

**AIR QUALITY
MANAGEMENT DISTRICT****STATEMENT OF BASIS
FOR SIGNIFICANT MODIFICATION
OF TITLE V FEDERAL OPERATING PERMIT**

APPLICATION NO.:	<u>TV2006-01-02</u>
DATE:	<u>May 19, 2009</u>
REVIEWING ENGINEER:	<u>Bruce Nixon</u>

A. FACILITY INFORMATION:

FACILITY NAME: Grafil, Inc.

LOCATION: 5900 88th Street
Sacramento, CA

MAILING ADDRESS: 5900 88th Street
Sacramento, CA 95828

RESPONSIBLE OFFICIAL: Tsutomu Daiguji
Vice President, Operations
(916) 379-2178

CONTACT PERSON: Gordon Shearer
Operations Director
(916) 386-1733

B. PURPOSE OF THIS STATEMENT OF BASIS:

The Title V Federal Operating Permit is intended to be a document containing only enforceable terms and conditions as well as any additional information, such as the identification of emission units, emission points, emission sources and processes, that makes the terms meaningful. 40 CFR Part 70.7(a)(5) requires that each Title V permit have an accompanying "...statement that sets forth the legal and factual basis for the draft permit conditions". The purpose of this Statement of Basis is to satisfy the above requirement by providing pertinent details regarding the permit/application data and permit conditions in a more easily understandable format. This report will also include background narrative and explanations of regulatory decisions made by the reviewer. It should be emphasized that this Statement of Basis, while based on information contained in the permit, is a separate document and is not itself an enforceable term and condition of the permit.

In addition to this Statement of Basis the information contained in the Statement of Basis for the 10-22-2007 Title V permit renewal is applicable to the facility.

C. PERMIT ACTIONS:

Previous Permit Actions

The following permit actions have occurred since the initial Federal Operating Permit No. 1996-01-01 was issued:

<u>Permit Action</u>	<u>Date Issued</u>	<u>Permit No.</u>
Initial Title V Federal Operating Permit	10-29-1997	TV1996-01-01
1st Minor Modification	04-15-1998	TV1996-01-02
1st Permit Renewal (includes Minor Modification)	10-22-2002	TV2002-01-01
1st Minor Modification	04-04-2006	TV2002-01-02
2nd Permit Renewal	10-22-2007	TV2006-01-01

Current Permit Action

This 1st Significant Modification permit to the 2nd Permit Renewal will be assigned the following permit number: TV2006-01-02.

The specific changes to the Title V permit are described in Section E below.

D. FACILITY DESCRIPTION:

Grafil, Inc. manufactures carbon fiber at its facility in Sacramento. The carbon fiber is used by their customers to manufacture finished products such as sporting goods, satellites, helicopter rotor blades, drive shafts, pumps, valves and CNG tanks.

Grafil, Inc. manufactures the carbon fiber from polyacrylic fiber raw material. The carbon fiber is processed in two parallel production lines, designated as Line 31 and Line 32. The two production lines operate independently of each other. The carbon fiber produced from these lines receives a surface treatment with a water based nylon coating in a third processing line.

High quality continuous polyacrylic fibers wound on spools are received and stored in the precursor warehouse. During processing, spools are transferred from the storage area and batch loaded to the feed end of each production line. Fiber is unwound from many spools simultaneously and processed through a sequence of production steps in Lines 31 and 32. These production steps include, in order:

