

 **KCBX** TERMINALS COMPANY

October 13, 2010

CERTIFIED MAIL

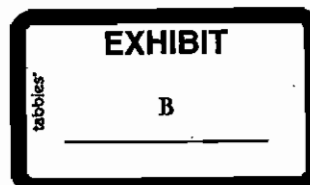
Edwin C. Bakowski, P.E.
Manager, Permit Section
Division of Air Pollution Control
Illinois Environmental Protection Agency
1021 North Grand Avenue East
Post Office Box 19276
Springfield, Illinois 62794-9276

Re: August 26, 2010 Meeting Follow-up
Renewal of Federally Enforceable State Operating Permit
KCBX Terminals Company, Chicago, Illinois
I.D. Number 031600AHI
Application Number 95050167

Dear Mr. Bakowski:

This letter is written in follow-up to the August 26, 2010 meeting ("Meeting") between KCBX Terminals Company ("KCBX") and the Illinois Environmental Protection Agency ("Illinois EPA") to discuss issues related to the pending Federally Enforceable State Operating Permit ("FESOP") renewal for the KCBX facility ("Facility") located at 3259 East 100th Street, Chicago, Illinois, 60617, and KCBX's July 16, 2010 letter ("July 16, 2010 Letter"), which included comments regarding the proposed renewal of the FESOP. Present at the Meeting were: Bob Bernoteit, George Kennedy and Chris Pressnall on behalf of Illinois EPA; Terry Steinert, Tom Safley and Pete Rotundo on behalf of KCBX; and Katherine Hodge and Lauren Lurkins of Hodge Dwyer & Driver, on behalf of KCBX. KCBX extends its appreciation to Mr. Pressnall, Mr. Bernoteit and Mr. Kennedy for taking the time to meet to discuss the issues regarding the pending FESOP renewal. KCBX hopes the Meeting provided Illinois EPA with information that clarifies the equipment and potential emissions at the Facility. KCBX benefitted from the Meeting by gaining an understanding of Illinois EPA's point of view on several key issues.

Per the discussion at the Meeting, Mr. Steinert on September 2, 2010 forwarded Mr. Kennedy an electronic copy of the spreadsheets (with calculation formulae) for the screening operations, which were attached in hard copy to KCBX's July 16, 2010 Letter (as Attachments C and D, respectively) and a spreadsheet with calculations for quantifying emissions from offloading low moisture material at the Facility. During the Meeting, Illinois EPA agreed to review this information and provide KCBX with comments regarding the same. KCBX looks forward to receiving those comments.



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Also during the Meeting, KCBX agreed to: (1) respond to Illinois EPA regarding whether emissions from material storage and handling, including conveying operations, at the Facility are fugitive in nature (and thus, whether they should be included in determining whether the Facility would be a "major source" based on potential to emit); (2) clarify its intent with regard to its proposed moisture language, as detailed in the July 16, 2010 Letter; and (3) provide additional equipment detail regarding draft permit condition 2q (as contained in the June 16, 2010 revised draft FESOP). KCBX addresses these issues through this correspondence.

Material Transfer Fugitive Emissions

At the Meeting, KCBX and Illinois EPA discussed emissions of particulate matter ("PM") from material storage and handling, including conveying operations, at bulk material operations such as the KCBX Facility, and Illinois EPA raised the question of whether such emissions should be considered fugitive in nature. After the Meeting, KCBX researched this question. In doing so, the following were reviewed:

- Illinois EPA's Lifetime General Operating Permit for Large Aggregate Processing Plants – NSPS Sources ("General Permit"), as suggested by Mr. Bernoteit;
- AP-42, *Compilation of Air Pollutant Emission Factors* ("AP-42");
- Illinois's fugitive PM emissions regulations located at 35 Ill. Admin. Code Part 212, Subpart K (Sections 212.301 through 212.316);
- the regulatory history of 35 Ill. Admin. Code Part 212, Subpart K, as detailed in rulemakings before the Illinois Pollution Control Board ("Board");
- Illinois EPA's Clean Air Act Permit Program ("CAAPP") application form regarding fugitive emissions; and
- United States Environmental Protection Agency ("USEPA") comments regarding the control of fugitive coal dust emissions from open storage piles located at coal preparation and processing plants.

As discussed below, these sources establish that PM emissions from bulk material storage and handling operations such as the KCBX Facility – including emissions from conveyors used to load materials to and unload materials from outdoor storage piles, as well as emissions from those storage piles themselves – are fugitive in nature.

Because of the reference made during the Meeting, KCBX first reviewed Illinois EPA's General Permit. After conducting that review, KCBX has concluded that the language of the General Permit is consistent with KCBX's view that PM emissions from material handling and storage operations at the Facility are fugitive in nature.

Illinois EPA issued the General Permit:

to limit the emissions [of] particulate matter (PM) and all other pollutants from the source to less than 100 tons per year for the purposes of the Air Pollution Operating Permit Fee under Section 9.6(b)(1) of the Illinois Environmental Protection Act (Act).

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General Permit, Finding 6.

Under Section 9.6(b) of the Illinois Environmental Protection Act, after July 1, 2003, the air permitting fee for a site that is permitted to emit "less than 100 tons per year of any combination of regulated air pollutants ... is ... \$1,800 per year," while the permitting fee for a site that is permitted to emit "at least 100 tons per year of any combination of regulated air pollutants is ... \$3,500 per year." 415 ILCS 5/9.6(b)(2), (3).

To meet its goal of keeping the permitting fee for sites covered by the General Permit at \$1,800 rather than \$3,500, Illinois EPA included the following in the General Permit: (1) throughput limits for "Crushers," "Screens," and "Conveyors and Bins/Transfer Points" at covered sites; and (2) limits on emissions of PM from "Crushers," "Screens," and "Conveyors and Bins" at covered sites. General Permit Condition 4(a)(ii), (iii). The fact that a permit limit applies to emissions from conveyors at aggregate processing plants, however, does not mean that such emissions are not "fugitive." A permit limit can apply to fugitive emissions – all that is required to establish a permit limit is a means to quantify emissions, and as discussed below, AP-42 includes emission factors for fugitive emissions. (That is not to say that a limit on PM emissions is necessary or appropriate in every situation. As noted above, such a limit was appropriate in the General Permit if PM emissions were to be limited so as to keep the permitting fee for covered sites at \$1,800 rather than \$3,500. KCBX is not concerned about limiting emissions in order to limit permitting fees.) Further, the General Permit specifically refers to "fugitive" emissions from conveyors, stating:

Pursuant to 40 CFR 60.672(b), no owner or operator subject to the provisions of this subpart shall cause to be discharged into the atmosphere from any transfer point on belt conveyors, any crusher, at which a capture system is not used, or from any other affected facility any fugitive emissions which exhibit greater opacity [than specified in Part 60 Subpart OOO].

General Permit Condition 2.a.iv. (Emphasis added.) See also General Permit Condition 2.b.ii (addressing the "emission of fugitive particulate matter from any process, including any material handling or storage activity ...").

Consistent with the treatment of such PM emissions as fugitive, the General Permit does not require capture systems for emissions from conveyors. Rather, the General Permit provides:

In lieu of natural moisture, water sprays are used on the emission units associated with the aggregate processing plant (crushers, conveyors and bins with associated transfer points, and stockpiles) ... in order to control particulate matter emissions, rather than by capture systems and collection devices.

General Permit, Finding 1.a.ii. (Emphasis added.) See also General Permit, Condition 3.c.

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KCBX would note that just as an emission limit does not mean that PM emissions are not fugitive, the fact that PM emissions from aggregate processing plants are subject to a control – that is, water sprays – does not mean that such emissions are not fugitive.

In addition, KCBX's operation is distinguishable from that of an aggregate processing plant. Aggregate plants covered by the General Permit process (crush, screen), as well as store and handle aggregate. The primary activities at the KCBX Facility, however, are storage and handling, and KCBX understands that Illinois EPA's question relates to emissions from these material handling activities. As discussed in previous communications with Illinois EPA, the Facility does conduct a very minor amount of processing in the form of screening. However, KCBX has quantified the emissions from storage and handling associated with such screening as a distinct activity. See the July 16, 2010 Letter. The storage and handling, as well as conveying, about which Illinois EPA inquired (which, again, comprises the vast majority of the activity at the Facility) takes place on a separate portion of the Facility. Therefore, in addition to the points above regarding the implications of the General Permit, KCBX does not believe that the Facility as a whole should be treated, for permitting purposes, in the same manner as the aggregate plants covered by the General Permit.

Similarly, AP-42 distinguishes activities that involve the processing of minerals from activities that involve only the handling and storage of materials. Specifically, Chapter 11 of AP-42 covers the "Mineral Products Industry," which includes 31 different production, processing, crushing and screening sources, such as sand and gravel processing (Section 11.19.1) and crushed stone processing and pulverized mineral processing (Section 11.19.2). Chapter 13 of AP-42, on the other hand, covers "Miscellaneous Sources," with Section 13.2 addressing six different types of "Fugitive Dust Sources." The six types of fugitive dust sources include outdoor "aggregate handling and storage piles." While this section covers aggregate, its extension to the coal and petroleum coke handled at the KCBX Facility has been recognized by Illinois EPA in various permit actions, including the existing KCBX FESOP. See AP-42, Section 13.2.4.1.

By placing fugitive dust from aggregate handling and storage piles in a separate section of AP-42, USEPA is acknowledging that the activities associated with storage pile construction and reclamation, including material batch (loader) or continuous (conveyor) drops, create fugitive emissions to be considered apart from the Mineral Products Industry. See AP-42 Section 13.2.4.3. As set forth in the narrative discussion below under the heading "Intent of Proposed Moisture Language," KCBX's storage and handling operations are, for the most part, associated with storage piles (though KCBX also handles some material by conveying it from rail to vessel without the use of storage piles). As Section 13.2.4.1 of AP-42 notes, fugitive emissions result from "material loading onto [a] pile, disturbances by strong wind currents, and load out from the pile," as well as from "the movement of trucks and loading equipment in the storage pile area." See Section 13.2.4.1. AP-42, therefore, demonstrates that emissions from material storage and handling, including conveying operations at the Facility, are fugitive in nature.

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The fugitive PM rules at 35 Ill. Admin. Code Part 212, Subpart K also support KCBX's conclusion that PM emissions from material handling and storage are fugitive. Section 212.301 – "Fugitive Particulate Matter" – states the following:

No person shall cause or allow the emission of fugitive particulate matter from any process, including any material handling or storage activity, that is visible by an observer looking generally toward the zenith at a point beyond the property line of the source.

35 Ill. Admin. Code § 212.301. (Emphasis added.)

Additionally, Section 212.304 addresses fugitive PM emissions from storage piles, and Section 212.305 addresses fugitive PM emissions from conveyor loading operations. Therefore, the Illinois regulations are structured based on the understanding that the PM emissions from these sources are fugitive in nature.

This conclusion is supported by the regulatory history of 35 Ill. Admin. Code Part 212, Subpart K. In the Board's November 1, 1979 Opinion in In the Matter of: Fugitive Particulate Emissions from Industrial Sources, R78-11, the Board included a summary of the "[t]raditional sources of controllable fugitive particulate matter," which included the following:

- 1) Material loss from conveyors, which primarily occurs at feeding, transfer and discharge points or from spills;
- 2) Emissions during loading and unloading of bulk materials into transportation vehicles, which arise mainly from mechanical agitation of the material as it strikes the sides and bottom of the vehicle and from air turbulence created as the material is moved into and out of the vehicle;
- 3) Load-in (addition) and load-out (removal) operations from storage piles, vehicular traffic around storage piles, and wind erosion of the surficial material from storage piles (R.13);
- 4) Material handling operations, such as railcar side dumping, motorized car side chute dumping, clam shell bucket loading and material sizing at screening operations (R.20); and
- 5) Vehicle traffic on dust-laden plant roads, which can lead to dust reentrainment (R.28).

Board Opinion, In the Matter of: Fugitive Particulate Emissions from Industrial Sources, R78-11 at 36-64 (Ill. Pol. Control Bd. Nov. 1, 1979). (Emphasis added.)

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Likewise, Illinois EPA has characterized these types of emissions as "fugitive." In Illinois EPA's Statement of Reasons, received by the Board on August 19, 1991, in In the Matter of: PM-10 Emission Limits for McCook and Lake Calumet Areas in Cook County, Illinois and the Granite City Area in Madison County, Illinois, R91-22, Illinois EPA discussed the differences between point sources, process fugitive sources and open fugitive dust emissions. With regard to open fugitive dust emissions, Illinois EPA stated as follows:

Open fugitive dust emissions result primarily from raw material handling and from reentrainment from vehicular activities on paved and unpaved plant roads. Open fugitive dust sources are generally distributed throughout an industrial facility and are typically located at or near ground level.

Illinois EPA, Statement of Reasons, In the Matter of: PM-10 Emission Limits for McCook and Lake Calumet Areas in Cook County, Illinois and the Granite City Area in Madison County, Illinois, R91-22 (Ill. Pol. Control Bd. Aug. 19, 1991). (Emphasis added.)

Likewise, the Illinois EPA 391-CAAPP form, available on Illinois EPA's website, which is titled "Fugitive Emissions Data and Information" includes "some examples of emissions which are typically considered fugitive," such as:

- Road dust emissions (paved roads, unpaved roads, and lots);
- Storage pile emissions (wind erosion, vehicle dump and load);
- Loading/unloading operation emission;
- Emissions from material being transported in a vehicle;
- Emissions occurring from the unloading and transporting of materials collected by pollution control equipment;

Illinois EPA, 391-CAAPP Form, Fugitive Emissions Data and Information at 1. (Emphasis added.)

Also, because Illinois has been delegated the authority to issue air permits to facilities regulated by NSPS requirements, on behalf of USEPA, therefore referred to as a "delegated State," KCBX reviewed USEPA's prior comments regarding emissions from open storage piles located at coal preparation and processing plants. ~~Specifically, when USEPA promulgated amendments to the~~ NSPS for coal preparation and processing plants, it established work practice standards to control fugitive coal dust emissions from open storage piles located at new coal preparation plants. See 74 Fed. Reg. 51950 (Oct. 8, 2009).

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In doing so, USEPA explained it had determined it was not feasible to establish opacity or PM limits for these types of facilities and it believed, at that time, that it was difficult and prohibitively expensive to measure actual PM emissions from individual storage piles. Id. at 51954. Based on that determination, USEPA required owners or operators of open storage piles associated with new coal preparation plants to develop and comply with a fugitive coal dust emissions control plan to control fugitive PM emissions. Id. USEPA stated the following, in pertinent part:

A fugitive coal dust emissions control plan is required for open storage piles, which include the equipment used in the loading, unloading and conveying operations of the affected facility, constructed, reconstructed or modified after May 27, 2009.

* * *

For open coal storage piles, the fugitive coal dust emissions plan must require that one or more of the following control measures will be used to minimize to the greatest extent practicable fugitive coal dust: locating the source inside a partial enclosure, installing and operating a water spray or fogging system, applying appropriate chemical dust suppression agents on the source (when additional provisions discussed below are met), use of a wind barrier, compaction, or use of a vegetative cover. The owner or operator must select, from the list provided, the control measures that are most appropriate for the site conditions.

Id. (Emphasis added.)

The NSPS requirement to develop a fugitive coal dust emissions control plan does not apply to the KCBX Facility, as it was not constructed, reconstructed, or modified after May 27, 2009. Regardless, USEPA's language in promulgating the control plan requirement for new facilities illustrates that USEPA treats the emissions associated with open storage piles – including “loading, unloading and conveying operations of the affected facility” – as fugitive and identifies several control measure options for such piles. Clearly the fact that controls are required for such piles does not mean that emissions from the piles are not fugitive in nature. Further, as noted above, USEPA considers “operating a water spray or fogging system” to be an appropriate control measure for some site conditions, and states that the owner or operator of the site is responsible for the selection of the most appropriate control measure(s) for the specific conditions of the site. USEPA understands that emissions can be controlled by methods other than venting through a control device. KCBX believes that controls on varied and spatially dispersed sources, such as conveyors, roads and loading/unloading product into trucks, trailers and railcars, are best achieved by keeping the material moist and by regular treatment of roads (e.g., sweeping paved roads or wetting unpaved roads).

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Overall, based on the review of the above-detailed information, KCBX believes that the emissions from the material storage and handling, including conveying operations, at the Facility are fugitive in nature. Therefore, because the emissions are fugitive in nature, they should not be considered when making the determination of whether the Facility is a "major source." Instead, only the fugitive emissions of PM and PM with an aerodynamic diameter of less than or equal to 10 micrometers ("PM₁₀") from the screener, equipment used to convey coal to or remove coal and refuse from the screener, and stockpiles of screened coal should be included in the determination of "major source" status for Prevention of Significant Deterioration ("PSD") purposes, and only PM₁₀ for purposes of Title V (see discussion at p. 2-3 of KCBX's correspondence to Illinois EPA dated August 7, 2009, and USEPA's October 16, 1995 memorandum enclosed therewith).

