

(217) 782-2113

FEDERALLY ENFORCEABLE STATE OPERATING PERMIT -- RENEWAL

PERMITTEE

Industrial Energy Applications, Inc.
Attn: Bill Gould
201 Third Avenue SE, Suite 300
Cedar Rapids, Iowa 52401

Application No.: 99010025

I.D. No.: 201030BBY

Applicant's Designation:

Date Received: March 7, 2005

Subject: Electric Generators

Date Issued:

Expiration Date:

Location: 707 Harrison Avenue, Rockford

This permit is hereby granted to the above-designated Permittee to OPERATE emission source(s) and/or air pollution control equipment consisting of six natural gas-fired reciprocating engine/generators 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 to limit the combined emissions of air pollutants from the Industrial Energy Applications, Inc. and Rockford Products Corporation (I.D. 201030AEJ), for which Industrial Energy Applications, Inc. is a support facility, to less than major source thresholds (i.e., less than 100 tons/year for nitrogen oxides (NO_x)). As a result, the source is excluded from requirements to obtain a Clean Air Act Permit Program permit. The maximum emissions of this source, as limited by the conditions of this permit, are described in Attachment A.
- b. Prior to issuance, a draft of this permit has undergone a public notice and comment period.
- c. This permit supersedes all operating permit(s) issued for this location.
2. Operation and emissions of the natural gas fired engines shall not exceed the following limits:

Natural Gas Usage: 30 mmscf/month, 280 mmscf/year

| <u>Pollutant</u> | <u>Emission Factor</u> <u>(lb/mmscf)</u> | <u>Emissions</u> | |
|-----------------------------------|---|------------------|-----------------|
| | | <u>(ton/mo)</u> | <u>(ton/yr)</u> |
| Nitrogen Oxide (NO _x) | 554 | 8.3 | 77.6 |
| Carbon Monoxide (CO) | 484 | 7.3 | 67.8 |
| Volatile Organic Material (VOM) | 197 | 3.0 | 27.6 |
| Particulate Matter (PM) | 28.5 | 0.4 | 4.0 |

These limits define potential emissions and are based on the engine manufacturer emission factors for 100% power load. Compliance with annual limits shall be determined on a monthly basis from a running total of 12 months of data.

3. The Permittee shall maintain monthly records of the following items:

- a. Natural gas usage (mmscf/month and mmscf/year);
 - b. Operating hours (hr/month) and amount of electric power produced (kWt-hr/month) for each engine.
4. All records and logs required by this permit shall be retained at a readily accessible location at the source for at least three 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 the Illinois EPA or USEPA request for records during the course of a source inspection.
 5. If there is an exceedance of the requirements of this permit as determined by the records required by this permit, the Permittee shall submit a report to the Illinois EPA Compliance Section in Springfield, Illinois within 30 days after the exceedance. 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 violation and efforts to reduce emissions and future occurrences.
 6. Two (2) copies of required reports and notifications concerning equipment operation or repairs, performance testing or a continuous monitoring system shall be sent to:

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

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

Illinois Environmental Protection Agency
Division of Air Pollution Control - Regional Office
5415 North University
Peoria, Illinois 61614

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

Donald E. Sutton, P.E.
Manager, Permit Section
Division of Air Pollution Control

DES:VJB

cc. Illinois EPA, FOS Region 2
Lotus Notes

Attachment A - Emission Summary

This attachment provides a summary of the maximum emissions from the Industrial Energy Applications, Inc. power generating plant and Rockford Products Corporation, for which Industrial Energy Applications, Inc., ID is a support facility, 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 source. This is a usage of 280 mmscf of natural gas per year by the Industrial Energy Applications, Inc. The resulting combined maximum emissions are below 100 tons per year of NO_x at which this source would be considered a major source for purposes of the Clean Air Act Permit Program. Actual emissions from this source will be less than predicted in this summary to the extent that material is handled, and control measures are more effective than required in this permit.

E M I S S I O N S
(tons/yr)

| Emission Units | NO _x | CO | PM | VOM |
|--------------------------------|-----------------|------|-----|------|
| Engine/Generators at | | | | |
| Industrial Energy Applications | 77.6 | 67.8 | 4.0 | 27.6 |
| Rockford Products Corporation | | | | |
| ID: 201030AEJ | 12.8 | 10.7 | 1.0 | 0.7 |
| Total | 90.4 | 78.5 | 5.0 | 28.3 |

DES:VJB