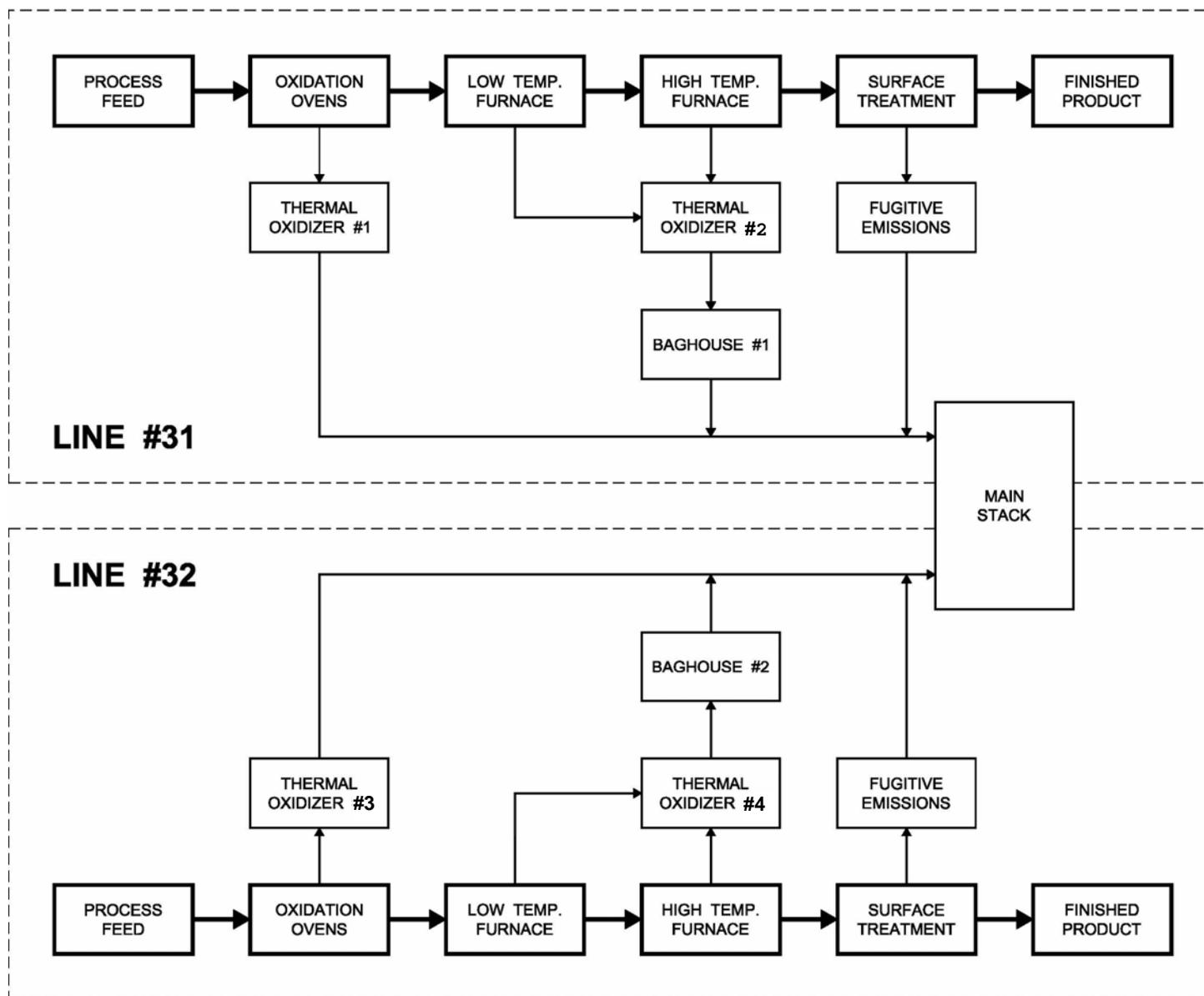
1. Surface oxidation in atmospheric ovens
2. Tar removal in low temperature furnaces
3. Carbonization in high temperature furnaces
4. Surface treatment of the fibers with a solution that promotes good adhesion with polymer matrix systems, a necessary requirement for some end users.

Total processing time through each line is dependent on package length, fiber speed and customer product requirements. Processing operations occur semi-continuously, 24 hours per day, 7 days per week and 52 weeks per year.

There are four thermal oxidizers and two baghouses associated with the carbon fiber processing lines that are used to control the emission of reactive organic compounds, particulate matter and toxic pollutants.

In addition to the carbon fiber processing lines the facility has the following support equipment:

1. Two natural gas fueled boilers.
2. One propane fueled emergency use IC engine to drive an electrical generator when utility electricity becomes unavailable.
3. One diesel fueled emergency use IC engine to drive a fire pump for firefighting purposes.



E. DESCRIPTION OF TITLE V PERMIT MODIFICATION:

1. Modify Carbon Fiber Process Line Nos. 31 and 32 for Fugitive HCN Control

Description of modification requested:

Related documents:

09-12-2007	A/C Nos. 20519 and 20520 Engineering Evaluation	(Attachment D)
09-12-2007	A/C Nos. 20519 and 20520 Authority to Construct	(Attachment E)
01-15-2008	Title V permit modification application	(Attachment C)

The following modification is to SMAQMD Rule 201 Permit to Operate Nos. 19554 and 19555.

Fugitive HCN exhaust from Carbon Fiber Process Line Nos. 31 and 32 was routed through Outside Thermal Oxidizer Nos. 2 and 4 beginning in 2007 in order to reduce fugitive HCN in the plant work area. Typically the fugitive exhaust contains negligible HCN during normal plant operation, but may contain higher HCN concentrations during an upset in the manufacturing process and during startup. After operating in the new exhaust mode for a short time, Grafil determined that continuously venting the fugitive HCN exhaust to the outside thermal oxidizers was not physically feasible because it put too great of a load on the fugitive exhaust fans and also dramatically increased the natural gas consumption of the oxidizers. It was determined that routing the fugitive HCN emissions through the outside thermal oxidizers during routine plant operation provided negligible HCN emission reductions while increasing outside thermal oxidizer combustion emissions and energy costs. Grafil proposed to route the fugitive HCN exhaust through the outdoor thermal oxidizers only during process upset events, including startups.

Grafil received SMAQMD Rule 201 Permit to Operate Nos. 20519 and 20520 for this modification.

Equipment Modifications:

There are no additions or deletions to the equipment listed in the Title V permit.

Emission Modifications:

There are no changes to the allowable emissions from Carbon Fiber Process Line Nos. 31 and 32 specified in the Title V permit.