Intent of Proposed Moisture Language

With regard to the moisture content of materials handled at the Facility, as discussed during the Meeting, through its suggested revisions to the FESOP as contained in the July 16, 2010 Letter, KCBX's intent was to propose less complex language that would: 1) allow receipt of low moisture material; 2) streamline compliance demonstration and recordkeeping activities; 3) use performance-based results (i.e., moisture content) in lieu of surrogate measures (i.e., water application rate and equipment inspections); 4) clarify how moisture analysis results collected at the Facility will be used in calculating emissions; and 5) clarify the fugitive emissions that count toward Title V and PSD applicability.

KCBX provides the following narrative to summarize how it intends to manage bulk solid materials of any moisture content that are received at the Facility. As under the Facility's last FESOP, KCBX proposes to record the moisture content of the bulk solid material that is provided by the supplier for the "as received" moisture content. If the "as received" moisture content of a bulk solid material received at the Facility is less than 3% by weight (as documented by the supplier), then KCBX will increase the moisture content of that material by either: 1) adding water or applying chemical to the material before it is stockpiled or discharged from the first conveyor (whichever comes first); or 2) blending the material with a higher-moisture material before it is stockpiled or discharged from the first conveyor (whichever comes first). KCBX will continue to add water/apply chemical or continue to add higher-moisture material to the subject low-moisture material, until three consecutive weekly tests of the subject material show moisture content of 3% or greater by weight.

For bulk solid materials with a moisture content of 3% or greater (as provided by the supplier), KCBX will not be required to analyze the moisture content, but KCBX may test the moisture content of the material at any time. For particulate emission calculation purposes, where KCBX does analyze moisture, KCBX's most recent moisture analyses for the material shall supersede all previous moisture analyses for that material, including the analyses documented by the supplier with the exception of the initial receipt of the low-moisture material. In this one case, KCBX will use the weighted average of the moisture contents (as provided by the supplier) to calculate emissions for the initial material transfer (material drop) and all subsequent material

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transfers upstream and before the addition of water or chemical or blending with a higher-moisture material.

For purposes of quantifying emissions of bulk solid material with moisture content of 3% or greater (as provided by the supplier), KCBX will use the weighted average moisture content provided by the supplier of the material or as otherwise superseded by moisture contents obtained from samples collected by KCBX. KCBX wishes to emphasize the importance of running separate weighted average calculations for the moisture content of "as received" low-moisture material and the other bulk solid material received at the Facility.

Additional Equipment Detail Regarding Draft Permit Condition 2q

During the Meeting, KCBX agreed to provide Illinois EPA with additional equipment detail regarding draft permit condition 2q (as contained in the June 16, 2010 revised draft FESOP). KCBX proposes to list the equipment at the Facility that is subject to the draft permit condition and also proposes to add two conditions (hereafter referred to as draft permit conditions 2o and 2p) for equipment that is not subject to draft permit condition 2q.

Draft permit condition 2q references 35 Ill. Admin. Code §§ 212.321(a) and 212.321(c). Section 212.321 was written specifically for equipment constructed or modified on or after April 14, 1972. KCBX has equipment at the Facility with the potential to emit PM that was constructed before this applicability date. This equipment has undergone routine maintenance and worn parts have been replaced, but the equipment has not been modified as that term is defined in 35 Ill. Admin. Code § 201.102, and therefore, should be regulated under 35 Ill. Admin. Code §§ 212.322(a) and 212.322(c).

Equipment constructed or modified prior to April 14, 1972, at the Facility includes the following:

- The South Rail Unloading Hoppers in the Shaker Building
- The South Collector Belt
- The South Incline Belt
- The South Highline
- The South Transfer Tower
- The South Shiploader

Because this list of equipment is shorter than the list of equipment subject to draft permit conditions 2o and 2p, KCBX proposes that draft permit condition 2q be reworded as follows:

- 2q Pursuant to 35 Ill. Adm. Code 212.321(a) and except as further provided in 35 Ill. Adm. Code 212, no person shall cause or allow the emission of particulate matter into the atmosphere in any one hour period from any new process emission unit which, either alone or in combination with the emission of particulate matter from all other similar process emission units for which construction or modification commenced on or after April 14, 1972, at a source or premises, exceeds the allowable emission rates specified in 35 Ill.

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Adm. Code 212.321(c). For this source, the emission units subject to the process emission rates of 35 Ill. Adm. Code 212.321(c) are those emission units that are not named specifically in Condition 2o.

Draft permit conditions 2o and 2p are proposed for addition to include the requirements for these emission units with proposed wording as follows:

2o Pursuant to 35 Ill. Adm. Code 212.322(a) and except as further provided in 35 Ill. Adm. Code 212, no person shall cause or allow the emission of particulate matter into the atmosphere in any one hour period from any process emission unit for which construction or modification commenced prior to April 14, 1972, which, either alone or in combination with the emission of particulate matter from all other similar process emission units at a source or premises, exceeds the allowable emission rates specified in 35 Ill. Adm. Code 212.322(c). For this source, the emission units subject to the process emission rates of 35 Ill. Adm. Code 212.321(c) are:

1. The South Rail Unloading Hoppers in the Shaker Building,
2. The South Collector Belt,
3. The South Incline Belt,
4. The South Highline,
5. The South Transfer Tower, and
6. The South Shiploader

2p Pursuant to 35 Ill. Adm. Code 212.322(b), interpolated and extrapolated values of the data in 35 Ill. Adm. Code 212.322(c) shall be determined by using the equation:

$$E = C + A (P)^{B10}$$

where

P = Process weight rate; and

E = Allowable emission rate; and,

i. For process weight rates up to 27.2 MG/hour (30 T/hour):

	<u>Metric</u>	<u>English</u>
P	Mg/hr	T/hr
E	kg/hr	lbs/hr
A	1.985	4.10
B	0.67	0.67
C	0	0

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ii. For process weight rates in excess of 27.2 Mg/hour (30 T/hour):

	<u>Metric</u>	<u>English</u>
P	Mg/hr	T/hr
E	kg/hr	lbs/hr
A	25.21	55.0
B	0.11	0.11
C	-18.4	-40.0

Additional Follow-up Issues

Further, KCBX would like to detail its understanding with regard to the constituents that should be limited in the FESOP in order to avoid classification as a "major source." KCBX believes that the FESOP should include only limitations for Nitrogen Oxides. Limitations on emissions of PM and PM₁₀ are not necessary because of the exclusion of fugitive emissions, as discussed above. (Note that emissions of PM₁₀ (and PM_{2.5}) from screening operations and associated storage and handling are genuinely minor.) Additionally, limitations on emissions of Carbon Monoxide, Sulfur Dioxide, and Volatile Organic Material are not necessary because the Facility is genuinely minor for these pollutants.

During the Meeting, Mr. Bernoteit and Mr. Kennedy agreed to discuss internally and determine whether they concur that KCBX is not a "major source" for PM₁₀ for purposes of Title V and PSD. Mr. Bernoteit also acknowledged that Illinois EPA was comfortable that KCBX was not a "major source" of PM for PSD. As noted above, Mr. Kennedy agreed to review the calculation formulae for screening operations, and provide comments regarding the same to KCBX.

Additionally, during the Meeting, there was a brief discussion regarding those regulations which are referenced in the draft renewal FESOP (specifically, the June 16, 2010 revised draft), but which do not apply to the Facility, and thus, should be deleted. As discussed in the July 16, 2010 Letter, the following provisions should be deleted from the draft renewal FESOP because they do not apply to the Facility:

- Draft permit conditions 2d, 2e and 2f;
- Draft permit condition 2g;
- Draft permit conditions 2h.i and 2h.ii;
- Draft permit condition 2l;
- Draft permit condition 2t;
- Draft permit condition 4b;
- Draft permit conditions 6b and 6c;
- Draft permit condition 8f; and
- Draft permit condition 14b.

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Likewise, there was also a brief discussion during the Meeting regarding the provisions of the draft renewal FESOP (specifically, the June 16, 2010 revised draft) that do not reflect the exact language of the regulation cited therein, and thus, should be edited to do so. As discussed in the July 16, 2010 Letter, the following provisions of the draft renewal FESOP should be so edited:

- Draft permit condition 2c;
- Draft permit condition 2h;
- Draft permit condition 2m;
- Draft permit condition 6a;
- Draft permit condition 7b;
- Draft permit condition 8e; and
- Draft permit condition 13b.ii.

In addition, KCBX would like to note that, because of Illinois EPA's clarification during the Meeting regarding the term "process emission source," as contained in draft permit condition 4c (as numbered in the June 16, 2010 revised draft), KCBX's discussion of the term in the July 16, 2010 Letter is no longer relevant.

Also, as discussed during the Meeting, there is a typographical error contained in the formula at KCBX renumbered condition 9a (as numbered in Attachment B to KCBX's July 16, 2010 Letter). Specifically, KCBX proposes the following revised formula:

$$E = [(T \times F_m) + (S \times F_s) + (C \times F_c) + (H \times Z \times F_F) + (R/1000 \times F_1)]/2000$$

Where:

E = Total PM10 or PM emissions, (tons);

T = Amount of bulk material transferred, (tons);

$F_m = (k * 0.0032 * N) * [((U/5)^{1.3}) / ((M/2)^{1.4})]$;

Where:

k = 0.35 for PM10;

= 0.74 for PM;

N = Number of bulk material Transfers (drop points);

U = mean wind speed, (miles/hour);

M = material moisture content as determined from Condition 8, (percent);

S = Amount of bulk material Screened, (tons);

F_s = 0.0022 lb PM/ton;

= 0.00074 lb PM10/ton;

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- C = Amount of bulk material Crushed, (tons);
- F_c = 0.0012 lb PM/ton;
= 0.00054 lb PM10/ton;
- H = Cumulative operations of engines in each size class (hours);
- Z = Cumulative size of engines in each size class (horsepower)
- F_F = 0.000721 lb/(hp-hr) for gasoline engines ≤250 hp;
= 0.00220 lb/(hp-hr) for diesel engines ≤600 hp;
= 0.0007 lb/(hp-hr) for diesel engines > 600 hp;
- R = Gallons of kerosene use;
- F₁ = 1.3 lb/1000 gallons for diesel*;

*The use of diesel emission factors conservatively includes kerosene since the heat content of kerosene is slightly lower than diesel.

Finally, during the Meeting, KCBX agreed that it would hold the construction permit appeal matter currently before the Board (KCBX Terminals Company v. Illinois EPA, PCB No. 10-110) until the issues with the FESOP renewal are resolved. Counsel for KCBX intends to continue to participate in discussions with the Illinois Attorney General's Office regarding the same.

Conclusion

KCBX appreciates the opportunity to provide this additional information to ensure the issuance of an accurate FESOP for the KCBX Facility. If you have any questions concerning this information, please contact Mr. Terry Steinert, Environmental Compliance Manager, at 316.828.7847.

Sincerely,



Jim Simmons
Terminal Manager

Cc: Mr. Robert W. Bernoteit (via U.S. Mail)
Mr. George M. Kennedy (via U.S. Mail)
Christopher R. Pressnall, Esq. (via U.S. Mail)
Katherine D. Hodge, Esq. (via U.S. Mail)

ILLINOIS ENVIRONMENTAL PROTECTION AGENCY

1021 NORTH GRAND AVENUE EAST, P.O. BOX 19506, SPRINGFIELD, ILLINOIS 62794-9506 - (217) 782-2113

PAT QUINN, GOVERNOR

DOUGLAS P. SCOTT, DIRECTOR

217/782-2113

FEDERALLY ENFORCEABLE STATE OPERATING PERMIT -- RENEWAL

PERMITTEE

KCBX Terminals Co.
 Attn: Chris Bailey
 3259 East 100th Street
 Chicago, Illinois 60617

FESOPApplication No.: 95050167I.D. No.: 031600AHIApplicant's Designation: REV10/07Date Received: January 31, 2005Subject: Bulk Materials TerminalDate Issued: December 29, 2010Expiration Date: December 29, 2015Location: 3259 East 100th Street, Chicago, Cook County, 60617

This permit is hereby granted to the above-designated Permittee to OPERATE emission source(s) and/or air pollution control equipment consisting of a bulk materials terminal [including two (2) portable conveyers], one (1) 425 kW and one (1) 450 kW diesel-powered generators and fuel combustion units 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 emissions of air pollutants from the source to less than major source thresholds (i.e., 100 tons/year for Carbon Monoxide (CO), Nitrogen Oxides (NO_x), Particulate Matter with an aerodynamic diameter less than or equal to 10 micrometers (PM₁₀), and 100 tons/year for Sulfur Dioxide (SO₂)). As a result, the source is excluded from the requirements to obtain a Clean Air Act Permit Program (CAAPP) permit. The maximum emissions of this source, as limited by the conditions of this permit are described in Attachment A.
- 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) for this location.
- 2a. Pursuant to 35 Ill. Adm. Code 212.123(a), 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 35 Ill. Adm. Code 212.122.
- b. Pursuant to 35 Ill. Adm. Code 212.123(b), the emission of smoke or other particulate matter from any such emission unit may have an opacity greater than 30 percent but not greater than 60 percent for a period or periods aggregating 8 minutes in any 60 minute period provided that such opaque emissions permitted during any 60 minute period shall occur from only one such emission unit located within a 305 meter (1000 foot) radius from the center point of any other such emission unit owned or operated by such person, and provided further that such opaque emissions permitted from each such emission unit shall be limited to 3 times in any 24 hour period.

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- c. Pursuant to 35 Ill. Adm. Code 212.301, no person shall cause or allow the emission of fugitive particulate matter from any process, including any material handling or storage activity, that is visible by an observer looking generally toward the zenith at a point beyond the property line of the source.
- d. Pursuant to 35 Ill. Adm. Code 212.304(a), all storage piles of materials with uncontrolled emissions of fugitive particulate matter in excess of 50 tons/year shall be protected by a cover or sprayed with a surfactant solution or water on a regular basis, as needed, or treated by an equivalent method, in accordance with the operating program required by 35 Ill. Adm. Code 212.309, 212.310, and 212.312.
- e. Pursuant to 35 Ill. Adm. Code 212.305, all conveyor loading operations to storage piles specified in 35 Ill. Adm. Code 212.304 shall utilize spray systems, telescopic chutes, stone ladders or equivalent methods in accordance with the operating program required by 35 Ill. Adm. Code 212.309, 212.310, and 212.312.
- f. 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 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.
- g. Pursuant to 35 Ill. Adm. Code 212.307, all unloading and transporting operations of materials collected by pollution control equipment shall be enclosed or shall utilize spraying, pelletizing, screw conveying or other equivalent methods.
- h. Pursuant to 35 Ill. Adm. Code 212.308, crushers, grinding mills, screening operations, bagging operations, bucket elevators, conveyor transfer points, conveyors, storage bins and fine product truck and railcar loading operations shall be sprayed with water or a surfactant solution, utilize choke-feeding or be treated by an equivalent method in accordance with an operating program.
 - i. Conveyor loadout to trucks and railcars shall be conducted with sleeves extending to at least 6 inches below the sides and the receiving vehicle, except for topping off.
 - ii. Conveyor loadout sleeves shall be inspected for proper operation while such loadout to trucks or railcars is occurring, at least once each week when such loadout to trucks or railcars is performed.
- i. 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

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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.

- j. 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.
- k. Pursuant to 35 Ill. Adm. Code 212.312, the operating program shall be amended from time to time by the owner or operator so that the operating program is current. Such amendments shall be consistent with 35 Ill. Adm. Code 212 Subpart K and shall be submitted to the Illinois EPA for its review.
- l. Pursuant to 35 Ill. Adm. Code 212.313, if particulate collection equipment is operated pursuant to 35 Ill. Adm. Code 212.304 through 212.310 and 212.312 (i.e., to control bucket elevators, conveyor transfer points, conveyors, storage bins and fine product truck and railcar loading operations), emissions from such equipment shall not exceed 68 mg/dscm (0.03 gr/dscf).
- m. Pursuant to 35 Ill. Adm. Code 212.316(b), no person shall cause or allow fugitive particulate matter emissions generated from crushing or screening of slag, stone, coke or coal to exceed an opacity of 10 percent.

