month and therms/year);
 - ix. Monthly and annual VOM emissions from storage tanks (tons/month and tons/year);
 - x. Monthly and annual VOM emissions from process tanks (tons/month and tons/year);
 - xi. Monthly and annual VOM emissions from the flavor room tanks (tons/month and tons/year);
 - xii. Monthly and annual VOM emissions from the Gin and Vodka processing line (tons/month and tons/year);
 - xiii. Monthly and annual VOM emissions from the Flavored Malt Beverage Line (tons/month and tons/year);
 - xiv. Monthly and annual VOM emissions from the RTD Line (tons/month and tons/year);
 - xv. Monthly and annual VOM emissions from Bulk Loading (tons/month and tons/year); and
 - xvi. Monthly and annual emissions of CO, NO_x, PM, SO₂, and VOM from the source, with supporting calculations (tons/month and tons/year).

- b. 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 storage device) 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.
- 15. 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. Pursuant to 35 Ill. Adm. Code 218.990, upon request by the Illinois EPA, the owner or operator of an emission unit which is exempt from the requirements of 35 Ill. Adm. Code 218 Subparts PP, QQ, RR, TT or 35 Ill. Adm. Code 218.208(b) shall submit records to the Illinois EPA within 30 calendar days from the date of the request that document that the emission unit is exempt from those requirements.
- 17a. If there is an exceedance of or a 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, a description of the exceedance or deviation, and efforts to reduce emissions and future occurrences.
- b. 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

It should be noted that this permit has been revised so as to include the operation of the equipment described in Construction Permit 09040055.

It should also be noted that this permit was been revised so as to establish federally enforceable Emission Reduction Market System (ERMS) provisions, including baseline emissions, allotment for each seasonal allotment period, emissions calculation methodologies, and provisions addressing all other applicable requirements of 35 Ill. Adm. Code Part 205.

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

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

Date Signed: _____

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cc: Illinois EPA, FOS Region 1
Lotus Notes

Attachment A - Emission Summary

This attachment provides a summary of the maximum emissions from the liquid blending and bottling source operating in compliance with the requirements of this federally enforceable permit. In preparing this summary, the Illinois EPA used the annual operating scenario that results in maximum emissions from such a plant. The resulting maximum emissions are below the levels, (i.e., 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 less material is handled, fewer gallons are produced, less fuel is combusted 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>CO</u>	<u>NO_x</u>	<u>PM</u>	<u>SO₂</u>	<u>VOM</u>
Storage Tanks					20.00
Process Tanks					19.90
Fuel Combustion	<u>4.90</u>	<u>5.90</u>	<u>0.40</u>	<u>0.10</u>	<u>0.30</u>
Totals	<u>4.90</u>	<u>5.90</u>	<u>0.40</u>	<u>0.10</u>	<u>40.20</u>

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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' 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 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

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

3. Obligation to Hold Allotment Trading Units (ATUs)

- a. Pursuant to 35 Ill. Adm. Code 205.150(c)(1) and 35 Ill. Adm. Code 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 35 Ill. Adm. Code Part 205, in accordance with 35 Ill. Adm. Code 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 Ill. Adm. Code 205.225;
 - iii. Excess VOM emissions to the extent allowed by a Variance, Consent Order, or Compliance Schedule, in accordance with 35 Ill. Adm. Code 205.320(e)(3);
 - iv. Excess VOM emissions that are a consequence of an emergency as approved by the Illinois EPA, pursuant to 35 Ill. Adm. Code 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 Ill. Adm. Code 205.320(f).
- b. Notwithstanding the above condition, in accordance with 35 Ill. Adm. Code 205.150(c)(2), if a source commences operation of a major modification, pursuant to 35 Ill. Adm. Code 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 Ill. Adm. Code 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 Ill. Adm. Code 205.610(b).
- c. The source shall have at least one account officer designated for its Transaction Account, pursuant to 35 Ill. Adm. Code 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 Ill. Adm. Code 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 Ill. Adm. Code 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 Ill. Adm. Code 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 Ill. Adm. Code 205.315(b)]:

No exceptions

- b. The Permittee shall report emergency conditions at the source to the Illinois EPA, in accordance with 35 Ill. Adm. Code 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 Ill. Adm. Code 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 Ill. Adm. Code 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 Ill. Adm. Code 205.337;
 - iv. If a source has experienced an emergency, as provided in 35 Ill. Adm. Code 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 Ill. Adm. Code 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 Ill. Adm. Code 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 Ill. Adm. Code 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 November 30 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 97 ATUs per seasonal allotment period.
 - ii. This allotment of ATUs reflects the Illinois EPA's determination that the source's baseline emissions were 10.92 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 Ill. Adm. Code 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 Ill. Adm. Code Part 205, including:
 - i. Transfer of ATUs by the source to another participant or the ACMA, in accordance with 35 Ill. Adm. Code 205.630;
 - ii. Deduction of ATUs as a consequence of emissions excursion compensation, in accordance with 35 Ill. Adm. Code 205.720; and

- iii. Transfer of ATUs to the ACMA, as a consequence of shutdown of the source, in accordance with 35 Ill. Adm. Code 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 Ill. Adm. Code 205.700(a)]:

- a. Seasonal component of the Annual Emissions Report;
- b. Information on actual VOM emissions, as recorded and as required by Condition 14(a) 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 Ill. Adm. Code 205.400(c) and (e) as long as such emission units continue to satisfy the following [35 Ill. Adm. Code 205.405(a)]:
 - i. Emission units that comply with any NESHAP or MACT standard promulgated pursuant to the Clean Air Act;
 - 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 Ill. Adm. Code 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 Ill. Adm. Code 205.400(c) or (e) as long as such emission unit continues to use such BAT [35 Ill. Adm. Code 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 Ill. Adm. Code 205.405(b) and (c)]:

None