Basis for the Applicable Federally Enforceable Requirements:

SMAQMD Rule 201 General Permit Requirements
SMAQMD Rule 202 New Source Review
SMAQMD Rule 207 Title V - Federal Operating Permit Program
SMAQMD Rule 401 Ringelmann Chart
SMAQMD Rule 406 Specific Contaminants
SMAQMD Rule 420 Sulfur Content of Fuels

Compliance Status:

Grafil complies with the applicable federally enforceable requirements.

Category of Title V Permit Modification (see categories in Attachment B):

The modification of Carbon Fiber Process Line Nos. 31 and 32 does not meet any of the criteria describing a "Significant" Title V permit modification. The Title V permit modification also does not meet any of the criteria of an "Administrative Amendment" in SMAQMD Rule 207 Section 202.

Therefore, the permit modification is classified as a "Minor" Title V permit modification under SMAQMD Rule 207 Section 220.

E. DESCRIPTION OF TITLE V PERMIT MODIFICATION (continued):

2. Add a new Boiler No. 4

Description:

Related documents:

07-09-2008	A/C No. 20835 Engineering Evaluation	(Attachment D)
08-12-2008	A/C No. 20835 Authority to Construct	(Attachment E)
09-09-2008	Title V permit modification application	(Attachment C)

Grafil requested the addition of a new 4.8 MMBTU/hour natural gas fueled boiler to their facility to replace an existing boiler that was removed.

Grafil received SMAQMD Rule 201 Permit to Operate No. 20835 for this modification.

Equipment Modifications:

Boiler removed from the Title V permit -

Boiler No. 1, 1.26 MMBTU/hour [SMAQMD Rule 201 Permit to Operate No. 19322]

Boiler added to the Title V permit -

Boiler No. 4 -

Manufacturer: Cleaver Brooks
 Model: Promethean 4WI-700-100-150
 Serial No.: 0L106305
 Rating: 4.8 MMBTU/Hr heat input
 Fuel: Natural gas
 Burner: Low NOx burner
 Usage: Industrial process.

Emission Modifications:

The following emission increases and Emission Reduction Credits (ERC) are associated with the new Boiler No. 4.

Pollutant	Maximum Allowable Emissions lb/quarter	Emission Reduction Credits Surrendered lb/quarter
ROC	10	0
NOx	21	21
SO2	1	0
PM10	14	0
CO	141	0

Basis for the Applicable Federally Enforceable Requirements:

SMAQMD Rule 201 General Permit Requirements
SMAQMD Rule 202 New Source Review
SMAQMD Rule 207 Title V - Federal Operating Permit Program
SMAQMD Rule 401 Ringelmann Chart
SMAQMD Rule 406 Specific Contaminants
SMAQMD Rule 411 Boiler NOx
SMAQMD Rule 420 Sulfur Content of Fuels

Compliance Status:

Grafil complies with the applicable federally enforceable requirements.

Category of Title V Permit Modification (see categories in Attachment B):

The operation of the new Boiler No. 4 does not meet any of the criteria describing a "Significant" Title V permit modification. The Title V permit modification also does not meet any of the criteria of an "Administrative Amendment" in SMAQMD Rule 207 Section 202.

Therefore, the permit modification is classified as a "Minor" Title V permit modification under SMAQMD Rule 207 Section 220.

E. DESCRIPTION OF TITLE V PERMIT MODIFICATION (continued):

3. Modify Carbon Fiber Process Line Nos. 31 and 32 for CO Emissions Limit

Description:

Related documents:

07-03-2008	A/C Nos. 21252 and 21253 Engineering Evaluation	(Attachment D)
07-03-2008	A/C Nos. 21252 and 21253 Authority to Construct	(Attachment E)
09-09-2008	Title V permit modification application	(Attachment C)

The following modification is to SMAQMD Rule 201 Permit to Operate Nos. 20519 and 20520.

The CO emissions from the entire Grafil facility have been limited by a facility-wide CO emission limit. Without the facility-wide CO emission limit the potential to emit for CO would be greater than the CO offset threshold of 49,500 lb/quarter. The purpose of the facility-wide CO emission limit was to keep CO emissions below 49,500 lb/quarter in order for Grafil to not be subject to providing emission offsets. The facility-wide quarterly CO emission limit required Grafil to track natural gas usage for Boiler No. 3 and calculate actual quarterly CO emissions.

Grafil requested that their SMAQMD Rule 201 Permit to Operate Nos. 20519 and 20520 be modified to decrease the CO emission limit for their Carbon Fiber Process Line Nos. 31 and 32. The purpose was to reduce the facility-wide potential to emit for CO to below the 49,500 lb/quarter offset threshold. This modification then allowed Grafil to eliminate the quarterly recordkeeping in Boiler No. 3's Permit to Operate No. 20149 for facility-wide CO emissions.

Grafil received SMAQMD Rule 201 Permit to Operate Nos. 21252 and 21253 for this modification.

Equipment Modifications:

There are no additions or deletions to the equipment listed in the Title V permit.

Emission Modifications:

The maximum allowable CO emissions from Carbon Fiber Process Line Nos. 31 and 32 combined was reduced from 521.0 lb/day to 504.0 lb/day.