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- n. Pursuant to 35 Ill. Adm. Code 212.316(c), no person shall cause or allow fugitive particulate matter emissions from any roadway or parking area to exceed an opacity of 10 percent, except that the opacity shall not exceed 5 percent at quarries with a capacity to produce more than 1 million tons/year of aggregate.
- o. Pursuant to 35 Ill. Adm. Code 212.316(d), no person shall cause or allow fugitive particulate matter emissions from any storage pile to exceed an opacity of 10 percent, to be measured four feet from the pile surface.
- p. Pursuant to 35 Ill. Adm. Code 212.316(f), unless an emission unit has been assigned a particulate matter, PM_{10} , or fugitive particulate matter emissions limitation elsewhere in 35 Ill. Adm. Code 212.316 or in 35 Ill. Adm. Code Part 212 Subparts R or S, no person shall cause or allow fugitive particulate matter emissions from any emission unit to exceed an opacity of 20 percent.
- q. The conveyor added under Construction Permit #07100090, Box Hopper added under Construction Permit #04050036, and the conveyor added under Construction Permit #99120065 are subject to 35 Ill. Adm. Code 212.321. Pursuant to 35 Ill. Adm. Code 212.321(a), no person shall cause or allow the emission of particulate matter into the atmosphere in any one hour period from any new process emission unit which, either alone or in combination with the emission of particulate matter from all other similar process emission units for which construction or modification commenced on or after April 14, 1972, at a source or premises, exceeds the allowable emission rates specified in 35 Ill. Adm. Code 212.321(c).
- r. Pursuant to 35 Ill. Adm. Code 212.321(b), interpolated and extrapolated values of the data in 35 Ill. Adm. Code 212.321(c) shall be determined by using the equation:

$$E = A(P)^B$$

where

P = Process weight rate; and
 E = Allowable emission rate; and,

- i. Up to process weight rates of 408 MG/hour (450 T/hour):

	<u>Metric</u>	<u>English</u>
P	Mg/hr	T/hr
E	kg/hr	lbs/hr
A	1.214	2.54
B	0.534	0.534

- ii. For process weight rate greater than or equal to 408 Mg/hour (450 T/hour):

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	<u>Metric</u>	<u>English</u>
P	Mg/hr	T/hr.
E	kg/hr	lbs/hr.
A	11.42	24.8
B	0.16	0.16

- s. The South Rail Unloading Hoppers in the Shaker Building, South Collector Belt, South Incline Belt, South Highline, South Transfer Tower, and South Shiploader are subject to 35 Ill. Adm. Code 212.322. Pursuant to 35 Ill. Adm. Code 212.322(a) and except as further provided in 35 Ill. Adm. Code 212, no person shall cause or allow the emission of particulate matter into the atmosphere in any one hour period from any process emission unit for which construction or modification commenced prior to April 14, 1972, which, either alone or in combination with the emission of particulate matter from all other similar process emission units for at a source or premises, exceeds the allowable emission rates specified in 35 Ill. Adm. Code 212.322(c).
- t. Pursuant to 35 Ill. Adm. Code 212.322(b), interpolated and extrapolated values of the data in 35 Ill. Adm. Code 212.322(c) shall be determined by using the equation:

$$E = A(P)^B$$

where

P = Process weight rate; and
E = Allowable emission rate; and,

- i. Up to process weight rates of 408 MG/hour (450 T/hour):

	<u>Metric</u>	<u>English</u>
P	Mg/hr	T/hr
E	kg/hr	lbs/hr
A	1.214	2.54
B	0.534	0.534

- ii. For process weight rate greater than or equal to 408 Mg/hour (450 T/hour):

	<u>Metric</u>	<u>English</u>
P	Mg/hr	T/hr
E	kg/hr	lbs/hr
A	11.42	24.8
B	0.16	0.16

- s. Pursuant to 35 Ill. Adm. Code 212.700(a), 35 Ill. Adm. Code 212 Subpart U (Additional Control Measures) shall apply to those sources in the areas designated in and subject to 35 Ill. Adm. Code 212.324(a)(1) or 212.423(a) and that have actual annual source-wide emissions of PM₁₀ of at least fifteen (15) tons per year.

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- t. Pursuant to 35 Ill. Adm. Code 212.324(b), emissions of particulate matter with an aerodynamic diameter less than or equal to 10 micrometers (PM₁₀) from any process emission unit shall not exceed 0.03 gr/scf during any one hour period.
- 4a. Pursuant to 35 Ill. Adm. Code 214.122(b)(2), no person shall cause or allow the emission of sulfur dioxide into the atmosphere in any one hour period from any new fuel combustion source with actual heat input smaller than, or equal to, 73.2 MW (250 mmBtu/hour), burning liquid fuel exclusively to exceed 0.46 kg of sulfur dioxide per MW-hour of actual heat input when distillate fuel oil is burned (0.3 lbs/mmBtu).
- b. Pursuant to 35 Ill. Adm. Code 214.301, no person shall cause or allow the emission of sulfur dioxide into the atmosphere from any process emission source to excess 2000 ppm.
- c. Pursuant to 35 Ill. Adm. Code 214.304, the emissions from the burning of fuel at process emission sources located in the Chicago or St. Louis (Illinois) major metropolitan areas shall comply with applicable Subparts B through F (i.e., 35 Ill. Adm. Code 214.122(b)).
- 5. This permit is issued based on the two electric conveyors constructed pursuant to permit 07100090 not being subject to the New Source Performance Standards (NSPS) for Coal Preparation Plants, 40 CFR 60 Subpart Y because the conveyors will not be used to convey coal to machinery at the coal preparation plant.
- 6a. This permit is issued based on this source not being a participating source in the Emissions Reduction Market System (ERMS), 35 Ill. Adm. Code Part 205, pursuant to 35 Ill. Adm. Code 205.200. This is based on the source's actual VOM emissions during the seasonal allotment period from May 1 through September 30 of each year being less than 10 tons and the source's baseline emissions also being less than 10 tons.
- b. In the event that the source's VOM emissions during the seasonal allotment period equal or exceed 10 tons, the source shall become a participating source in the ERMS and shall comply with 35 Ill. Adm. Code Part 205, by holding allotment trading units (ATUs) for its VOM emissions during each seasonal allotment period, unless the source obtains exemption from the ERMS by operating with seasonal VOM emissions of no more than 15 tons pursuant to a limitation applied for and established in a Clean Air Act Permit Program (CAAPP) permit or a Federally Enforceable State Operating Permit (FESOP).
- c. Pursuant to 35 Ill. Adm. Code 205.316(a), any participating or new participating source shall not operate without a CAAPP permit or FESOP. Pursuant to 35 Ill. Adm. Code 205.316(a)(2), if a participating or new participating source does not have a CAAPP permit containing ERMS provisions and the source elects to obtain a permit other than a CAAPP permit, the source shall apply for and obtain a FESOP that contains, in addition to other necessary provisions, federally enforceable ERMS provisions, including baseline emissions, allotment for each seasonal

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allotment period, identification of any units deemed to be insignificant activities for purposes of the ERMS, emissions calculation methodologies, and provisions addressing all other applicable requirements of 35 Ill. Adm. Code Part 205.

- 7a. Pursuant to 35 Ill. Adm. Code 212.314, 35 Ill. Adm. Code 212.301 shall not apply and spraying pursuant to 35 Ill. Adm. Code 212.304 through 212.310 and 35 Ill. Adm. Code 212.312 shall not be required when the wind speed is greater than 40.2 km/hour (25 mph). Determination of wind speed for the purposes of this rule shall be by a one-hour average or hourly recorded value at the nearest official station of the U.S. Weather Bureau or by wind speed instruments operated on the site. In cases where the duration of operations subject to this rule is less than one hour, wind speed may be averaged over the duration of the operations on the basis of on-site wind speed instrument measurements.
- b. Pursuant to 35 Ill. Adm. Code 212.324(d), the mass emission limits contained in 35 Ill. Adm. Code 212.324(b) shall not apply to those emission units with no visible emissions other than fugitive particulate matter; however, if a stack test is performed, 35 Ill. Adm. Code 212.324(d) is not a defense finding of a violation of the mass emission limits contained in 35 Ill. Adm. Code 212.324(b).
- 8a. Pursuant to 35 Ill. Adm. Code 212.324(f), for any process emission unit subject to 35 Ill. Adm. Code 212.324(a), the owner or operator shall maintain and repair all air pollution control equipment in a manner that assures that the emission limits and standards in 35 Ill. Adm. Code 212.324 shall be met at all times. 35 Ill. Adm. Code 212.324 shall not affect the applicability of 35 Ill. Adm. Code 201.149. Proper maintenance shall include the following minimum requirements:
- i. Visual inspections of air pollution control equipment;
 - ii. Maintenance of an adequate inventory of spare parts; and
 - iii. Expeditious repairs, unless the emission unit is shutdown.
- b. Pursuant to 35 Ill. Adm. Code 212.701(a), those sources subject to 35 Ill. Adm. Code 212 Subpart U shall prepare contingency measure plans reflecting the PM₁₀ emission reductions set forth in 35 Ill. Adm. Code 212.703. These plans shall become federally enforceable permit conditions. Such plans shall be submitted to the Illinois EPA by November 15, 1994. Notwithstanding the foregoing, sources that become subject to the provisions of 35 Ill. Adm. Code 212 Subpart U after July 1, 1994, shall submit a contingency measure plan to the Illinois EPA for review and approval within ninety (90) days after the date such source or sources became subject to the provisions of 35 Ill. Adm. Code 212 Subpart U or by November 15, 1994, whichever is later. The Illinois EPA shall notify those sources requiring contingency measure plans, based on the Illinois EPA's current information; however, the Illinois EPA's failure to notify any source of its requirement to submit contingency measure plans shall not be a defense to a violation

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- of 35 Ill. Adm. Code 212 Subpart U and shall not relieve the source of its obligation to timely submit a contingency measure plan.
- c. Pursuant to 35 Ill. Adm. Code 212.703(a), all sources subject to 35 Ill. Adm. Code 212 Subpart U shall submit a contingency measure plan. The contingency measure plan shall contain two levels of control measures:
- i. Level I measures are measures that will reduce total actual annual source-wide fugitive emissions of PM_{10} subject to control under 35 Ill. Adm. Code 212.304, 212.305, 212.306, 212.308, 212.316(a) through (e), 212.424 or 212.464 by at least 15%.
 - ii. Level II measures are measures that will reduce total actual annual source-wide fugitive emissions of PM_{10} subject to control under 35 Ill. Adm. Code 212.304, 212.305, 212.306, 212.308, 212.316(a) through (e), 212.424 or 212.464 by at least 25%.
- d. Pursuant to 35 Ill. Adm. Code 212.703(b), a source may comply with 35 Ill. Adm. Code 212 Subpart U through an alternative compliance plan that provides for reductions in emissions equal to the level of reduction of fugitive emissions as required at 35 Ill. Adm. Code 212.703(a) and which has been approved by the Illinois EPA and USEPA as federally enforceable permit conditions. If a source elects to include controls on process emission units, fuel combustion emission units, or other fugitive emissions of PM_{10} , not subject to 35 Ill. Adm. Code 212.304, 212.305, 212.306, 212.308, 212.316(a) through (e), 212.424 or 212.464 at the source in its alternative control plan, the plan must include a reasonable schedule for implementation of such controls, not to exceed two (2) years. This implementation schedule is subject to Illinois EPA review and approval.
- e. Pursuant to 35 Ill. Adm. Code 212.704(b), if there is a violation of the ambient air quality standard for PM_{10} as determined in accordance with 40 CFR Part 50, Appendix K, the Illinois EPA shall notify the source or sources the Illinois EPA has identified as likely to be causing or contributing to one or more of the exceedences leading to such violation, and such source or sources shall implement Level I or Level II measures, as determined pursuant to 35 Ill. Adm. Code 212.704(e). The source or sources so identified shall implement such measures corresponding to fugitive emissions within ninety (90) days after receipt of a notification and shall implement such measures corresponding to any nonfugitive emissions according to the approved schedule set forth in such source's alternative control plan. Any source identified as causing or contributing to a violation of the ambient air quality standard for PM_{10} may appeal any finding of culpability by the Illinois EPA to the Illinois Pollution Control Board pursuant to 35 Ill. Adm. Code 106 Subpart J.
- f. Pursuant to 35 Ill. Adm. Code 212.704(e), the Illinois EPA shall require that sources comply with the Level I or Level II measures of

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their contingency measure plans, pursuant 35 Ill. Adm. Code 212.704(b), as follows:

- i. Level I measures shall be required when the design value of a violation of the 24-hour ambient air quality standard, as computed pursuant to 40 CFR 50, Appendix K, is less than or equal to 170 ug/m³.
 - ii. Level II measures shall be required when the design value of a violation of the 24-hour ambient air quality standard, as computed pursuant to 40 CFR 50, Appendix K, exceeds 170 ug/m³.
- 9a. The moisture content of the bulk material handled by the source shall be at least 1.3% by weight. The Permittee shall show compliance with this requirement by recording the moisture content of the bulk material received at the source as provided by the supplier of the feed material. If moisture content falls below 3.0% by weight as documented by the supplier, then the Permittee shall:
- i. Utilize water sprays on the material handling operations (e.g., material transfer, screening and crushing) associated with bulk materials having a moisture content below 3.0% by weight to reduce particulate matter emissions and to maintain compliance with the applicable visible emissions standards for each affected material handling operation; or
 - ii. Follow the testing requirements of Condition 9(c).
- b. If the Permittee relies on Condition 9(a)(i) to demonstrate compliance with Condition 9(a), the Permittee shall monitor the water spray equipment as follows during non-freezing conditions:
- i. The water supply to the spray equipment shall be equipped with a master metering device used to determine water usage for the control of particulate matter emissions.
 - ii. Inspections of water spray equipment and operation (such as leaking, maintaining adequate flow, clogging of flow lines, etc.) shall be performed at least once per week when the material handling operations are in operation.
- c. If the Permittee relies on Condition 9(a)(ii) to demonstrate compliance with Condition 9(a), the Permittee shall measure the moisture content of a representative sample of the bulk material having a moisture content below 3.0% as provided by the supplier, at least once per week, when water spray is not being utilized, using ASTM Procedure D 3302 for coal and ASTM Procedure D 3172 and D 4931 for petroleum coke. Should three consecutive tests at the source show moisture contents of 3.0% or greater by weight, this testing shall no longer be required for the subject bulk material.

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- d. The diesel-powered generators shall only be operated with distillate fuel oil as the fuel. The use of any other fuel in the diesel-powered generators 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.
- e. The Permittee shall not keep, store or use distillate fuel oil (Grades No. 1 and 2) at this source with a sulfur content greater than the larger of the following two values:
- i. 0.28 weight percent, or
 - ii. The wt. percent given by the formula: Maximum wt. percent sulfur = $(0.00015) \times (\text{Gross heating value of oil, Btu/lb})$.
- f. Organic liquid by-products or waste materials shall not be used in any emission unit at this source without written approval from the Illinois EPA.
- g. The Illinois EPA shall be allowed to sample all fuels stored at the above location.
- 10a. The emissions from and the operation of all activities at source shall not exceed the following limits:

PM ₁₀ Emission		PM emissions	
(Tons/Month)	(Tons/Year)	(Tons/Month)	(Tons/Year)
8.8	88	8.8	88

These limits are based on the maximum amount of material handled and standard emission factors (Table 11.19.2-2, AP-42, Volume I, Fifth Edition, Update 2004, August 2004 and Section 13.2.4, AP-42, Volume I, Fifth Edition, November 2006). PM₁₀ and PM emissions shall be calculated and recorded using the equation:

$$E = [(T \times F_m) + (S \times F_s) + (C \times F_c) + (H \times Z \times F_p) + (R/1000 \times F_1)]/2000$$

Where:

E = Total PM₁₀ or PM emissions, (tons);

T = Amount of bulk material transferred, (tons);

F_m = $(k \times 0.0032 \times N) \times [((U/5)^{1.3}) / ((M/2)^{1.4})]$;

Where:

k = 0.35 for PM₁₀;
= 0.74 for PM;

U = mean wind speed, (miles/hour);

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- M = material moisture content, (%);
- N = Number of material drop points;
- S = Amount of bulk material Screened, (tons);
- F_s = 0.0022 lb PM/ton;
= 0.00074 lb PM₁₀/ton;
- C = tons of bulk material Crushed, (tons);
- F_c = 0.0012 lb PM/ton;
= 0.00054 lb PM₁₀/ton;
- H = Hours of engine operation (hours);
- R = Gallons of kerosene use;
- F_F = 0.000721 lb/(hp-hour) for gasoline < 250 hp;
= 0.00220 lb/(hp-hour) for diesel engines < 600 hp
= 0.0007 lb/(hp-hour) for diesel engines > 7600 hp
- F₁ = 1.3 lbs/1,000 gallons for diesel; and
- Z = Horse power size (horsepower).

* The conversion for emission factors diesel conservatively includes kerosene since the heat content of kerosene is slightly lower than diesel.

- b. Emissions and operation of the two diesel-powered generators, small non-mobile engines and portable heaters at the source shall not exceed the following limits:

Pollutant	Emissions	
	(Tons/Month)	(Tons/Year)
Carbon Monoxide (CO)	9.20	92.0
Nitrogen Oxides (NO _x)	9.20	92.0
Sulfur Dioxide (SO ₂)	2.19	21.9
Volatile Organic Material (VOM)	4.01	40.1

The emissions from the diesel-powered generators are based on standard emission factors (Tables 3.3-1 and 3.4-1, AP-42, Fifth Edition, Volume I, Supplement B, October 1996), PM₁₀ emissions included in Condition 10a. Emissions from the generators shall be calculated as follows:

$$E = H \times F / 2,000$$

Where:

E = Total emissions of pollutant;

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H = Hours of operation of unit (hours);

F = Emission Factor as follows:

Pollutant	Emission Factors		
	Gasoline	Diesel Engines	
	Industrial Engines <250 Hp (lbs/Hp-Hr)	<600 Hp (lbs/Hp-Hr)	>600 Hp (lbs/Hp-Hr)
Carbon Monoxide (CO)	0.00696	0.0055	0.0068
Nitrogen Oxides (NO _x)	0.011	0.024	0.031
Sulfur Dioxide (SO ₂)	0.000591	0.00809 x S*	0.00205
Volatile Organic Material (VOM)	0.0216	0.00064	0.00251

* S = Wt. % sulfur in fuel

- c. Compliance with the annual limits of this permit shall be determined on a weekly basis from the sum of the data for the current week plus the preceding 51 weeks (running 52 week total).
- 11a. 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.

