



ILLINOIS ENVIRONMENTAL PROTECTION AGENCY

1021 NORTH GRAND AVENUE EAST, P.O. BOX 19276, SPRINGFIELD, ILLINOIS 62794-9276 - (217) 782-3397
JAMES R. THOMPSON CENTER, 100 WEST RANDOLPH, SUITE 11-300, CHICAGO, IL 60601 - (312) 814-6026

ROD R. BLAGOJEVICH, GOVERNOR DOUGLAS P. SCOTT, DIRECTOR

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CLERK'S OFFICE

DEC 29 2006

217-782-5544

December 21, 2006

STATE OF ILLINOIS Pollution Control Board Certified Mail Return Receipt Requested

Gardner Carton & Douglas
Attention: Roy M. Harsch
191 North Wacker Drive, Suite 3700
Chicago, Illinois 60606-1698

IEPA 07-11

Re: Toyal America, Inc.
Grant of request for Provisional Variance from applicable Pollution
Control Board regulations and permitting requirements.

Dear Mr. Harsch:

On December 11, 2006, representatives from the Illinois Environmental Protection
Agency ("Illinois EPA") were made aware of a provisional variance request that was
being prepared for submittal by you on behalf of your client, Toyal America, Inc. ("Toyal
America"). The Illinois EPA received an electronic transmission of the request on
December 12, 2006, and the formal letter was received, via overnight courier, the next
day on December 13, 2006. This letter conveys the Illinois EPA's response to your
client's request.

Toyal America seeks a provisional variance to allow it to operate most of its aluminum
paste, flake and powder manufacturing activities without the required emission control
equipment. The facility is located at 17401 South Broadway in Lockport, Will County,
Illinois, and is a source of volatile organic material ("VOM") emissions because of the
significant quantities of mineral spirits used in the manufacturing processes. These
emissions are normally controlled by a Catalytic Recuperative Oxidizer ("CRO"), which
was constructed pursuant to a construction permit issued by the Illinois EPA in June
2005. The facility's emission-related activities are governed by the terms and conditions
of a federally enforceable state operating permit ("FESOP") that was issued by the
Illinois EPA in November 2003.

For reasons either not yet known to the company or revealed to the Illinois EPA, the
facility experienced a fire on December 8, 2006, that caused damage to the CRO's burner
and associated structural equipment. At this juncture, Toyal America anticipates that
repairs and replacement of damaged equipment may take approximately six weeks. In
the meanwhile, Toyal America wishes to resume operations of most of its manufacturing
activities so as to avoid furloughing forty employees. For the manufacturing area
designated as the A unit, Toyal America expects to minimize the costs associated with its

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interruption in business through a drawdown of existing inventory. For all remaining manufacturing activities, the immediate resumption in operation will result in uncontrolled VOM emissions from process emission units until such time that the CRO and associated equipment are restored to their operating capabilities.

The Illinois EPA has evaluated Toyal America's request in accordance with the requirements of Sections 35, 36, and 37 of the Illinois Environmental Protection Act, as well as the Illinois EPA's existing, albeit outdated, regulations found at 35 Ill. Adm. Code Part 180. The Illinois EPA is *granting* the request for provisional variance, subject to the conditions delineated below, because the request and supporting information have demonstrated that an arbitrary and unreasonable hardship would result in the event of a denial.

Toyal America requests a provisional variance from compliance with Section 9(a) of the Act and the Pollution Control Board's ("Board") air pollution regulations for both control requirements governing "other emission units" found at 35 Ill. Adm. Code § 218.986 and the use of organic materials found at 35 Ill. Adm. Code § 218.301. In addition, Toyal America has identified numerous permitting conditions from both the construction permit and the FESOP for which compliance cannot be achieved, in the absence of control equipment, during the provisional variance period. These permit conditions, many of which relate to the underlying Part 218 regulations, include: FESOP Special Condition 3(a), as it relates to the pounds per hour limits for VOM emissions; FESOP Special Condition 3(b) relating generally to the operation of the control equipment; FESOP Special Condition 10 relating to the 81 percent reduction in VOM emissions from the control device; FESOP Special Condition 11(a) and (b), which generally address monitoring requirements for the control device; FESOP Special Condition 13 relating to malfunction and breakdown events; Construction Permit's Special Condition 2(b)(i) relating to the continuous operation of the CRO except during specified times; Construction Permit's Special Condition 2(b)(ii) relating to the operation of emission units during malfunction and breakdown events; Construction Permit's Special Condition 2(b)(iii) relating to notification requirements in the event of excess emissions during continued operation; Construction Permit's Special Condition 3(a) relating to the 81 percent reduction in VOM emissions from identified process units; Construction Permit's Special Condition 4 relating to the pounds per hour limits for VOM emissions; Construction Permit's Special Condition 6(a) relating to the use of continuous emissions monitoring equipment during the operation of the CRO; and Construction Permit's Special Condition 6(b) relating to the continuous emissions monitoring of the temperature rise of the catalyst bed or the concentration of the exhaust.