Basis for the Applicable Federally Enforceable Requirements:

SMAQMD Rule 201 General Permit Requirements
SMAQMD Rule 202 New Source Review
SMAQMD Rule 207 Title V - Federal Operating Permit Program
SMAQMD Rule 401 Ringelmann Chart
SMAQMD Rule 406 Specific Contaminants
SMAQMD Rule 420 Sulfur Content of Fuels

Compliance Status:

Grafil complies with the applicable federally enforceable requirements.

Category of Title V Permit Modification (see categories in Attachment B):

The modification of Carbon Fiber Process Line Nos. 31 and 32 does not meet any of the criteria describing a "Significant" Title V permit modification. The Title V permit modification also does not meet any of the criteria of an "Administrative Amendment" in SMAQMD Rule 207 Section 202.

Therefore, the permit modification is classified as a "Minor" Title V permit modification under SMAQMD Rule 207 Section 220.

E. DESCRIPTION OF TITLE V PERMIT MODIFICATION (continued):

4. Modify Boiler No. 3 Conditions to Remove Quarterly CO Recordkeeping

Description:

Related documents:

07-03-2008	A/C No. 21254 Engineering Evaluation	(Attachment D)
07-03-2008	A/C No. 21254 Authority to Construct	(Attachment E)
09-09-2008	Title V permit modification application	(Attachment C)

The following modification is to SMAQMD Rule 201 Permit to Operate No. 20149.

The CO emissions from the entire Grafil facility have been limited by a facility-wide CO emission limit. Without the facility-wide CO emission limit the potential to emit for CO would be greater than the CO offset threshold of 49,500 lb/quarter. The purpose of the facility-wide CO emission limit was to keep CO emissions below 49,500 lb/quarter in order for Grafil to not be subject to providing emission offsets. This facility-wide quarterly CO emission limit required Grafil to track natural gas usage for Boiler No. 3 and calculate actual quarterly CO emissions.

Grafil requested that their SMAQMD Rule 201 Permit to Operate Nos. 20519 and 20520 be modified to decrease the CO emission limit for their Carbon Fiber Process Line Nos. 31 and 32. The purpose was to reduce the facility-wide potential to emit for CO to below the 49,500 lb/quarter offset threshold. This modification then allowed Grafil to eliminate the quarterly recordkeeping for facility-wide CO emissions in SMAQMD Rule 201 Permit to Operate No. 20149 for Boiler No. 3.

Grafil received SMAQMD Rule 201 Permit to Operate No. 21254 for this modification.

Equipment Modifications:

There are no additions or deletions to the equipment listed in the Title V permit.

Emission Modifications:

There are no changes to the emissions for Boiler No. 3 specified in the Title V permit.

Basis for the Applicable Federally Enforceable Requirements:

SMAQMD Rule 201 General Permit Requirements
SMAQMD Rule 202 New Source Review
SMAQMD Rule 207 Title V - Federal Operating Permit Program
SMAQMD Rule 401 Ringelmann Chart
SMAQMD Rule 406 Specific Contaminants
SMAQMD Rule 411 Boiler NOx
SMAQMD Rule 420 Sulfur Content of Fuels

Compliance Status:

Grafil complies with the applicable federally enforceable requirements.

Category of Title V Permit Modification (see categories in Attachment B):

The modification of Boiler No. 3 does meet the following criteria describing a "Significant" Title V permit modification.

SMAQMD Rule 207 Section 233.2 -

Involves relaxation or significant change to existing monitoring, reporting or recordkeeping requirements in the Title V permit.

The modification involves a relaxation in recordkeeping requirements for quarterly CO emissions. Therefore, the permit modification is classified as a "Significant" Title V permit modification under SMAQMD Rule 207 Section 233.

E. DESCRIPTION OF TITLE V PERMIT MODIFICATION (continued):

5. Modify Carbon Fiber Process Line Nos. 31 and 32 to Replace the HCN CEM System

Description:

Related documents:

12-18-2008	A/C Nos. 21607 and 21608 Engineering Evaluation	(Attachment D)
01-27-2009	A/C Nos. 21607 and 21608 Authority to Construct	(Attachment E)
02-20-2009	Title V permit modification application	(Attachment C)

The following modification is to SMAQMD Rule 201 Permit to Operate Nos. 21252 and 21253.

Grafil Inc. requested the following modifications associated with Carbon Fiber Process Line Nos. 31 and 32.

1. Replace the existing primary and standby HCN continuous emissions monitoring (CEM) system on the main stack.

The HCN CEM system is manufactured by Boreal Laser, Inc. It uses light absorption to determine the concentration of HCN in the exhaust stream. The CEM system is based on a laser diode which tunes the light wavelength to the specific absorption frequency of HCN. The system will detect the difference in the intensity of light directed across the main stack to measure the concentration of HCN in the stack exhaust.

2. Change the averaging period for the HCN emission concentration from 15 minutes to 1 hour.

Grafil received SMAQMD Rule 201 Permit to Operate Nos. 21607 and 21608 for this modification.