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- b. Testing required by Condition 12 shall be performed upon a written request from the Illinois EPA by a qualified individual or independent testing service.
12. 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.
- 13a. 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.
- b. i. Pursuant to 35 Ill. Adm. Code 212.316(g)(1), the owner or operator of any fugitive particulate matter emission unit subject to 35 Ill. Adm. Code 212.316 shall keep written records of the application of control measures as may be needed for compliance with the opacity limitations of 35 Ill. Adm. Code 212.316 and shall submit to the Illinois EPA an annual report containing a summary of such information.
- ii. Pursuant to 35 Ill. Adm. Code 212.316(g)(2), the records required under 35 Ill. Adm. Code 212.316(g) shall include at least the following:
- A. The name and address of the source;
 - B. The name and address of the owner and/or operator of the source;
 - C. A map or diagram showing the location of all emission units controlled, including the location, identification, length, and width of roadways;
 - D. For each application of water or chemical solution to roadways by truck: the name and location of the roadway controlled, application rate of each truck, frequency of each application, width of each application, identification of each truck used, total quantity of water or chemical used for each application and, for each application of chemical solution, the concentration and identity of the chemical;
 - E. For application of physical or chemical control agents: the name of the agent, application rate and frequency, and

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total quantity of agent and, if diluted, percent of concentration, used each day; and

- F. A log recording incidents when control measures were not used and a statement of explanation.
- iii. Pursuant to 35 Ill. Adm. Code 212.316(g)(3), the records required under 35 Ill. Adm. Code 212.316 shall be kept and maintained for at least three (3) years and shall be available for inspection and copying by Illinois EPA representatives during working hours.
- c. i. Pursuant to 35 Ill. Adm. Code 212.324(g)(1), written records of inventory and documentation of inspections, maintenance, and repairs of all air pollution control equipment shall be kept in accordance with 35 Ill. Adm. Code 212.324(f).
- ii. Pursuant to 35 Ill. Adm. Code 212.324(g)(2), the owner or operator shall document any period during which any process emission unit was in operation when the air pollution control equipment was not in operation or was malfunctioning so as to cause an emissions level in excess of the emissions limitation. These records shall include documentation of causes for pollution control equipment not operating or such malfunction and shall state what corrective actions were taken and what repairs were made.
- iii. Pursuant to 35 Ill. Adm. Code 212.324(g)(3), a written record of the inventory of all spare parts not readily available from local suppliers shall be kept and updated.
- iv. Pursuant to 35 Ill. Adm. Code 212.324(g)(5), the records required under 35 Ill. Adm. Code 212.324 shall be kept and maintained for at least three (3) years and shall be available for inspection and copying by Illinois EPA representatives during working hours.
- 14a. The Permittee shall maintain records of the following items so as to demonstrate compliance with the conditions of this permit:
- i. Records addressing use of good operating practices for the material handling operations at this source:
- A. If the Permittee is relying on Conditions 9(a)(i) and 9(b) to demonstrate compliance with Condition 9(a), the Permittee shall maintain operating logs for the water spray equipment, including dates and hours of usage, total amount of water applied each month, malfunctions (type, dates, and measures to correct), dates of rainfall during the preceding 24 hours, and daily observations of bulk material conditions (wet or dry) and/or other controls as may be present (e.g., coverage by snow or ice);

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- B. If the Permittee is relying on the requirements of Conditions 9(a)(ii) and 9(c) to demonstrate compliance with Condition 9(a), the Permittee shall maintain records of all moisture content tests performed including date, time, individual or laboratory performing test, and location of sample (e.g., prior to crushing, stockpiles, etc.); and
- C. The Permittee shall keep records of the moisture content of bulk materials as provided by the source of the feed material in accordance with Condition 9(c).
 - ii. Records of the moisture content of bulk solid materials as provided by the suppliers of bulk solid materials, unless such records are superseded by moisture analysis from samples collected at the source;
 - iii. Records of moisture analysis from samples collected at the source;
 - iv. Name and total amount of each bulk material (e.g., coal, petroleum coke, etc.) processed (i.e., crushed, screened and transferred), tons/month and tons/year;
 - v. Operating hours of each generator, hours/month and hours/year; and
 - vi. Weekly and annual emissions of CO, NO_x, PM, PM₁₀, SO₂, and VOM from the source with supporting calculations (tons/month and tons/year).
- b. The Permittee shall maintain the following records to allow the confirmation of actual VOM emissions during the seasonal allotment period:
 - i. Records of operating data and other information for each individual emission unit or group of related emission units at the source, as appropriate, to determine actual VOM emissions during the seasonal allotment period;
 - ii. Records of the VOM emissions, in tons, during the seasonal allotment period, with supporting calculations, for each individual emission unit or group of related emission units at the source, determined in accordance with the procedures that may be specified in this permit; and
 - iii. Total VOM emissions from the source, in tons, during each seasonal allotment period, which shall be compiled by November 30 of each year.
- c. 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

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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.

- 15a. 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.
- b. Pursuant to 35 Ill. Adm. Code 212.316(g)(5), a quarterly report shall be submitted to the Illinois EPA stating the following: the dates any necessary control measures were not implemented, a listing of those control measures, the reasons that the control measures were not implemented, and any corrective actions taken. This information includes, but is not limited to, those dates when controls were not applied based on a belief that application of such control measures would have been unreasonable given prevailing atmospheric conditions, which shall constitute a defense to the requirements of 35 Ill. Adm. Code 212.316. This report shall be submitted to the Illinois EPA thirty (30) calendar days from the end of a quarter. Quarters end March 31, June 30, September 30, and December 31.
- c. i. Pursuant to 35 Ill. Adm. Code 212.324(g)(4), copies of all records required by 35 Ill. Adm. Code 212.324 shall be submitted to the Illinois EPA within ten (10) working days after a written request by the Illinois EPA.
- ii. Pursuant to 35 Ill. Adm. Code 212.324(g)(6), upon written request by the Illinois EPA, a report shall be submitted to the Illinois EPA for any period specified in the request stating the following: the dates during which any process emission unit was in operation when the air pollution control equipment was not in operation or was not operating properly, documentation of causes for pollution control equipment not operating or not operating properly, and a statement of what corrective actions were taken and what repairs were made.
- 20a. 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 exceedances or deviation, and efforts to reduce emissions and future occurrences.
- b. Two (2) copies of required reports and notifications shall be sent to:

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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

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

COPY

Original Signed by
Edwin C. Bakowski, P.E.

ECB

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

Date Signed: 12/29/2010

GAK RNB
ECB:GMK:jws

cc: Illinois EPA, FOS Region 1
Lotus Notes

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Attachment A- Emission Summary

This attachment provides a summary of the maximum emissions from the source 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 the source. The resulting maximum emissions are below the levels, (e.g., 100 tons/year for CO, NO_x, PM₁₀, and SO₂) 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 control measures are more effective than required in this permit.

<u>Emission Unit</u>	<u>E M I S S I O N S (Tons/Year)</u>					
	<u>CO</u>	<u>NO_x</u>	<u>PM</u>	<u>PM₁₀</u>	<u>SO₂</u>	<u>VOM</u>
Material Handling Activities			88.0	88.0		
Fuel Combustion	<u>92.0</u>	<u>92.0</u>	<u>----</u>	<u>----</u>	<u>21.9</u>	<u>40.1</u>
Totals	92.0	92.0	88.0	88.0	21.9	40.1



ILLINOIS ENVIRONMENTAL PROTECTION AGENCY

1021 NORTH GRAND AVENUE EAST, P.O. BOX 19506, SPRINGFIELD, ILLINOIS 62794-9506 - (217) 782-2113

PAT QUINN, GOVERNOR

DOUGLAS P. SCOTT, DIRECTOR

217/782-2113

CONSTRUCTION PERMIT -- REVISED

PERMITTEE

KCBX Terminals Company
Attn: Chris Bailey
3259 East 100th Street
Chicago, Illinois 60617

Application No.: 07100090

I.D. No.: 031600AHI

Applicant's Designation: 2CONVEYERS

Date Received: February 16, 2010

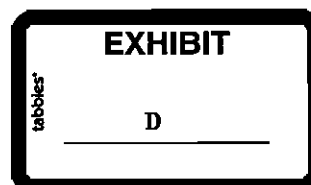
Subject: 2 Conveyers at a Bulk Materials Terminal

Date Issued: May 25, 2010

Location: 3259 East 100th Street, Chicago, Cook County, 60617

This permit is hereby granted to the above-designated Permittee to CONSTRUCT emission unit(s) and/or air pollution control equipment consisting of two (2) portable conveyers at a bulk materials terminal, pursuant to the above-referenced application. This Permit is subject to standard conditions attached hereto and the following special condition(s):

- 1a. This permit is issued based on the construction of the two (2) new portable conveyers not constituting a new major source or major modification pursuant to Title I of the Clean Air Act, specifically 35 Ill. Adm. Code Part 203, Major Stationary Sources Construction and Modification and 40 CFR 52.21, Prevention of Significant Deterioration (PSD). The source has requested that the Illinois EPA establish emission limitations and other appropriate terms and conditions in this permit that limit the Particulate Matter less than 10 Microns (PM₁₀) emissions from the new conveyers below the levels that would trigger the applicability of these rules.
- b. Operation of the two (2) portable conveyers at this source is allowed under this construction permit until final action is taken on the application for renewal and revision of the Federally Enforceable State Operating Permit (FESOP) for this source.
- c. This permit is effective only upon the withdrawal of Permit Appeal PCB 2008-103.
- 2a. Pursuant to 35 Ill. Adm. Code 212.123(a), 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 35 Ill. Adm. Code 212.122.
- b. Pursuant to 35 Ill. Adm. Code 212.123(b), the emission of smoke or other particulate matter from any such emission unit (i.e., any emission unit other than a fuel combustion emission unit) may have an opacity greater than 30 percent but not greater than 60 percent for a



Electronic Filing - Received, Clerk's Office, February 1, 2011

***** PCB 2011-043 *****

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period or periods aggregating 8 minutes in any 60 minute period provided that such opaque emissions permitted during any 60 minute period shall occur from only one such emission unit located within a 305 m (1000 ft) radius from the center point of any other such emission unit owned or operated by such person, and provided further that such opaque emissions permitted from each such emission unit shall be limited to 3 times in any 24 hour period.

- c. Pursuant to 35 Ill. Adm. Code 212.301, no person shall cause or allow the emission of fugitive particulate matter from any process, including any material handling or storage activity, that is visible by an observer looking generally toward the zenith at a point beyond the property line of the emission source.
- d. Pursuant to 35 Ill. Adm. Code 212.314, 35 Ill. Adm. Code 212.301 shall not apply and spraying pursuant to 35 Ill. Adm. Code 212.304 through 212.310 and 35 Ill. Adm. Code 212.312 shall not be required when the wind speed is greater than 40.2 km/hour (25 mph). Determination of wind speed for the purposes of this rule shall be by a one-hour average or hourly recorded value at the nearest official station of the U.S. Weather Bureau or by wind speed instruments operated on the site. In cases where the duration of operations subject to this rule is less than one hour, wind speed may be averaged over the duration of the operations on the basis of on-site wind speed instrument measurements.
- e. Pursuant to 35 Ill. Adm. Code 212.316(f), unless an emission unit has been assigned a particulate matter, PM_{10} , or fugitive particulate matter emissions limitation elsewhere in 35 Ill. Adm. Code 212.316, or in 35 Ill. Adm. Code 212 Subparts R or S, no person shall cause or allow fugitive particulate matter emissions from any emission unit to exceed an opacity of 20 percent.
- f. Pursuant to 35 Ill. Adm. Code 212.321(a), no person shall cause or allow the emission of particulate matter into the atmosphere in any one hour period from any new process emission unit which, either alone or in combination with the emission of particulate matter from all other similar process emission units for which construction or modification commenced on or after April 14, 1972, at a source or premises, exceeds the allowable emission rates specified in 35 Ill. Adm. Code 212.321(c).
- g. Pursuant to 35 Ill. Adm. Code 212.321(b), interpolated and extrapolated values of the data in 35 Ill. Adm. Code 212.321(c) shall be determined by using the equation:

$$E = A(P)^B$$

where

P = Process weight rate; and

E = Allowable emission rate; and,

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- i. Up to process weight rates of 408 MG/hour (450 T/hour):

	<u>Metric</u>	<u>English</u>
P	Mg/hr	T/hr
E	kg/hr	lbs/hr
A	1.214	2.54
B	0.534	0.534

- ii. For process weight rate greater than or equal to 408 Mg/hour (450 T/hour):

	<u>Metric</u>	<u>English</u>
P	Mg/hr	T/hr
E	kg/hr	lbs/hr
A	11.42	24.8
B	0.16	0.16

- h. Pursuant to 35 Ill. Adm. Code 212.700(a), 35 Ill. Adm. Code 212 Subpart U (Additional Control Measures) shall apply to those sources in the areas designated in and subject to 35 Ill. Adm. Code 212.324(a)(1) or 212.423(a) and that have actual annual source-wide emissions of PM₁₀ of at least fifteen (15) tons per year.
3. This permit is issued based on the two portable electric conveyors not being subject to the New Source Performance Standards (NSPS) for Coal Preparation Plants, 40 CFR 60 Subpart Y because the conveyors will not be used to convey coal to machinery at the coal preparation plant.
4. Pursuant to 35 Ill. Adm. Code 212.324(d), the mass emission limits contained in 35 Ill. Adm. Code 212.324(b) shall not apply to those emission units with no visible emissions other than fugitive particulate matter; however, if a stack test is performed, 35 Ill. Adm. Code 212.324(d) is not a defense finding of a violation of the mass emission limits contained in 35 Ill. Adm. Code 212.324(b).
- 5a. Pursuant to 35 Ill Adm. Code 212.324(f), for any process emission unit subject to 35 Ill. Adm. Code 212.324(a), the owner or operator shall maintain and repair all air pollution control equipment in a manner that assures that the emission limits and standards in 35 Ill. Adm. Code 212.324 shall be met at all times. 35 Ill. Adm. Code 212.324 shall not affect the applicability of 35 Ill. Adm. Code 201.149. Proper maintenance shall include the following minimum requirements:
- i. Visual inspections of air pollution control equipment;
 - ii. Maintenance of an adequate inventory of spare parts; and
 - iii. Expeditious repairs, unless the emission unit is shutdown.
- b. Pursuant to 35 Ill. Adm. Code 212.701(a), those sources subject to 35 Ill. Adm. Code 212 Subpart U shall prepare contingency measure plans reflecting the PM₁₀ emission reductions set forth in 35 Ill. Adm. Code

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212.703. These plans shall become federally enforceable permit conditions. Such plans shall be submitted to the Illinois EPA by November 15, 1994. Notwithstanding the foregoing, sources that become subject to the provisions of 35 Ill. Adm. Code 212 Subpart U after July 1, 1994, shall submit a contingency measure plan to the Illinois EPA for review and approval within ninety (90) days after the date such source or sources became subject to the provisions of 35 Ill. Adm. Code 212 Subpart U or by November 15, 1994, whichever is later. The Illinois EPA shall notify those sources requiring contingency measure plans, based on the Illinois EPA's current information; however, the Illinois EPA's failure to notify any source of its requirement to submit contingency measure plans shall not be a defense to a violation of 35 Ill. Adm. Code 212 Subpart U and shall not relieve the source of its obligation to timely submit a contingency measure plan.