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By this letter, the Illinois EPA is granting Toyal America relief from the aforementioned statutory, regulatory and permitting requirements for a period, as requested by the petitioner, of approximately six weeks. Specifically, this relief is granted until January 31, 2007, at which time the terms of this grant expires. This action affording relief is based, in principal part, upon Toyal America's representation that the uncontrolled emissions during the provisional variance period will not result in any adverse environmental impacts or cause an exceedance of the permitted 17.91 tons per year limit for VOM from the affected units. The requested relief shall extend to all of the source's process emissions sources, excluding the A unit, subject to the following conditions:

All affected process emission units shall not exceed a total production rate of 5 tons per day during the provisional variance period and, further, VOM emissions from those same units shall not exceed a total of 750 pounds per day for the same period;

Toyal America shall operate all existing process condensers, conservation vents and other such systems during the provisional variance period so as to minimize the use of mineral spirits and resulting VOM emissions;

For purposes of determining actual VOM emissions during the period of the provisional variance, Toyal America shall use an emissions factor of .07, which was derived from historical production data. In lieu of using 7 percent of the total production for calculating emissions, Toyal America may employ the use of continuous emissions monitoring data, if available;

Compliance with the permitted 17.91 tons per year limit for VOM, which is determined on a running total of twelve months of data, is expected, in part, due to a ten-day shut-down that will occur over the holidays. To this end, Toyal American shall ensure that a full, ten-day shut-down is observed during the provisional variance period, not counting any shut-down time already occurring since the fire;

Toyal America shall not cause or allow an odor nuisance in violation of applicable state law or Pollution Control Board regulations; and

Within 60 days of restarting the repaired RCO, Toyal America shall retest the efficiency of the CRO in accordance with Special Conditions 9 and 10 of the governing Construction Permit.

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The Illinois EPA requests that Toyal America, following receipt of this provisional variance, submit a certification to the Illinois EPA signifying its acceptance of the terms and conditions expressed herein. The certification should be mailed to the Illinois EPA within 10 days of the date of this letter and should be signed by the facility's owner or operator, as follows:

Certification

I(We), _____, have read the terms and conditions of the Illinois EPA's provisional variance, dated December 21, 2006, and, further, that I (we) hereby accept and agree to abide by the terms and conditions expressed therein.

The certification should be mailed, by certified mail, to:

Robb Layman, Assistant Counsel
Division of Legal Counsel
Illinois Environmental Protection Agency
1021 North Grand Avenue East
P.O. Box 19276
Springfield, Illinois 62794-9276

If you have any questions or concerns regarding the contents of this letter, you may contact Robb Layman, Assistant Counsel, at (217) 524-9137 at your convenience.

Sincerely,

Robert A. Messina
Chief Legal Counsel

cc: Dorothy Gunn, Clerk of the Pollution Control Board



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ROD R. BLAGOJEVICH, GOVERNOR

DOUGLAS P. SCOTT, DIRECTOR

217-524-9137

December 27, 2006

Dorothy Gunn, Clerk
Illinois Pollution Control Board
100 West Randolph Street
Suite 11-500
Chicago, Illinois 60601-3286

Re: Notice of Grant of Provisional Variance
Toyal America, Inc.

Dear Ms. Gunn:

Attached please find a copy of a provisional variance that the Illinois Environmental Protection Agency ("Illinois EPA") granted last week to a manufacturing facility located in Will County, Illinois. The facility, known as Toyal America, Inc., will be permitted to operate some of its manufacturing operations without the use of required emissions control equipment for approximately six weeks, which will afford the company needed time to conduct repairs. The control equipment was damaged by a fire that occurred on December 8, 2006.

As you may know, the Illinois Environmental Protection Act requires the Illinois EPA to promptly file a copy of its provisional variance decisions with the Pollution Control Board. See, 415 ILCS 5/37(b)(2006). This letter and attachment should adequately fulfill the Illinois EPA's statutory obligation.

Thank you for your attention to this matter. If you have any questions or concerns regarding any aspect of the provisional variance, you may contact me at your convenience. My phone number is (217) 524-9137.

Sincerely,

Robb H. Layman
Assistant Counsel

Attachment