Equipment Modifications:

The only modification to the equipment specified in the Title V permit was the removal of the old primary and standby CEM systems -

Manufacturer: Interscan
Model: LD28

and replacement with the new primary and standby CEM systems -

Manufacturer: Boreal Laser
Model: Gas Finder
Serial No.: HCNFC 2001 and HCNFC 2003

Emission Modifications:

There are no changes to the emissions specified in the Title V permit.

Basis for the Applicable Federally Enforceable Requirements:

SMAQMD Rule 201 General Permit Requirements
SMAQMD Rule 202 New Source Review
SMAQMD Rule 207 Title V - Federal Operating Permit Program
SMAQMD Rule 401 Ringelmann Chart
SMAQMD Rule 406 Specific Contaminants
SMAQMD Rule 420 Sulfur Content of Fuels

Compliance Status:

Grafil complies with the applicable federally enforceable requirements.

Category of Title V Permit Modification (see categories in Attachment B):

The modification of Carbon Fiber Process Line Nos. 31 and 32 does not meet any of the criteria describing a "Significant" Title V permit modification. The Title V permit modification also does not meet any of the criteria of an "Administrative Amendment" in SMAQMD Rule 207 Section 202.

Therefore, the permit modification is classified as a "Minor" Title V permit modification under SMAQMD Rule 207 Section 220.

E. DESCRIPTION OF TITLE V PERMIT MODIFICATION (continued):

6. Add a new IC Engine that Drives an Emergency Use Fire Pump

Description:

Related documents:

02-07-2009	A/C No. 21750 Engineering Evaluation	(Attachment D)
02-11-2009	A/C No. 21750 Authority to Construct	(Attachment E)
02-20-2009	Title V permit modification application	(Attachment C)

Grafil requested the addition of a new diesel fueled IC engine to their facility to drive an emergency fire pump.

Grafil received SMAQMD Rule 201 Permit to Operate Nos. 21750 for this new equipment.

Equipment Modifications:

IC Engine -
 Manufacturer: Clark/John Deere
 Model No.: JU6H-UFADN0/6068HFC28D
 Serial No.: 0L106305
 Rating: 197 hp at 1760 rpm
 Model Year: 2008
 EPA Family No.: 8JDXL06.8104
 CARB Executive Order: U-R-004-0312-1
 Emissions Certification: Tier 3
 Fuel: CARB diesel
 Driving: Emergency use fire pump

Emission Modifications:

The following emission increases are associated with the new IC engine.

Pollutant	Maximum Allowable Emissions	
	lb/quarter	lb/year
ROC	87	87
NOx	261	261
SO2	0.4	0.4
PM10	13	13
CO	226	226

Basis for the Applicable Federally Enforceable Requirements:

SMAQMD Rule 201 General Permit Requirements
SMAQMD Rule 202 New Source Review
SMAQMD Rule 207 Title V - Federal Operating Permit Program
SMAQMD Rule 401 Ringelmann Chart
SMAQMD Rule 406 Specific Contaminants
SMAQMD Rule 412 Stationary IC Engines Located at Major Stationary Sources of NOx
SMAQMD Rule 420 Sulfur Content of Fuels
NSPS 40 CFR 60 Subpart IIII Standards of Performance for Stationary Compression Ignition
Internal Combustion Engines
NESHAP 40 CFR 63 Subpart ZZZZ National Emission Standards for Hazardous Air Pollutants
for Stationary Reciprocating Internal Combustion Engines

Compliance Status:

Grafil complies with the applicable federally enforceable requirements.

Category of Title V Permit Modification (see Attachment B):

The operation of the new IC engine does not meet any of the criteria describing a "Significant" Title V permit modification. The Title V permit modification also does not meet any of the criteria of an "Administrative Amendment" in SMAQMD Rule 207 Section 202.

Therefore, the permit modification is classified as a "Minor" Title V permit modification under SMAQMD Rule 207 Section 220.

F. APPLICABLE FEDERALLY ENFORCEABLE GENERAL REQUIREMENTS AND EQUIPMENT SPECIFIC REQUIREMENTS:

Except as noted below, the Applicable Federally Enforceable General Requirements and Equipment Specific Requirements will remain the same as those described in the Title V permit Statement of Basis TV2005-03-01. The requirements will not be repeated here (see Title V permit file for Applicable Federally Enforceable General Requirements and Equipment Specific Requirements).

The following Applicable Federally Enforceable Equipment Specific Requirements will be removed from the permit -

1. All conditions related to Boiler No. 1 because the boiler has been removed from the facility.

The following Applicable Federally Enforceable Equipment Specific Requirements are those that are modified or added to the permit -

1. Carbon Fiber Process Line Nos. 31 and 32
Modified Condition Nos.: 1, 2, 4, 5
New Condition Nos.: None
2. Boiler No. 3, 6.12 MMBTU/hour
Modified Condition Nos.: 3 (removed), 6
New Condition Nos.: 7, 8
3. Boiler No. 4, 4.8 MMBTU/hour
Modified Condition Nos.: None
New Condition Nos.: All conditions are new because this is new equipment
4. IC Engine No. 2, 197 hp
Modified Condition Nos.: None
New Condition Nos.: All conditions are new because this is new equipment.