- c. Pursuant to 35 Ill. Adm. Code 212.703(a), all sources subject to 35 Ill. Adm. Code 212 Subpart U shall submit a contingency measure plan. The contingency measure plan shall contain two levels of control measures:
- i. Level I measures are measures that will reduce total actual annual source-wide fugitive emissions of PM_{10} subject to control under 35 Ill. Adm. Code 212.304, 212.305, 212.306, 212.308, 212.316(a) through (e), 212.424 or 212.464 by at least 15%.
 - ii. Level II measures are measures that will reduce total actual annual source-wide fugitive emissions of PM_{10} subject to control under 35 Ill. Adm. Code 212.304, 212.305, 212.306, 212.308, 212.316(a) through (e), 212.424 or 212.464 by at least 25%.
- d. Pursuant to 35 Ill. Adm. Code 212.703(b), a source may comply with 35 Ill. Adm. Code 212 Subpart U through an alternative compliance plan that provides for reductions in emissions equal to the level of reduction of fugitive emissions as required at 35 Ill. Adm. Code 212.703(a) and which has been approved by the Illinois EPA and USEPA as federally enforceable permit conditions. If a source elects to include controls on process emission units, fuel combustion emission units, or other fugitive emissions of PM_{10} not subject to 35 Ill. Adm. Code 212.304, 212.305, 212.306, 212.308, 212.316(a) through (e), 212.424 or 212.464 at the source in its alternative control plan, the plan must include a reasonable schedule for implementation of such controls, not to exceed two (2) years. This implementation schedule is subject to Illinois EPA review and approval.
- e. Pursuant to 35 Ill. Adm. Code 212.704(b), if there is a violation of the ambient air quality standard for PM_{10} as determined in accordance with 40 CFR Part 50, Appendix K, the Illinois EPA shall notify the source or sources the Illinois EPA has identified as likely to be causing or contributing to one or more of the exceedences leading to such violation, and such source or sources shall implement Level I or Level II measures, as determined pursuant to 35 Ill. Adm. Code 212.704(e). The source or sources so identified shall implement such

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measures corresponding to fugitive emissions within ninety (90) days after receipt of a notification and shall implement such measures corresponding to any non-fugitive emissions according to the approved schedule set forth in such source's alternative control plan. Any source identified as causing or contributing to a violation of the ambient air quality standard for PM₁₀ may appeal any finding of culpability by the Illinois EPA to the Illinois Pollution Control Board pursuant to 35 Ill. Adm. Code 106 Subpart J.

- f. Pursuant to 35 Ill. Adm. Code 212.704(e), the Illinois EPA shall require that sources comply with the Level I or Level II measures of their contingency measure plans, pursuant 35 Ill. Adm. Code 212.704(b), as follows:
- i. Level I measures shall be required when the design value of a violation of the 24-hour ambient air quality standard, as computed pursuant to 40 CFR 50, Appendix K, is less than or equal to 170 ug/m³.
 - ii. Level II measures shall be required when the design value of a violation of the 24-hour ambient air quality standard, as computed pursuant to 40 CFR 50, Appendix K, exceeds 170 ug/m³.
- 6a. The moisture content of the bulk material handled by the source shall be at least 1.3% by weight. The Permittee shall show compliance with this requirement by recording the moisture content of the bulk material received at the source as provided by the supplier of the feed material. If moisture content falls below 3.0% by weight as documented by the supplier, then the Permittee shall:
- i. Utilize water sprays on the material handling operations (e.g., material transfer, screening and crushing) associated with bulk materials having a moisture content below 3.0% by weight to reduce particulate matter emissions and to maintain compliance with the applicable visible emissions standards for each affected material handling operation; or
 - ii. Follow the testing requirements of Condition 6(b).
- b. If the Permittee relies on Condition 6(a)(i) to demonstrate compliance with Condition 6(a), the Permittee shall monitor the water spray equipment as follows during non-freezing conditions:
- i. The water supply to the spray equipment shall be equipped with a master metering device used to determine water usage for the control of particulate matter emissions.
 - ii. Inspections of water spray equipment and operation (such as leaking, maintaining adequate flow, clogging of flow lines, etc.) shall be performed at least once per week when the material handling operations are in operation.

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- c. If the Permittee relies on Condition 6(a)(ii) to demonstrate compliance with Condition 6(a), the Permittee shall measure the moisture content of a representative sample of the bulk material having a moisture content below 3.0% as provided by the supplier, at least once per week, when water spray is not being utilized, using ASTM Procedure D 3302 for coal and ASTM Procedures D 3172 and D 4931 for petroleum coke. Should three consecutive tests at the source show moisture contents of 3.0% or greater by weight, this testing shall no longer be required for the subject bulk material.
- 7a. The emissions from and the operation of the material handling operations (material transfer, crushing and screening) shall not exceed the following limits:
- i. PM_{10} emission shall not exceed 7.9 tons/month and 79 tons/year.
 - ii. PM emissions shall not exceed 16 tons/month and 160 tons/year.
 - iii. These limits are based on the maximum amount of material handled and standard emission factors (Table 11.19.2-2, AP-42, Volume I, Fifth Edition, Update 2004, August 2004 and Section 13.2.4, AP-42, Volume I, Fifth Edition, November 2006). PM_{10} and PM emissions shall be calculated and recorded using the equation:

$$E = [(T \times F_m) + (S \times F_s) + (C \times F_c)]/2000$$

Where:

- E = Total PM_{10} or PM emissions, (tons);
- T = Amount of bulk material transferred, (tons);
- F_m = $(k \times 0.0032 \times N) \times [((U/5)^{1.3}) / ((M/2)^{1.4})]$;

Where:

- k = 0.35 for PM_{10} ;
= 0.74 for PM;
- U = mean wind speed, (miles/hour);
- M = material moisture content, (%);
- N = Number of material drop points;
- S = Amount of bulk material Screened, (tons);
- F_s = 0.0022 lb PM/ton;
= 0.00074 lb PM_{10} /ton;
- C = tons of bulk material Crushed, (tons);

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$$\begin{aligned} F_c &= 0.0012 \text{ lb PM/ton; and} \\ &= 0.00054 \text{ lb PM}_{10}\text{/ton.} \end{aligned}$$

- b. 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).
- 8a. 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 9 shall be performed upon a written request from the Illinois EPA by a qualified individual or independent testing service.
9. 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.

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- 10a. 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.
- b. i. Pursuant to 35 Ill. Adm. Code 212.316(g)(1), the owner or operator of any fugitive particulate matter emission unit subject to 35 Ill. Adm. Code 212.316 shall keep written records of the application of control measures as may be needed for compliance with the opacity limitations of 35 Ill. Adm. Code 212.316 and shall submit to the Illinois EPA an annual report containing a summary of such information.
- ii. Pursuant to 35 Ill. Adm. Code 212.316(g)(2), the records required under 35 Ill. Adm. Code 212.316(g) shall include at least the following:
- A. The name and address of the source;
 - B. The name and address of the owner and/or operator of the source;
 - C. A map or diagram showing the location of all emission units controlled, including the location, identification, length, and width of roadways;
 - D. For application of physical or chemical control agents: the name of the agent, application rate and frequency, and total quantity of agent and, if diluted, percent of concentration, used each day; and
 - E. A log recording incidents when control measures were not used and a statement of explanation.
- iii. Pursuant to 35 Ill. Adm. Code 212.316(g)(3), the records required under 35 Ill. Adm. Code 212.316 shall be kept and maintained for at least three (3) years and shall be available for inspection and copying by Illinois EPA representatives during working hours.
- c. i. Pursuant to 35 Ill. Adm. Code 212.324(g)(1), written records of inventory and documentation of inspections, maintenance, and repairs of all air pollution control equipment shall be kept in accordance with 35 Ill. Adm. Code 212.324(f).
- ii. Pursuant to 35 Ill. Adm. Code 212.324(g)(2), the owner or operator shall document any period during which any process emission unit was in operation when the air pollution control equipment was not in operation or was malfunctioning so as to cause an emissions level in excess of the emissions limitation. These records shall include documentation of causes for pollution control equipment not operating or such malfunction and shall

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state what corrective actions were taken and what repairs were made.

- iii. Pursuant to 35 Ill. Adm. Code 212.324(g)(3), a written record of the inventory of all spare parts not readily available from local suppliers shall be kept and updated.
 - iv. Pursuant to 35 Ill. Adm. Code 212.324(g)(5), the records required under 35 Ill. Adm. Code 212.324 shall be kept and maintained for at least three (3) years and shall be available for inspection and copying by Illinois EPA representatives during working hours.
- 11a. The Permittee shall maintain records of the following items so as to demonstrate compliance with the conditions of this permit:
- i. Records addressing use of good operating practices for the material handling operations at this source:
 - A. If the Permittee is relying on Conditions 6(a)(i) and 6(b) to demonstrate compliance with Condition 6(a), the Permittee shall maintain operating logs for the water spray equipment, including dates and hours of usage, total amount of water applied each month, malfunctions (type, dates, and measures to correct), dates of rainfall during the preceding 24 hours, and daily observations of bulk material conditions (wet or dry) and/or other controls as may be present (e.g., coverage by snow or ice);
 - B. If the Permittee is relying on the requirements of Conditions 6(a)(ii) and 6(c) to demonstrate compliance with Condition 6(a), the Permittee shall maintain records of all moisture content tests performed including date, time, individual or laboratory performing test, and location of sample (e.g., prior to crushing, stockpiles, etc.); and
 - C. The Permittee shall keep records of the moisture content of bulk materials as provided by the source of the feed material in accordance with Condition 6(c).
 - ii. Records of the moisture content of bulk solid materials as provided by the suppliers of bulk solid materials, unless such records are superseded by moisture analysis from samples collected at the source;
 - iii. Records of moisture analysis from samples collected at the source;
 - iv. Name and total amount of each bulk material (e.g., coal, petroleum coke, etc.) processed (i.e., crushed, screened and transferred), in tons/month and tons/year; and

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- v. Monthly and annual emissions of PM and PM₁₀ from the material handling operations at this 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.
- 12a. 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.
- b. Pursuant to 35 Ill. Adm. Code 212.316(g)(5), a quarterly report shall be submitted to the Illinois EPA stating the following: the dates any necessary control measures were not implemented, a listing of those control measures, the reasons that the control measures were not implemented, and any corrective actions taken. This information includes, but is not limited to, those dates when controls were not applied based on a belief that application of such control measures would have been unreasonable given prevailing atmospheric conditions, which shall constitute a defense to the requirements of 35 Ill. Adm. Code 212.316. This report shall be submitted to the Illinois EPA thirty (30) calendar days from the end of a quarter. Quarters end March 31, June 30, September 30, and December 31.
 - c.
 - i. Pursuant to 35 Ill. Adm. Code 212.324(g)(4), copies of all records required by 35 Ill. Adm. Code 212.324 shall be submitted to the Illinois EPA within ten (10) working days after a written request by the Illinois EPA.
 - ii. Pursuant to 35 Ill. Adm. Code 212.324(g)(6), upon written request by the Illinois EPA, a report shall be submitted to the Illinois EPA for any period specified in the request stating the following: the dates during which any process emission unit was in operation when the air pollution control equipment was not in operation or was not operating properly, documentation of causes for pollution control equipment not operating or not operating properly, and a statement of what corrective actions were taken and what repairs were made.
- 12a. If there is an exceedence 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

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Section in Springfield, Illinois within 30 days after the exceedence or deviation. The report shall include the emissions released in accordance with the recordkeeping requirements, a copy of the relevant records, and a description of the exceedences or deviation and efforts to reduce emissions and future occurrences.

b. Two (2) copies of required reports and notifications shall be sent to:

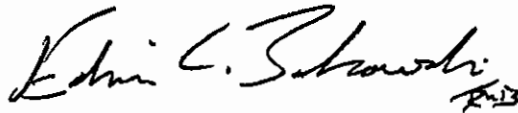
Illinois Environmental Protection Agency
Division of Air Pollution Control
Compliance Section (#40)
P.O. Box 19276
Springfield, Illinois 62794-9276

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 also be noted that this permit has been revise to modify the two portable conveyers to allow the conveying of material with a moisture content of 1.3% by weight.

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



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

Date Signed:

5/25/2010

ECB:GMK:jws

cc: Illinois EPA, FOS Region 1



STATE OF ILLINOIS
ENVIRONMENTAL PROTECTION AGENCY
DIVISION OF AIR POLLUTION CONTROL
P. O. BOX 19506
SPRINGFIELD, ILLINOIS 62794-9506

**STANDARD CONDITIONS FOR CONSTRUCTION/DEVELOPMENT PERMITS
ISSUED BY THE ILLINOIS ENVIRONMENTAL PROTECTION AGENCY**

July 1, 1985

The Illinois Environmental Protection Act (Illinois Revised Statutes, Chapter 111-1/2, Section 1039) authorizes the Environmental Protection Agency to impose conditions on permits which it issues.

The following conditions are applicable unless superseded by special condition(s).

1. Unless this permit has been extended or it has been voided by a newly issued permit, this permit will expire one year from the date of issuance, unless a continuous program of construction or development on this project has started by such time.
2. The construction or development covered by this permit shall be done in compliance with applicable provisions of the Illinois Environmental Protection Act and Regulations adopted by the Illinois Pollution Control Board.
3. There shall be no deviations from the approved plans and specifications unless a written request for modification, along with plans and specifications as required, shall have been submitted to the Agency and a supplemental written permit issued.
4. The permittee shall allow any duly authorized agent of the Agency upon the presentation of credentials, at reasonable times:
 - a. to enter the permittee's property where actual or potential effluent, emission or noise sources are located or where any activity is to be conducted pursuant to this permit;
 - b. to have access to and to copy any records required to be kept under the terms and conditions of this permit,
 - c. to inspect, including during any hours of operation of equipment constructed or operated under this permit, such equipment and any equipment required to be kept, used, operated, calibrated and maintained under this permit,
 - d. to obtain and remove samples of any discharge or emissions of pollutants, and
 - e. to enter and utilize any photographic, recording, testing, monitoring or other equipment for the purpose of preserving, testing, monitoring, or recording any activity, discharge, or emission authorized by this permit.
5. The issuance of this permit:
 - a. shall not be considered as in any manner affecting the title of the premises upon which the permitted facilities are to be located,
 - b. does not release the permittee from any liability for damage to person or property caused by or resulting from the construction, maintenance, or operation of the proposed facilities,
 - c. does not release the permittee from compliance with other applicable statutes and regulations of the United States, of the State of Illinois, or with applicable local laws, ordinances and regulations,
 - d. does not take into consideration or attest to the structural stability of any units or parts of the project, and

- e. in no manner implies or suggests that the Agency (or its officers, agents or employees) assumes any liability, directly or indirectly, for any loss due to damage, installation, maintenance, or operation of the proposed equipment or facility.
- 6. a. Unless a joint construction/operation permit has been issued, a permit for operation shall be obtained from the Agency before the equipment covered by this permit is placed into operation.
 - b. For purposes of shakedown and testing, unless otherwise specified by a special permit condition, the equipment covered under this permit may be operated for a period not to exceed thirty (30) days.
- 7. The Agency may file a complaint with the Board for modification, suspension or revocation of a permit:
 - a. upon discovery that the permit application contained misrepresentations, misinformation or false statements or that all relevant facts were not disclosed, or
 - b. upon finding that any standard or special conditions have been violated, or
 - c. upon any violations of the Environmental Protection Act or any regulation effective thereunder as a result of the construction or development authorized by this permit.

For assistance in preparing a permit application contact the Permit Section.

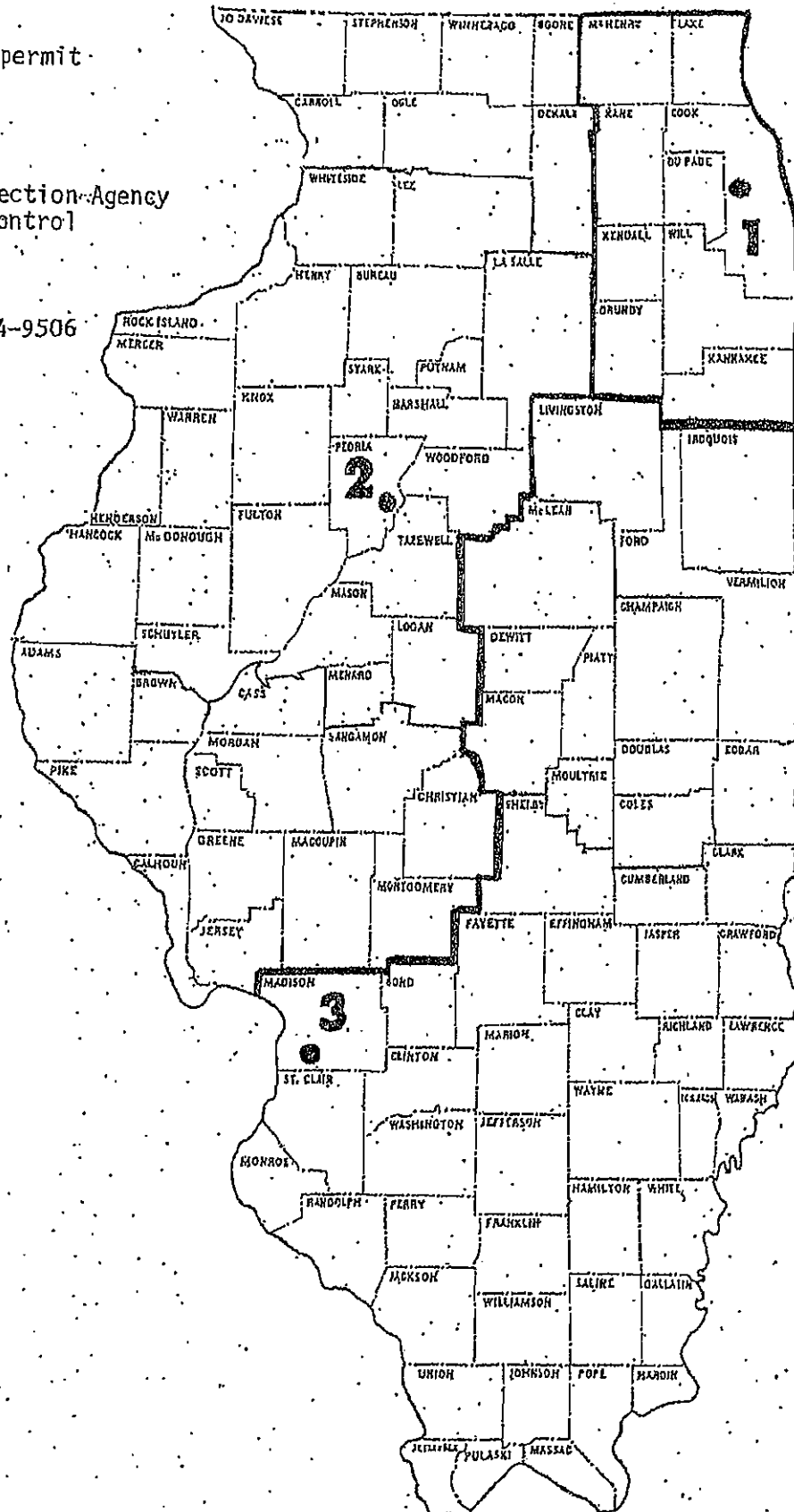
Illinois Environmental Protection Agency
Division of Air Pollution Control
Permit Section
1021 N. Grand Ave E.
P.O. Box 19506
Springfield, Illinois 62794-9506

or a regional office of the Field Operations Section. The regional offices and their areas of responsibility are shown on the map. The addresses and telephone numbers of the regional offices are as follows:

Illinois EPA
Region 1
Bureau of Air, FOS
9511 West Harrison
Des. Plains, Illinois 60016
847/294-4000

Illinois EPA
Region 2
5415 North University
Peoria, Illinois 61614
309/693-5463

Illinois EPA
Region 3
2009 Mail Street
Collinsville, Illinois 62234
618/346-5120



Electronic Filing - Received, Clerk's Office, February 1, 2011

***** PCB 2011-043 *****

ILLINOIS ENVIRONMENTAL PROTECTION AGENCY

1021 NORTH GRAND AVENUE EAST, P.O. BOX 19506, SPRINGFIELD, ILLINOIS 62794-9506 - (217) 782-2113

ROD R. BLAGOJEVICH, GOVERNOR

DOUGLAS P. SCOTT, DIRECTOR

217/782-2113

CONSTRUCTION PERMIT - REVISED

PERMITTEE

KCBX Terminals Company
Attn: Chris Bailey
3259 East 100th Street
Chicago, Illinois 60617

Application No.: 07100090

I.D. No.: 031600AHI

Applicant's Designation: 2CONVEYERS

Date Received: June 5, 2008

Subject: 2 Conveyers at a Bulk Materials Terminal

Date Issued: October 17, 2008

Location: 3259 East 100th Street, Chicago, Cook County, 60617

This permit is hereby granted to the above-designated Permittee to CONSTRUCT emission unit(s) and/or air pollution control equipment consisting of two (2) conveyers at a bulk materials terminal, pursuant to the above-referenced application. This Permit is subject to standard conditions attached hereto and the following special condition(s):

- 1a. This permit is issued based on the construction of the two (2) new conveyers not constituting a new major source or major modification pursuant to Title I of the Clean Air Act, specifically 35 Ill. Adm. Code Part 203, Major Stationary Sources Construction and Modification and 40 CFR 52.21, Prevention of Significant Deterioration (PSD). The source has requested that the Illinois EPA establish emission limitations and other appropriate terms and conditions in this permit that limit the Particulate Matter less than 10 Microns (PM₁₀) emissions from the new conveyors below the levels that would trigger the applicability of these rules.
- b. Operation of the two (2) conveyers at this source is allowed under this construction permit until final action is taken on the application for renewal and revision of the Federally Enforceable State Operating Permit (FESOP) for this source.
- c. This permit is effective only upon the withdrawal of Permit Appeal PCB 2008-103.
- 2a. Pursuant to 35 Ill. Adm. Code 212.123(a), 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 35 Ill. Adm. Code 212.122.
- b. Pursuant to 35 Ill. Adm. Code 212.123(b), the emission of smoke or other particulate matter from any such emission unit (i.e., any emission unit other than a fuel combustion emission unit) may have an opacity greater than 30 percent but not greater than 60 percent for a

Page 2

period or periods aggregating 8 minutes in any 60 minute period provided that such opaque emissions permitted during any 60 minute period shall occur from only one such emission unit located within a 305 m (1000 feet) radius from the center point of any other such emission unit owned or operated by such person, and provided further that such opaque emissions permitted from each such emission unit shall be limited to 3 times in any 24 hour period.

- c. Pursuant to 35 Ill. Adm. Code 212.301, no person shall cause or allow the emission of fugitive particulate matter from any process, including any material handling or storage activity, that is visible by an observer looking generally toward the zenith at a point beyond the property line of the emission source.
- d. Pursuant to 35 Ill. Adm. Code 212.314, 35 Ill. Adm. Code 212.301 shall not apply and spraying pursuant to 35 Ill. Adm. Code 212.304 through 212.310 and 35 Ill. Adm. Code 212.312 shall not be required when the wind speed is greater than 40.2 km/hour (25 mph). Determination of wind speed for the purposes of this rule shall be by a one-hour average or hourly recorded value at the nearest official station of the U.S. weather Bureau or by wind speed instruments operated on the site. In cases where the duration of operations subject to this rule is less than one hour, wind speed may be averaged over the duration of the operations on the basis of on-site wind speed instrument measurements.
- e. Pursuant to 35 Ill. Adm. Code 212.316(f), unless an emission unit has been assigned a particulate matter, PM_{10} , or fugitive particulate matter emissions limitation elsewhere in 35 Ill. Adm. Code 212.316, or in 35 Ill. Adm. Code 212 Subparts R or S, no person shall cause or allow fugitive particulate matter emissions from any emission unit to exceed an opacity of 20 percent.
- f. Pursuant to 35 Ill. Adm. Code 212.321(a), no person shall cause or allow the emission of particulate matter into the atmosphere in any one hour period from any new process emission unit which, either alone or in combination with the emission of particulate matter from all other similar process emission units for which construction or modification commenced on or after April 14, 1972, at a source or premises, exceeds the allowable emission rates specified in 35 Ill. Adm. Code 212.321(c).
- g. Pursuant to 35 Ill. Adm. Code 212.321(b), interpolated and extrapolated values of the data in 35 Ill. Adm. Code 212.321(c) shall be determined by using the equation:

$$E = A(P)^B$$

where

P = Process weight rate; and

E = Allowable emission rate; and,

- i. Up to process weight rates of 408 MG/hour (450 T/hour):

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	<u>Metric</u>	<u>English</u>
P	Mg/hr	T/hr
E	kg/hr	lbs/hr
A	1.214	2.54
B	0.534	0.534

- ii. For process weight rate greater than or equal to 408 Mg/hour (450 T/hour):

	<u>Metric</u>	<u>English</u>
P	Mg/hr	T/hr
E	kg/hr	lbs/hr
A	11.42	24.9
B	0.16	0.16

- h. Pursuant to 35 Ill. Adm. Code 212.700(a), 35 Ill. Adm. Code 212 Subpart U (Additional Control Measures) shall apply to those sources in the areas designated in and subject to 35 Ill. Adm. Code 212.324(a)(1) or 212.423(a) and that have actual annual source-wide emissions of PM₁₀ of at least fifteen (15) tons per year.
3. This permit is issued based on the two electric conveyors not being subject to the New Source Performance Standards (NSPS) for Coal Preparation Plants, 40 CFR 60 Subpart Y because the conveyors will not be used to convey coal to machinery at the coal preparation plant.
4. Pursuant to 35 Ill. Adm. Code 212.324(d), the mass emission limits contained in 35 Ill. Adm. Code 212.324(b) shall not apply to those emission units with no visible emissions other than fugitive particulate matter; however, if a stack test is performed, 35 Ill. Adm. Code 212.324(d) is not a defense finding of a violation of the mass emission limits contained in 35 Ill. Adm. Code 212.324(b).
- 5a. Pursuant to 35 Ill. Adm. Code 212.324(f), for any process emission unit subject to 35 Ill. Adm. Code 212.324(a), the owner or operator shall maintain and repair all air pollution control equipment in a manner that assures that the emission limits and standards in 35 Ill. Adm. Code 212.324 shall be met at all times. 35 Ill. Adm. Code 212.324 shall not affect the applicability of 35 Ill. Adm. Code 201.149. Proper maintenance shall include the following minimum requirements:
- i. Visual inspections of air pollution control equipment;
 - ii. Maintenance of an adequate inventory of spare parts; and
 - iii. Expeditious repairs, unless the emission unit is shutdown.
- b. Pursuant to 35 Ill. Adm. Code 212.701(a), those sources subject to 35 Ill. Adm. Code 212 Subpart U shall prepare contingency measure plans reflecting the PM₁₀ emission reductions set forth in 35 Ill. Adm. Code 212.703. These plans shall become federally enforceable permit

Page 4

conditions. Such plans shall be submitted to the Illinois EPA by November 15, 1994. Notwithstanding the foregoing, sources that become subject to the provisions of 35 Ill. Adm. Code 212 Subpart U after July 1, 1994, shall submit a contingency measure plan to the Illinois EPA for review and approval within ninety (90) days after the date such source or sources became subject to the provisions of 35 Ill. Adm. Code 212 Subpart U or by November 15, 1994, whichever is later. The Illinois EPA shall notify those sources requiring contingency measure plans, based on the Illinois EPA's current information; however, the Illinois EPA's failure to notify any source of its requirement to submit contingency measure plans shall not be a defense to a violation of 35 Ill. Adm. Code 212 Subpart U and shall not relieve the source of its obligation to timely submit a contingency measure plan.

- c. Pursuant to 35 Ill. Adm. Code 212.703(a), all sources subject to 35 Ill. Adm. Code 212 Subpart U shall submit a contingency measure plan. The contingency measure plan shall contain two levels of control measures:
- i. Level I measures are measures that will reduce total actual annual source-wide fugitive emissions of PM_{10} subject to control under 35 Ill. Adm. Code 212.304, 212.305, 212.306, 212.308, 212.316(a) through (e), 212.424 or 212.464 by at least 15%.
 - ii. Level II measures are measures that will reduce total actual annual source-wide fugitive emissions of PM_{10} subject to control under 35 Ill. Adm. Code 212.304, 212.305, 212.306, 212.308, 212.316(a) through (e), 212.424 or 212.464 by at least 25%.
- d. Pursuant to 35 Ill. Adm. Code 212.703(b), a source may comply with 35 Ill. Adm. Code 212 Subpart U through an alternative compliance plan that provides for reductions in emissions equal to the level of reduction of fugitive emissions as required at 35 Ill. Adm. Code 212.703(a) and which has been approved by the Illinois EPA and USEPA as federally enforceable permit conditions. If a source elects to include controls on process emission units, fuel combustion emission units, or other fugitive emissions of PM_{10} not subject to 35 Ill. Adm. Code 212.304, 212.305, 212.306, 212.308, 212.316(a) through (e), 212.424 or 212.464 at the source in its alternative control plan, the plan must include a reasonable schedule for implementation of such controls, not to exceed two (2) years. This implementation schedule is subject to Illinois EPA review and approval.
- e. Pursuant to 35 Ill. Adm. Code 212.704(b), if there is a violation of the ambient air quality standard for PM_{10} , as determined in accordance with 40 CFR Part 50, Appendix K, the Illinois EPA shall notify the source or sources the Illinois EPA has identified as likely to be causing or contributing to one or more of the exceedences leading to such violation, and such source or sources shall implement Level I or Level II measures, as determined pursuant to 35 Ill. Adm. Code 212.704(e). The source or sources so identified shall implement such measures corresponding to fugitive emissions within ninety (90) days

Page 5

after receipt of a notification and shall implement such measures corresponding to any nonfugitive emissions according to the approved schedule set forth in such source's alternative control plan. Any source identified as causing or contributing to a violation of the ambient air quality standard for PM_{10} may appeal any finding of culpability by the Illinois EPA to the Illinois Pollution Control Board pursuant to 35 Ill. Adm. Code 106 Subpart J.

- f. Pursuant to 35 Ill. Adm. Code 212.704(e), the Illinois EPA shall require that sources comply with the Level I or Level II measures of their contingency measure plans, pursuant 35 Ill. Adm. Code 212.704(b), as follows:
 - i. Level I measures shall be required when the design value of a violation of the 24-hour ambient air quality standard, as computed pursuant to 40 CFR 50, Appendix K, is less than or equal to 170 ug/m³.
 - ii. Level II measures shall be required when the design value of a violation of the 24-hour ambient air quality standard, as computed pursuant to 40 CFR 50, Appendix K, exceeds 170 ug/m³.
- 6a. The moisture content of the bulk material handled by the source shall be at least 1.5% by weight. The Permittee shall show compliance with this requirement by recording the moisture content of the bulk material received at the source as provided by the supplier of the bulk material. If moisture content falls below 3.0% by weight as documented by the supplier, then the Permittee shall:
 - i. Utilize water sprays on the material handling operations (e.g., material transfer, screening and crushing) associated with bulk materials having a moisture content below 3.0% by weight to reduce particulate matter emissions and to maintain compliance with the applicable visible emissions standards for each affected material handling operation; or
 - ii. Follow the testing requirements of Condition 6(c).
- b. If the Permittee relies on Condition 6(a)(i) to demonstrate compliance with Condition 6(a), the Permittee shall monitor the water spray equipment as follows during non-freezing conditions:
 - i. The water supply to the spray equipment shall be equipped with a master metering device used to determine water usage for the control of particulate matter emissions.
 - ii. Inspections of water spray equipment and operation (such as leaking, maintaining adequate flow, clogging of flow lines, etc.) shall be performed at least once per week when the material handling operations are in operation.

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- c. If the Permittee relies on Condition 6(a)(ii) to demonstrate compliance with Condition 6(a), the Permittee shall measure the moisture content of a representative sample of the bulk material having a moisture content below 3.0% as provided by the supplier, at least once per week, when water spray is not being utilized, using ASTM Procedure D 3302 for coal and ASTM Procedure D 4931 for petroleum coke. Should three consecutive tests at the source show moisture contents of 3.0% or greater by weight, this testing shall no longer be required for the subject bulk material.
- 7a. The emissions from and the operation of the material handling operations (material transfer, crushing and screening) shall not exceed the following limits:
- i. PM_{10} emission shall not exceed 7.9 tons/month and 79 tons/year.
 - ii. PM emissions shall not exceed 16 tons/month and 160 tons/year.
 - iii. These limits are based on the maximum amount of material handled and standard emission factors (Table 11.19.2-2, AP-42, Volume I, Fifth Edition, Update 2004, August 2004 and Section 13.2.4, AP-42, Volume I, Fifth Edition, November 2006). PM_{10} and PM emissions shall be calculated and recorded using the equation:

$$E = [(T \times F_a) + (S \times F_s) + (C \times F_c)] / 2000$$

Where:

- E = Total PM_{10} or PM emissions, (tons);
- T = Amount of bulk material transferred, (tons);
- F_a = $(k \times 0.0032 \times N) \times \{[(U/5)^{1.3}] / [(M/2)^{1.4}]\}$;

Where:

- k = 0.35 for PM_{10} ;
= 0.74 for PM;
- U = mean wind speed, (miles/hour);
- M = material moisture content, (%);
- N = Number of material drop points;
- S = Amount of bulk material Screened, (tons);
- F_s = 0.0022 lb PM/ton;
= 0.00074 lb PM_{10} /ton;
- C = tons of bulk material Crushed, (tons);

Page 7

$F_e = 0.0012 \text{ lb PM/ton}$; and
 $= 0.00054 \text{ lb PM}_{10}/\text{ton}$.

- b. 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).
- 8a. 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 9 shall be performed upon a written request from the Illinois EPA by a qualified individual or independent testing service.
9. 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.

Page 8

- 10a. 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.
- b. i. Pursuant to 35 Ill. Adm. Code 212.316(g)(1), the owner or operator of any fugitive particulate matter emission unit subject to 35 Ill. Adm. Code 212.316 shall keep written records of the application of control measures as may be needed for compliance with the opacity limitations of 35 Ill. Adm. Code 212.316 and shall submit to the Illinois EPA an annual report containing a summary of such information.
- ii. Pursuant to 35 Ill. Adm. Code 212.316(g)(2), the records required under 35 Ill. Adm. Code 212.316(g) shall include at least the following:
- A. The name and address of the source;
 - B. The name and address of the owner and/or operator of the source;
 - C. A map or diagram showing the location of all emission units controlled, including the location, identification, length, and width of roadways;
 - D. For application of physical or chemical control agents: the name of the agent, application rate and frequency, and total quantity of agent and, if diluted, percent of concentration, used each day; and
 - E. A log recording incidents when control measures were not used and a statement of explanation.
- iii. Pursuant to 35 Ill. Adm. Code 212.316(g)(4), the records required under 35 Ill. Adm. Code 212.316 shall be kept and maintained for at least three (3) years and shall be available for inspection and copying by Illinois EPA representatives during working hours.
- c. i. Pursuant to 35 Ill. Adm. Code 212.324(g)(1), written records of inventory and documentation of inspections, maintenance, and repairs of all air pollution control equipment shall be kept in accordance with 35 Ill. Adm. Code 212.324(f).
- ii. Pursuant to 35 Ill. Adm. Code 212.324(g)(2), the owner or operator shall document any period during which any process emission unit was in operation when the air pollution control equipment was not in operation or was malfunctioning so as to cause an emissions level in excess of the emissions limitation. These records shall include documentation of causes for pollution control equipment not operating or such malfunction and shall

Page 9

state what corrective actions were taken and what repairs were made.