H. RECOMMENDATION:

1. Revise the Title V Federal Operating Permit as described in this Statement of Basis.
2. Send proposed Statement of Basis and proposed Title V permit to U.S. EPA Region 9 for their 45 day review period.
3. Publish a notice in the Sacramento Bee requesting public comments within a 30 day review period.

See proposed Title V Permit No. TV2006-01-02 for equipment descriptions and permit conditions.

Approved by: _____ Date: _____

ATTACHMENT A

SMAQMD RULES THAT ARE
"APPLICABLE FEDERALLY ENFORCEABLE REQUIREMENTS"
FOR THE GRAFIL, INC.

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 FOR GRAFIL, INC.

Rule is Applicable	Rule is SIP Approved	Rule No.	Rule Title	Is the Rule an "Applicable Federally Enforceable Requirement"?
●	●	101	General Provisions and Definitions 09-03-1998 version	Yes - no related conditions are included in the permit because of general nature of the rule.
●	●	102	Circumvention 11-29-1983 version	Yes - no related conditions are included in the permit because of general nature of the rule.
	●	103	Exceptions 11-29-1983 version	No - source does not operate the type of equipment described in this rule.
	●	104	General Conformity 11-03-1994 version	No - the rule's purpose is to have the SMAQMD review federal conformity findings.
●	●	105	Emission Statement 04-20-1993 version	Yes - related conditions are included in the permit.
		107	Alternative Compliance	No - it is not a SIP approved rule.
●		108	Minor Violations	No - it is not a SIP approved rule.
●	●	201	General Permit Requirements 11-20-1984 version	Yes - no related conditions are included in the permit because of the general nature of the rule.

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Rule is Applicable	Rule is SIP Approved	Rule No.	Rule Title	Is the Rule an "Applicable Federally Enforceable Requirement"?
●	●	202	New Source Review 11-20-1984 version	Yes - related conditions are included in the permit.
		203	Prevention of Significant Deterioration	No - it is not a SIP approved rule.
		204	Emission Reduction Credits	No - it is not a SIP approved rule.
		205	Community Bank and Priority Reserve Bank	No - it is not a SIP approved rule.
		206	Mobile and Transportation Source Emission Reduction Credits	No - it is not a SIP approved rule.
●	✱	207	Title V Federal Operating Permit Program	Yes - related conditions are included in the permit. (✱Although this is not a SIP approved rule it is applicable because it is part of the approved SMAQMD Title V Permit Program.)
●		208	Acid Rain	No - it is not a SIP approved rule. <i>Note: there is an equivalent federal regulation.</i>
		209	Limiting Potential to Emit	No - it is not a SIP approved rule.
		210	Synthetic Minor Source Status	No - it is not a SIP approved rule.

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Rule is Applicable	Rule is SIP Approved	Rule No.	Rule Title	Is the Rule an "Applicable Federally Enforceable Requirement"?
		211	MACT at Major Sources of Hazardous Air Pollutants	No - it is not a SIP approved rule.
		213	Federal Major Modifications	No - it is not a SIP approved rule.
		215	Agricultural Permit Requirements and New Agricultural Permit Review	No - it is not a SIP approved rule.
●	*	301	Stationary Source Permit Fees	Yes - related conditions are included in the permit. (*Although this is not a SIP approved rule it is applicable because it is part of the approved SMAQMD Title V Permit Program.)
●		302	Hearing Board Fees	No - it is not a SIP approved rule.
		303	Agricultural Burning Permit Fees	No - it is not a SIP approved rule.
		304	Plan Fees	No - it is not a SIP approved rule.
		305	Environmental Document Preparation and Processing Fees	No - it is not a SIP approved rule.
●		306	Air Toxics Fees	No - it is not a SIP approved rule.

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Rule is Applicable	Rule is SIP Approved	Rule No.	Rule Title	Is the Rule an "Applicable Federally Enforceable Requirement"?
●	●	307	Clean Air Act Fees 09-26-2002 version	Yes - related conditions are included in the permit.
		310	Permit Fees - Agricultural Source	No - it is not a SIP approved rule
●	●	401	Ringelmann Chart 04-05-1983 version	Yes - related conditions are included in the permit.
●		402	Nuisance	No - it is not a SIP approved rule.
●	●	403	Fugitive Dust 11-29-1983 version	Yes - related conditions are included in the permit.
●	●	404	Particulate Matter 11-20-1984 version	Yes - related conditions are included in the permit.
	●	405	Dust and Condensed Fumes 11-29-1983 version	No - the source does not operate such a process.
●	●	406	Specific Contaminants 11-29-1983 version	Yes - related conditions are included in the permit.