- iii. Pursuant to 35 Ill. Adm. Code 212.324(g)(3), a written record of the inventory of all spare parts not readily available from local suppliers shall be kept and updated.
 - iv. Pursuant to 35 Ill. Adm. Code 212.324(g)(5), the records required under 35 Ill. Adm. Code 212.324 shall be kept and maintained for at least three (3) years and shall be available for inspection and copying by Illinois EPA representatives during working hours.
- 11a. The Permittee shall maintain records of the following items so as to demonstrate compliance with the conditions of this permit:
- i. Records addressing use of good operating practices for the material handling operations at this source:
 - A. If the Permittee is relying on Conditions 6(a)(1) and 6(b) to demonstrate compliance with Condition 6(a), the Permittee shall maintain operating logs for the water spray equipment, including dates and hours of usage, total amount of water applied each month, malfunctions (type, dates, and measures to correct), dates of rainfall during the preceding 24 hours, and daily observations of bulk material conditions (wet or dry) and/or other controls as may be present (e.g., coverage by snow or ice);
 - B. If the Permittee is relying on the requirements of Conditions 6(a)(ii) and 6(c) to demonstrate compliance with Condition 6(a), the Permittee shall maintain records of all moisture content tests performed including date, time, individual or laboratory performing test, and location of sample (e.g., prior to crushing, stockpiles, etc.); and
 - C. The Permittee shall keep records of the moisture content of bulk materials as provided by the source of the feed material in accordance with Condition 6(c).
 - ii. Name and total amount of each bulk material (e.g., coal, petroleum coke, etc.) processed (i.e., crushed, screened and transferred), in tons/month and tons/year; and
 - iii. Monthly and annual emissions of PM and PM₁₀ from the material handling operations at this 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) shall be capable of being

Page 10

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.

- 12a. 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.
- b. Pursuant to 35 Ill. Adm. Code 212.316(g)(5), a quarterly report shall be submitted to the Illinois EPA stating the following: the dates any necessary control measures were not implemented, a listing of those control measures, the reasons that the control measures were not implemented, and any corrective actions taken. This information includes, but is not limited to, those dates when controls were not applied based on a belief that application of such control measures would have been unreasonable given prevailing atmospheric conditions, which shall constitute a defense to the requirements of 35 Ill. Adm. Code 212.316. This report shall be submitted to the Illinois EPA thirty (30) calendar days from the end of a quarter. Quarters end March 31, June 30, September 30, and December 31.
- c. i. Pursuant to 35 Ill. Adm. Code 212.324(g)(4), copies of all records required by 35 Ill. Adm. Code 212.324 shall be submitted to the Illinois EPA within ten (10) working days after a written request by the Illinois EPA.
- ii. Pursuant to 35 Ill. Adm. Code 212.324(g)(6), upon written request by the Illinois EPA, a report shall be submitted to the Illinois EPA for any period specified in the request stating the following: the dates during which any process emission unit was in operation when the air pollution control equipment was not in operation or was not operating properly, documentation of causes for pollution control equipment not operating or not operating properly, and a statement of what corrective actions were taken and what repairs were made.
- 13a. If there is an exceedence 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 exceedence or deviation. The report shall include the emissions released in accordance with the recordkeeping requirements, a copy of the relevant records, and a description of the exceedences 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

Page 11

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

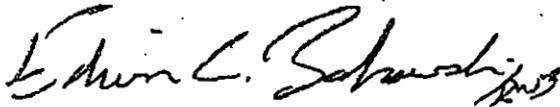
and one (1) copy shall be sent to the Illinois EPA's regional office at the following address unless otherwise indicated:

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 to reflect that the 2 conveyers will not be connected to fixed equipment associated with the coal preparation plant, and therefore not subject to NSPS, 40 CFR 60 Subpart Y.

It should also be noted that this permit has been revised to modify the moisture content requirements of the bulk material received at this source.

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



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

Date Signed:

10/17/2002

ECB:JPB:jws
12/13

cc: Illinois EPA, POS Region 1



ILLINOIS ENVIRONMENTAL PROTECTION AGENCY

1021 NORTH GRAND AVENUE EAST, P.O. BOX 19506, SPRINGFIELD, ILLINOIS 62794-9506 - (217) 782-2113

ROD R. BLAGOJEVICH, GOVERNOR

DOUGLAS P. SCOTT, DIRECTOR

217/782-2113

CONSTRUCTION PERMIT GRANT -- OPERATING PERMIT DENIAL -- NSPS SOURCE

PERMITTEE

KCBX Terminals Company
Attn: Chris Bailey
3259 East 100th Street
Chicago, Illinois 60617

RECEIVED
MAY 27 2008
KCBX TERMINALS CO.

Application No.: 07100090

I.D. No.: 031600AHI

Applicant's Designation: 2CONVEYERS

Date Received: October 30, 2007

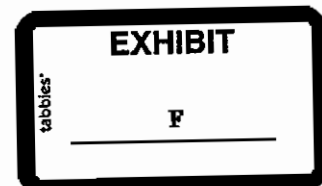
Subject: 2 Conveyers at a Bulk Materials Terminal

Date Issued: May 23, 2008

Location: 3259 East 100th Street, Chicago, Cook County, 60617

This permit is hereby granted to the above-designated Permittee to CONSTRUCT emission unit(s) and/or air pollution control equipment consisting of two (2) conveyers at a bulk materials terminal, pursuant to the above-referenced application. This Permit is subject to standard conditions attached hereto and the following special condition(s):

- 1a. This permit is issued based on the construction of the two (2) new conveyers not constituting a new major source or major modification pursuant to Title I of the Clean Air Act, specifically 35 Ill. Adm. Code Part 203, Major Stationary Sources Construction and Modification and 40 CFR 52.21, Prevention of Significant Deterioration (PSD). The source has requested that the Illinois EPA establish emission limitations and other appropriate terms and conditions in this permit that limit the Particulate Matter less than 10 Microns (PM₁₀) emissions from the new conveyers below the levels that would trigger the applicability of these rules.
- b. Operation of the material handling operations (material transfer, screening and crushing) at this source is allowed under this construction permit until such material handling operations are accounted for when final action is taken on the application for renewal and revision of the Federally Enforceable State Operating Permit (FESOP) for this source.
- 2a. The two electric conveyors are subject to a New Source Performance Standard (NSPS) for Coal Preparation Plants, 40 CFR 60 Subparts A and Y. The Illinois EPA is administering NSPS in Illinois on behalf of the United States EPA under a delegation agreement.
- b. Pursuant to 40 CFR 60.11(d), at all times, including periods of startup, shutdown, and malfunction, owners and operators shall, to the extent practicable, maintain and operate any affected facility including associated air pollution control equipment in a manner consistent with good air pollution control practice for minimizing emissions. Determination of whether acceptable operating and maintenance procedures are being used will be based on information



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available to the Illinois EPA or USEPA which may include, but is not limited to, monitoring results, opacity observations, review of operating and maintenance procedures, and inspection of the source.

- c. Pursuant to 40 CFR 60.252(c), on and after the date on which the performance test required to be conducted by 40 CFR 60.8 is completed, an owner or operator subject to the provisions of 40 CFR 60 Subpart Y shall not cause to be discharged into the atmosphere from any coal processing and conveying equipment, coal storage system, or coal transfer and loading system processing coal, gases which exhibit 20 percent opacity or greater.
- 3a. Pursuant to 35 Ill. Adm. Code 212.123(a), 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.
- b. Pursuant to 35 Ill. Adm. Code 212.123(b), the emission of smoke or other particulate matter from any such emission unit may have an opacity greater than 30 percent but not greater than 60 percent for a period or periods aggregating 8 minutes in any 60 minute period provided that such opaque emissions permitted during any 60 minute period shall occur from only one such emission unit located within a 305 m (1000 ft) radius from the center point of any other such emission unit owned or operated by such person, and provided further that such opaque emissions permitted from each such emission unit shall be limited to 3 times in any 24 hour period.
- c. Pursuant to 35 Ill. Adm. Code 212.301, no person shall cause or allow the emission of fugitive particulate matter from any process, including any material handling or storage activity, that is visible by an observer looking generally toward the zenith at a point beyond the property line of the emission source.
- d. Pursuant to 35 Ill. Adm. Code 212.308, crushers, grinding mills, screening operations, bucket elevators, conveyor transfer points, conveyors, bagging operations, storage bins and fine product truck and railcar loading operations shall be sprayed with water or a surfactant solution, utilize choke-feeding or be treated by an equivalent method in accordance with an operating program.
- e. Pursuant to 35 Ill. Adm. Code 212.316(b), no person shall cause or allow fugitive particulate matter emissions generated from crushing or screening, of slag, stone, coke or coal to exceed an opacity of 10 percent.
- f. Pursuant to 35 Ill. Adm. Code 212.316(f), unless an emission unit has been assigned a particulate matter, PM_{10} , or fugitive particulate matter emissions limitation elsewhere in 35 Ill. Adm. Code 212.316, or in 35 Ill. Adm. Code 212 Subparts R or S, no person shall cause or allow

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fugitive particulate matter emissions from any emission unit to exceed an opacity of 20 percent.

- g. Pursuant to 35 Ill. Adm. Code 212.321(a), no person shall cause or allow the emission of particulate matter into the atmosphere in any one hour period from any new process emission unit which, either alone or in combination with the emission of particulate matter from all other similar process emission units for which construction or modification commenced on or after April 14, 1972, at a source or premises, exceeds the allowable emission rates specified in 35 Ill. Adm. Code 212.321(c).
 - h. Pursuant to 35 Ill. Adm. Code 212.324(b), except as otherwise provided in 35 Ill. Adm. Code 212.324(d), no person shall cause or allow the emission into the atmosphere, of PM_{10} from any process emission unit to exceed 68.7 mg/scm (0.03 gr/scf) during any one hour period.
 - i. Pursuant to 35 Ill. Adm. Code 212.700(a), 35 Ill. Adm. Code 212 Subpart U (Additional Control Measures) shall apply to those sources in the areas designated in and subject to 35 Ill. Adm. Code 212.324(a)(1) or 212.423(a) and that have actual annual source-wide emissions of PM_{10} of at least fifteen (15) tons per year.
4. Pursuant to 35 Ill. Adm. Code 212.324(d), the mass emission limits contained in 35 Ill. Adm. Code 212.324(b) shall not apply to those emission units with no visible emissions other than fugitive particulate matter; however, if a stack test is performed, this subsection is not a defense finding of a violation of the mass emission limits contained in 35 Ill. Adm. Code 212.324(b).
- 5a. Pursuant to 35 Ill. Adm. Code 212.324(f), for any process emission unit subject to 35 Ill. Adm. Code 212.324(a), the owner or operator shall maintain and repair all air pollution control equipment in a manner that assures that the emission limits and standards in 35 Ill. Adm. Code 212.324 shall be met at all times. 35 Ill. Adm. Code 212.324 shall not affect the applicability of 35 Ill. Adm. Code 201.149. Proper maintenance shall include the following minimum requirements:
- i. Visual inspections of air pollution control equipment;
 - ii. Maintenance of an adequate inventory of spare parts; and
 - iii. Expeditious repairs, unless the emission unit is shutdown.
- b. Pursuant to 35 Ill. Adm. Code 212.701(a), those sources subject to 35 Ill. Adm. Code 212 Subpart U shall prepare contingency measure plans reflecting the PM_{10} emission reductions set forth in 35 Ill. Adm. Code 212.703. †These plans shall become federally enforceable permit conditions. Such plans shall be submitted to the Illinois EPA by November 15, 1994. Notwithstanding the foregoing, sources that become subject to the provisions of 35 Ill. Adm. Code 212 Subpart U after July 1, 1994, shall submit a contingency measure plan to the Illinois EPA for review and approval within ninety (90) days after the date such

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source or sources became subject to the provisions of 35 Ill. Adm. Code 212 Subpart U or by November 15, 1994, whichever is later. The Illinois EPA shall notify those sources requiring contingency measure plans, based on the Illinois EPA's current information; however, the Illinois EPA's failure to notify any source of its requirement to submit contingency measure plans shall not be a defense to a violation of 35 Ill. Adm. Code 212 Subpart U and shall not relieve the source of its obligation to timely submit a contingency measure plan.

- c. Pursuant to 35 Ill. Adm. Code 212.703(a), all sources subject to 35 Ill. Adm. Code 212 Subpart U shall submit a contingency measure plan. The contingency measure plan shall contain two levels of control measures:
- i. Level I measures are measures that will reduce total actual annual source-wide fugitive emissions of PM_{10} subject to control under 35 Ill. Adm. Code 212.304, 212.305, 212.306, 212.308, 212.316(a) through (e), 212.424 or 212.464 by at least 15%.
 - ii. Level II measures are measures that will reduce total actual annual source-wide fugitive emissions of PM_{10} subject to control under 35 Ill. Adm. Code 212.304, 212.305, 212.306, 212.308, 212.316(a) through (e), 212.424 or 212.464 by at least 25%.
- d. Pursuant to 35 Ill. Adm. Code 212.703(b), a source may comply with 35 Ill. Adm. Code 212 Subpart U through an alternative compliance plan that provides for reductions in emissions equal to the level of reduction of fugitive emissions as required at 35 Ill. Adm. Code 212.703(a) and which has been approved by the Illinois EPA and USEPA as federally enforceable permit conditions. If a source elects to include controls on process emission units, fuel combustion emission units, or other fugitive emissions of PM_{10} not subject to 35 Ill. Adm. Code 212.304, 212.305, 212.306, 212.308, 212.316(a) through (e), 212.424 or 212.464 at the source in its alternative control plan, the plan must include a reasonable schedule for implementation of such controls, not to exceed two (2) years. This implementation schedule is subject to Illinois EPA review and approval.
- e. Pursuant to 35 Ill. Adm. Code 212.704(b), if there is a violation of the ambient air quality standard for PM_{10} as determined in accordance with 40 CFR Part 50, Appendix K, the Illinois EPA shall notify the source or sources the Illinois EPA has identified as likely to be causing or contributing to one or more of the exceedences leading to such violation, and such source or sources shall implement Level I or Level II measures, as determined pursuant to 35 Ill. Adm. Code 212.704(e). The source or sources so identified shall implement such measures corresponding to fugitive emissions within ninety (90) days after receipt of a notification and shall implement such measures corresponding to any nonfugitive emissions according to the approved schedule set forth in such source's alternative control plan. Any source identified as causing or contributing to a violation of the ambient air quality standard for PM_{10} may appeal any finding of

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culpability by the Illinois EPA to the Illinois Pollution Control Board pursuant to 35 Ill. Adm. Code 106 Subpart J.

- f. Pursuant to 35 Ill. Adm. Code 212.704(e), the Illinois EPA shall require that sources comply with the Level I or Level II measures of their contingency measure plans, pursuant 35 Ill. Adm. Code 212.704(b), as follows:
- i. Level I measures shall be required when the design value of a violation of the 24-hour ambient air quality standard, as computed pursuant to 40 CFR 50, Appendix K, is less than or equal to 170 ug/m³.
 - ii. Level II measures shall be required when the design value of a violation of the 24-hour ambient air quality standard, as computed pursuant to 40 CFR 50, Appendix K, exceeds 170 ug/m³.
- 6a. The surface moisture content of the bulk material handled by the source shall be at least 1.5% by weight. The Permittee shall show compliance with this requirement as follows:
- i. In lieu of natural moisture, water sprays shall be used on the emission units associated with the material handling operations (e.g., material transfer, screening and crushing) as necessary, except when weather conditions are below or expected to fall below freezing temperatures, to produce a moisture content of 1.5% by weight or higher to reduce particulate matter emissions and to maintain compliance with the applicable visible emissions standards for each piece of processing equipment used in the production process; or
 - ii. Demonstrate compliance with Condition 6(a) by following the testing requirements of Condition 12.
- 7a. The emissions from and the operation of the material handling operations (conveying, crushing and screening) shall not exceed the following limits:
- i. PM₁₀ emission shall not exceed 7.9 tons/month and 79 tons/year.
 - ii. PM emissions shall not exceed 16 tons/month and 160 tons/year.
 - iii. These limits are based on the maximum amount of material handled and standard emission factors (Table 11.19.2-2, AP-42, Volume I, Fifth Edition, Update 2004, August 2004 and Section 13.2.4, AP-42, Volume I, Fifth Edition, November 2006). PM₁₀ and PM emissions shall be calculated and recorded using the equation:

$$E = [(T \times F_m) + (S \times F_s) + (C \times F_c)]/2000$$

Where:

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E = Total PM₁₀ or PM emissions, (tons);
 T = Amount of bulk material transferred, (tons);
 $F_n = (k * 0.0032 * N) * [((U/5)1.3) / ((M/2)1.4)];$

Where:

k = 0.35 for PM₁₀;
 = 0.74 for PM;

U = mean wind speed, (miles/hour);

M = material moisture content, (%);

N = Number of material drop points;

S = Amount of bulk material Screened, (tons);

F_s = 0.0022 lb PM/ton;
 = 0.00074 lb PM₁₀/ton;

C = tons of bulk material Crushed, (tons);

F_c = 0.0012 lb PM/ton; and
 = 0.00054 lb PM₁₀/ton.