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Rule is Applicable	Rule is SIP Approved	Rule No.	Rule Title	Is the Rule an "Applicable Federally Enforceable Requirement"?
●	●	407	Open Burning 11-29-1983 version	Yes - no related conditions are included in the permit because the source does not conduct open burning.
	●	408	Incinerator Burning 11-29-1983 version	No - the source does not operate an incinerator.
	●	409	Orchard Heaters 11-29-1983 version	No - the source does not operate orchard heaters.
	●	410	Reduction of Animal Matter 11-29-1983 version	No - the source does not operate equipment for the reduction of animal matter.
●	●	411	Boiler NOx 02-02-1995 version	Yes - related conditions are included in the permit.
●	●	412	Stationary IC Engines at Major Stationary Sources of NOx 06-01-1995 version	Yes - related conditions are included in the permit.
	●	413	Stationary Gas Turbines 03-24-2005 version	No - the source does not operate gas turbines.
●	●	414	Natural Gas Fired Water Heaters 08-01-1996 version	Yes - related conditions are included in the permit.

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Rule is Applicable	Rule is SIP Approved	Rule No.	Rule Title	Is the Rule an "Applicable Federally Enforceable Requirement"?
		417	Wood Burning Appliances	No - it is not a SIP approved rule.
●	●	420	Sulfur Content of Fuels 11-29-1983 version	Yes - related conditions are included in the permit.
●	●	441	Organic Solvents 11-29-1983 version	Yes - no related conditions are included in the permit because of limited applicability.
●	●	442	Architectural Coatings 09-05-1996 version	Yes - related conditions are included in the permit.
	●	443	Leaks from Synthetic Organic Chemical and Polymer Manufacturing 09-05-1996 version	No - the source does not operate synthetic organic chemical or polymer manufacturing equipment.
	●	444	Petroleum Solvent Dry Cleaning 08-13-1981 version	No - the source does not operate petroleum solvent dry cleaning equipment.
	●	446	Storage of Petroleum Products 11-16-1993 version	No - the source does not store affected petroleum products.
	●	447	Organic Liquid Loading	No - the source does not operate organic liquid loading

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Rule is Applicable	Rule is SIP Approved	Rule No.	Rule Title	Is the Rule an "Applicable Federally Enforceable Requirement"?
			04-02-1998 version	equipment.
●		448	Gasoline Transfer into Stationary Storage Containers 02-02-1995 version	No - the source does not operate gasoline transfer equipment.
●		449	Transfer of Gasoline into Vehicle Fuel Tanks 09-26-2002 version	No - the source does not operate gasoline transfer equipment.
●		450	Graphic Arts Operations 12-05-1996 version	No - the source does not operate a graphic arts process as defined in the rule.
●	●	451	Surface Coating of Miscellaneous Metal Parts and Products 11-29-1983 version	Yes - no related conditions are included in the permit because of limited applicability.
●		452	Can Coating 09-05-1996 version	No - the source does not operate a can coating process.
●		453	Cutback and Emulsified Asphalt Paving Materials 11-29-1983 version	No - the source does not manufacture or apply cutback or emulsified asphalt paving materials.
●		454	Degreasing Operations	No - the source does not operate degreasers subject to this

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Rule is Applicable	Rule is SIP Approved	Rule No.	Rule Title	Is the Rule an "Applicable Federally Enforceable Requirement"?
			04-03-1997 version	rule.
●		455	Pharmaceuticals Manufacturing 11-29-1983 version	No - the source does not manufacture pharmaceuticals.
●		456	Aerospace Coating Operations 09-05-1996 version	No - the source does not coat aerospace parts.
		457	Methanol Compatible Tanks	No - it is not a SIP approved rule.
●		458	Large Commercial Bread Bakeries 09-05-1996 version	No - the source does not produce bread products.
●		459	Automotive, Truck and Heavy Equipment Refinishing Operations 10-02-1997 version	No - the source does not refinish vehicles.
●		460	Adhesives and Sealants	No - it is not a SIP approved rule.
		463	Wood Products Coatings	No - it is not a SIP approved rule.
●		464	Organic Chemical Manufacturing Operations 07-23-1998 version	No - the source does not manufacture organic chemicals.

SMAQMD RULES THAT ARE
 "APPLICABLE FEDERALLY ENFORCEABLE REQUIREMENTS"
 FOR GRAFIL, INC.

Rule is Applicable	Rule is SIP Approved	Rule No.	Rule Title	Is the Rule an "Applicable Federally Enforceable Requirement"?
		465	Polyester Resin Operations	No - it is not a SIP approved rule.
●		466	Solvent Cleaning	No - it is not a SIP approved rule.
		485	Municipal Landfill Gas	No - it is not a SIP approved rule.
		496	Large Confined Animal Facilities	No - it is not a SIP approved rule.
	●	501	Agricultural Burning 11-29-1983 version	No - the source does not conduct agricultural burning.
●		601	Procedure before the Hearing Board	No - it is not a SIP approved rule.
●		602	Breakdown Conditions: Emergency Variance	No - it is not a SIP approved rule.
	●	701	Emergency Episode Plan 05-27-1999 version	No - facility emissions are below applicability level.
●		801	New Source Performance Standards	No - it is not a SIP approved rule. <i>Note: there are equivalent federal regulations.</i>

SMAQMD RULES THAT ARE
 "APPLICABLE FEDERALLY ENFORCEABLE REQUIREMENTS"
 FOR GRAFIL, INC.

Rule is Applicable	Rule is SIP Approved	Rule No.	Rule Title	Is the Rule an "Applicable Federally Enforceable Requirement"?
		901	General Requirements	No - it is not a SIP approved rule. <i>Note: there are equivalent federal regulations.</i>
		902	Asbestos	No - it is not a SIP approved rule. <i>Note: there is an equivalent federal regulation.</i>
		903	Mercury	No - it is not a SIP approved rule. <i>Note: there is an equivalent federal regulation.</i>
●		904	Airborne Toxic Control Measures	No - it is not a SIP approved rule. <i>Note: there are equivalent federal regulations for some of the listed ATCMs.</i>
		1002	Fleet Inventory	No - it is not a SIP approved rule.
		1003	Reduced-Emission Fleet Vehicles/Alternative Fuels	No - it is not a SIP approved rule.
		1005	Mobile Source Emission Reduction Credits/Banking	No - it is not a SIP approved rule.

SMAQMD RULES THAT ARE
"APPLICABLE FEDERALLY ENFORCEABLE REQUIREMENTS"
FOR GRAFIL, INC.

Rule is Applicable	Rule is SIP Approved	Rule No.	Rule Title	Is the Rule an "Applicable Federally Enforceable Requirement"?
		1006	Transportation Conformity	No - it is not a SIP approved rule.

ATTACHMENT B

Categories of Title V Permit Modifications in SMAQMD Rule 207

Category of Title V Permit Modification:

The following are the categories of Title V permit modifications as defined in SMAQMD Rule 207. The category of the Title V permit modification is important because it dictates the public and U.S. EPA noticing requirements. For each of the proposed permit modifications that are discussed following this section, the Title V permit modification category will be specified.

Category: "Significant" Title V permit modification

SMAQMD Rule 207 Section 233 defines a Title V permit modification as a "Significant" Title V permit modification if any of the following conditions are met:

- 233.1 Involves any modification under Section 112(g) of Title I (42 U.S.C. Section 412(g) of the Federal Clean Air Act, or under EPA regulations promulgated pursuant to Title I of the Federal Clean Air Act, including 40 CFR Part 51, 52, 60, 61 and 63.
- 233.2 Involves relaxation or significant change to existing monitoring, reporting or recordkeeping requirements in the Title V permit.
- 233.3 Involves case-by-case determination of an emission limit or other standard.
- 233.4 Involves a stationary source-specific determination for temporary sources of ambient impacts, or a visibility or increment analysis.
- 233.5 Attempts to set or change a Title V permit term or condition which allows a source to avoid an applicable federal requirement including:
 - a. A federally enforceable emission cap pursuant to Title I of the Federal Clean Air Act, or
 - b. An alternative HAP emission limit pursuant to Section 112(i)(5) (Section 42 U.S.C. Section 7412(j)(5) of the Federal Clean Air Act.
- 233.6 Involves a modification to a major stationary source which results in an increase in the potential to emit greater than: 25 tons per year of nitrogen oxides, 25 tons per year of volatile organic compounds, 40 tons per year of sulfur dioxide, 100 tons per year of carbon monoxide, or 15 tons per year of PM10 when aggregated with all other increases in potential to emit over the period of five consecutive years before the application for modification, and including the calendar year of the most recent application.

Category: "Administrative" Title V permit modification

SMAQMD Rule 207 Section 202 defines a Title V permit modification as an "Administrative" Title V permit amendment if any of the following conditions are met:

- 202.1 Corrects typographical errors.
- 202.2 Identifies a change in the name, address, or phone number of any person identified in the permit, or provides a similar minor administrative change at the stationary source;

- 202.3 Requires more frequent monitoring or reporting by the responsible official of the stationary source.
- 202.4 Allows for change in ownership or operational control of a source where the Air Pollution Control Officer determines that no other change in the Title V permit is necessary, provided that a written agreement containing a specific date for transfer of Title V permit responsibility, coverage, and liability between the current and new responsible official has been submitted to the Air Pollution Control Officer.
- 202.5 Incorporates into the Title V permit the conditions of a preconstruction permit that is issued to an existing Title V stationary source through Rule 202, NEW SOURCE REVIEW and meeting the procedural requirements specified in Sections 401 through 408 of this Rule and the compliance requirements in Section 305 of this Rule.

Category: "Minor" Title V permit modification

SMAQMD Rule 207 Section 220 defines a Title V permit modification as an "Minor" Title V permit amendment if all of the following conditions are met:

- 220.1 Is not a significant Title V permit modification.
- 220.2 Is not an administrative Title V permit amendment.
- 220.3 Does not violate any applicable requirements which are federally enforceable.

ATTACHMENT C

Applications for Title V Permit Modification

ATTACHMENT D

Engineering Evaluation for Authority to Construct

ATTACHMENT E

SMAQMD Rule 201 Authority to Construct