- b. 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).
- 8a. Pursuant to 40 CFR 60.8(a), within 60 days after achieving the maximum production rate at which the affected facility will be operated, but not later than 180 days after initial startup of such facility and at such other times as may be required by the Illinois EPA or USEPA under section 114 of the Clean Air Act, the owner or operator of such facility shall conduct performance (s) and furnish the Illinois EPA or USEPA a written report of the results of such performance test(s).
- b. Pursuant to 40 CFR 60.8(b), performance tests shall be conducted and data reduced in accordance with the test methods and procedures contained in each applicable subpart of 40 CFR Part 60 unless the Illinois EPA or USEPA:
- i. Specifies or approves, in specific cases, the use of a reference method with minor changes in methodology;
 - ii. Approves the use of an equivalent method;
 - iii. Approves the use of an alternative method the results of which he has determined to be adequate for indicating whether a specific source is in compliance;

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- iv. Waives the requirement for performance tests because the owner or operator of a source has demonstrated by other means to the Illinois EPA's or USEPA's satisfaction that the affected facility is in compliance with the standard; or
 - v. Approves shorter sampling times and smaller sample volumes when necessitated by process variables or other factors. Nothing in this paragraph shall be construed to abrogate the Illinois EPA's or USEPA's authority to require testing under section 114 of the Clean Air Act.
- c. Pursuant to 40 CFR 60.8(c), performance tests shall be conducted under such conditions as the Illinois EPA or USEPA shall specify to the plant operator based on representative performance of the affected facility. The owner or operator shall make available to the Illinois EPA or USEPA such records as may be necessary to determine the conditions of the performance tests. Operations during periods of startup, shutdown, and malfunction shall not constitute representative conditions for the purpose of a performance test nor shall emissions in excess of the level of the applicable emission limit during periods of startup, shutdown, and malfunction be considered a violation of the applicable emission limit unless otherwise specified in the applicable standard.
- d. Pursuant to 40 CFR 60.8(d), the owner or operator of an affected facility shall provide the Illinois EPA or USEPA at least 30 days prior notice of any performance test, except as specified under other subparts, to afford the Illinois EPA or USEPA the opportunity to have an observer present. If after 30 days notice for an initially scheduled performance test, there is a delay (due to operational problems, etc.) in conducting the scheduled performance test, the owner or operator of an affected facility shall notify the Illinois EPA or USEPA as soon as possible of any delay in the original test date, either by providing at least 7 days prior notice of the rescheduled date of the performance test, or by arranging a rescheduled date with the Illinois EPA or USEPA by mutual agreement.
- e. Pursuant to 40 CFR 60.8(e), the owner or operator of an affected facility shall provide, or cause to be provided, performance testing facilities as follows:
- i. Sampling ports adequate for test methods applicable to such facility. This includes:
 - A. Constructing the air pollution control system such that volumetric flow rates and pollutant emission rates can be accurately determined by applicable test 1 methods and procedures; and
 - B. Providing a stack or duct free of cyclonic flow during performance tests, as demonstrated by applicable test methods and procedures.

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- ii. Safe sampling platform(s).
 - iii. Safe access to sampling platform(s).
 - iv. Utilities for sampling and testing equipment.
- f. Pursuant to 40 CFR 60.8(f), unless otherwise specified in the applicable subpart of 40 CFR Part 60, each performance test shall consist of three separate runs using the applicable test method. Each run shall be conducted for the time and under the conditions specified in the applicable standard under 40 CFR Part 60. For the purpose of determining compliance with an applicable standard under 40 CFR Part 60, the arithmetic means of results of the three runs shall apply. In the event that a sample is accidentally lost or conditions occur in which one of the three runs must be discontinued because of forced shutdown, failure of an irreplaceable portion of the sample train, extreme meteorological conditions, or other circumstances, beyond the owner or operator's control, compliance may, upon the Illinois EPA's or USEPA's approval, be determined using the arithmetic mean of the results of the two other runs.
- g. Pursuant to 40 CFR 60.254(a), in conducting the performance tests required in 40 CFR 60.8, the owner or operator shall use as reference methods and procedures the test methods in appendix A of 40 CFR Part 60 or other methods and procedures as specified in 40 CFR 60.254, except as provided in 40 CFR 60.8(b).
- h. Pursuant to 40 CFR 60.254(b), the owner or operator shall determine compliance with the particular matter standards in 40 CFR 60.252 as follows:
- i. Method 5 shall be used to determine the particulate matter concentration. The sampling time and sample volume for each run shall be at least 60 minutes and 0.85 dscm (30 dscf). Sampling shall begin no less than 30 minutes after startup and shall terminate before shutdown procedures begin.
 - ii. Method 9 and the procedures in 40 CFR 60.11 shall be used to determine opacity.
- 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

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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 individual or independent testing service.
- 10a. Pursuant to 35 Ill. Adm. Code 212.107, for both fugitive and non-fugitive particulate matter emissions, a determination as to the presence or absence of visible emissions from emission units shall be conducted in accordance with Method 22, 40 CFR Part 60, Appendix A, except that the length of the observing period shall be at the discretion of the observer, but not less than one minute. 35 Ill. Adm. Code 212 Subpart A shall not apply to 35 Ill. Adm. Code 212.301.
- b. Pursuant to 35 Ill. Adm. Code 212.109, except as otherwise provided in 35 Ill. Adm. Code Part 212, and except for the methods of data reduction when applied to 35 Ill. Adm. Code 212.122 and 212.123, measurements of opacity shall be conducted in accordance with Method 9, 40 CFR Part 60, Appendix A, and the procedures in 40 CFR 60.675(c) and (d), if applicable, except that for roadways and parking areas the number of readings required for each vehicle pass will be three taken at 5-second intervals. The first reading shall be at the point of maximum opacity and second and third readings shall be made at the same point, the observer standing at right angles to the plume at least 15 feet away from the plume and observing 4 feet above the surface of the roadway or parking area. After four vehicles have passed, the 12 readings will be averaged, pursuant to 35 Ill. Adm. Code 212.109.
- c. Pursuant to 35 Ill. Adm. Code 212.110(a), measurement of particulate matter emissions from stationary emission units subject to 35 Ill. Adm. Code Part 212 shall be conducted in accordance with 40 CFR Part 60, Appendix A, Methods 5, 5A, 5D, or 5E, pursuant to 35 Ill. Adm. Code 212.110(a).

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- d. Pursuant to 35 Ill. Adm. Code 212.110(b), the volumetric flow rate and gas velocity shall be determined in accordance with 40 CFR Part 60, Appendix A, Methods 1, 1A, 2, 2A, 2C, 2D, 3, and 4, pursuant to 35 Ill. Adm. Code 212.110(b).
 - e. 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, pursuant to 35 Ill. Adm. Code 212.110(c).
- 11a. At least 60 days prior to the actual date of testing, the Permittee shall submit a written test plan to the Illinois EPA for review and approval. This plan shall include as a minimum:
- i. The name (or other identification) of the emission unit(s) to be tested and the name and address of the facility at which they are located;
 - ii. The name and address of the independent testing service(s) performing the tests, with the names of the individuals who may be performing sampling and analysis and their experience with similar tests;
 - iii. The specific determinations of emissions and/or performance which are intended to be made, including the site(s) in the ductwork or stack at which sampling will occur;
 - iv. The specific conditions under which testing will be performed, including a discussion of why these conditions will be representative of maximum emissions and minimum control performance, the values of operating parameters for the emission unit, including associated control equipment, at or within which compliance is intended to be shown, and the means by which the operating parameters will be determined;
- b. i. The Permittee shall provide the Illinois EPA with written notification of testing at least thirty (30) days prior to testing to enable the Illinois EPA to have an observer present. This notification shall include the name of emission unit(s) to be tested, scheduled date and time, and contact person with telephone number.
- ii. If testing is delayed, the Permittee shall promptly notify the Illinois EPA by facsimile, at least 5 days prior to the scheduled date of testing or immediately, if the delay occurs in the 5 days prior to the scheduled date. This notification shall also

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include the new date and time for testing, if set, or a separate notification shall be sent with this information when it is set.

- c. The Permittee shall submit the Test Report for this testing, accompanied by a cover letter stating whether or not compliance was shown, to the Illinois EPA without delay, within 30 days after the results are compiled, but no later than sixty (60) days after the date of testing or sampling. The Test Report shall include as a minimum:
 - i. General information describing the test, including the name and identification of the emission source which was tested, date of test, names of personnel performing the tests, and Illinois EPA observers, if any;
 - ii. A summary of results;
 - iii. Description of test procedures, including description of sampling points, test equipment, and test schedule;
 - iv. Detailed description of test conditions, including:
 - A. Process information, i.e., process rate, aggregate type, fuel type, and firing rate.
 - B. Control equipment information, i.e., equipment condition and operating parameters during testing.
 - v. Data and calculations, including copies of all raw data sheets and records of laboratory analyses, sample calculations, and data on equipment calibration.
- 12a. The moisture content of a representative sample of the bulk material handled by the source shall be measured at least one per week, when water spray is not being utilized, using ASTM Procedures (C566-97) for total moisture content of material.
- b. If the Permittee relies on Condition 6(a)(i) to demonstrate compliance with Condition 6(a), the Permittee shall monitor for the water spray equipment as follows:
 - i. The water supply to the spray equipment shall be equipped with a metering device used to determine water usage for the control of particulate matter emissions.
 - ii. Inspections of water spray equipment and operation (such as leaking, maintaining adequate flow, clogging of flow lines, etc.) shall be performed at least once per week when the affected aggregate processing plant is in operation.
- 13a. Pursuant to 40 CFR 60.7(b), any owner or operator subject to the provisions of 40 CFR Part 60 shall maintain records of the occurrence and duration of any startup, shutdown, or malfunction in the operation

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- of an affected facility; any malfunction of the air pollution control equipment; or any periods during which a continuous monitoring system or monitoring device is inoperative.
- b. Pursuant to 40 CFR 60.7(f), any owner or operator subject to the provisions of 40 CFR Part 60 shall maintain a file of all measurements, including continuous monitoring system, monitoring device, and performance testing measurements; all continuous monitoring system performance evaluations; all continuous monitoring system or monitoring device calibration checks; adjustments and maintenance performed on these systems or devices; and all other information required by 40 CFR Part 60 recorded in a permanent form suitable for inspection. The file shall be retained for at least two years following the date of such measurements, maintenance, reports, and records.
- 14a. 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.
- b. i. Pursuant to 35 Ill. Adm. Code 212.316(g)(1), the owner or operator of any fugitive particulate matter emission unit subject to 35 Ill. Adm. Code 212.316 shall keep written records of the application of control measures as may be needed for compliance with the opacity limitations of 35 Ill. Adm. Code 212.316 and shall submit to the Illinois EPA an annual report containing a summary of such information.
- ii. Pursuant to 35 Ill. Adm. Code 212.316(g)(2), the records required under 35 Ill. Adm. Code 212.316(g) shall include at least the following:
- A. The name and address of the source;
 - B. The name and address of the owner and/or operator of the source;
 - C. A map or diagram showing the location of all emission units controlled, including the location, identification, length, and width of roadways;
 - D. For application of physical or chemical control agents: the name of the agent, application rate and frequency, and total quantity of agent and, if diluted, percent of concentration, used each day; and
 - E. A log recording incidents when control measures were not used and a statement of explanation.
- iii. Pursuant to 35 Ill. Adm. Code 212.316(g)(3), the records required under 35 Ill. Adm. Code 212.316 shall be kept and maintained for

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at least three (3) years and shall be available for inspection and copying by Illinois EPA representatives during working hours.

- iv. Pursuant to 35 Ill. Adm. Code 212.316(g)(4), the records required under 35 Ill. Adm. Code 212.316(g) shall be kept and maintained for at least three (3) years and shall be available for inspection and copying by Illinois EPA representatives during working hours.
 - c. i. Pursuant to 35 Ill. Adm. Code 212.324(g)(1), written records of inventory and documentation of inspections, maintenance, and repairs of all air pollution control equipment shall be kept in accordance with 35 Ill. Adm. Code 212.324(f).
 - ii. Pursuant to 35 Ill. Adm. Code 212.324(g)(2), the owner or operator shall document any period during which any process emission unit was in operation when the air pollution control equipment was not in operation or was malfunctioning so as to cause an emissions level in excess of the emissions limitation. These records shall include documentation of causes for pollution control equipment not operating or such malfunction and shall state what corrective actions were taken and what repairs were made.
 - iii. Pursuant to 35 Ill. Adm. Code 212.324(g)(3), a written record of the inventory of all spare parts not readily available from local suppliers shall be kept and updated.
 - iv. Pursuant to 35 Ill. Adm. Code 212.324(g)(5), the records required under 35 Ill. Adm. Code 212.324 shall be kept and maintained for at least three (3) years and shall be available for inspection and copying by Illinois EPA representatives during working hours.
- 16a. The Permittee shall maintain records of the following items so as to demonstrate compliance with the conditions of this permit:
- i. Records addressing use of good operating practices for the material handling operations at this source:
 - A. If the Permittee is relying on the requirements of Conditions 6(a)(ii) and 12(a) to demonstrate compliance with Condition 6(a), the Permittee shall maintain records of all moisture content tests performed including date, time, individual performing test, and location of sample (e.g., prior to crushing, stockpiles, etc.);
 - B. If the Permittee is relying on Condition 6(a)(i) to demonstrate compliance with Condition 6(a), the Permittee shall maintain operating logs for the water spray equipment, including dates and times of usage, malfunctions (type, date, and measures taken to correct), water usage, and dates when there was at least 0.25" of rainfall during

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the preceding 24 hours and the water spray equipment was not operated; and

- C. The Permittee shall maintain monthly records of water consumption in the spray equipment, as determined by the meter required by Condition 12(b) and the amount of precipitation specified in Condition 16(a)(i)(B).
 - ii. Name and total amount of each bulk material processed (crushed, screened and transferred), tons/month and tons/year; and
 - iii. Monthly and annual emissions of PM and PM₁₀ from the material handling operations at this 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) 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.
- 17. If there is an exceedence 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 exceedence or deviation. The report shall include the emissions released in accordance with the recordkeeping requirements, a copy of the relevant records, and a description of the exceedences or deviation and efforts to reduce emissions and future occurrences.
- 18a. Pursuant to 40 CFR 60.7(a), any owner or operator subject to the provisions of 40 CFR Part 60 shall furnish the Illinois EPA or USEPA written notification or, if acceptable to both the Illinois EPA or USEPA and the owner or operator of a source, electronic notification, as follows:
 - i. A notification of the date construction (or reconstruction as defined under 40 CFR 60.15) of an affected facility is commenced postmarked no later than 30 days after such date. This requirement shall not apply in the case of mass-produced facilities which are purchased in completed form.
 - ii. A notification of the actual date of initial startup of an affected facility postmarked within 15 days after such date.
 - iii. A notification of any physical or operational change to an existing facility which may increase the emission rate of any air pollutant to which a standard applies, unless that change is specifically exempted under an applicable subpart or in 40 CFR

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60.14(e). This notice shall be postmarked 60 days or as soon as practicable before the change is commenced and shall include information describing the precise nature of the change, present and proposed emission control systems, productive capacity of the facility before and after the change, and the expected completion date of the change. The Illinois EPA or USEPA may request additional relevant information subsequent to this notice.

- 19a. 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.
- b. Pursuant to 35 Ill. Adm. Code 212.316(g)(5), a quarterly report shall be submitted to the Illinois EPA stating the following: the dates any necessary control measures were not implemented, a listing of those control measures, the reasons that the control measures were not implemented, and any corrective actions taken. This information includes, but is not limited to, those dates when controls were not applied based on a belief that application of such control measures would have been unreasonable given prevailing atmospheric conditions, which shall constitute a defense to the requirements of 35 Ill. Adm. Code 212.316. This report shall be submitted to the Illinois EPA thirty (30) calendar days from the end of a quarter. Quarters end March 31, June 30, September 30, and December 31.
- c. i. Pursuant to 35 Ill. Adm. Code 212.324(g)(4), copies of all records required by 35 Ill. Adm. Code 212.324 shall be submitted to the Illinois EPA within ten (10) working days after a written request by the Illinois EPA.
- ii. Pursuant to 35 Ill. Adm. Code 212.324(g)(6), upon written request by the Illinois EPA, a report shall be submitted to the Illinois EPA for any period specified in the request stating the following: the dates during which any process emission unit was in operation when the air pollution control equipment was not in operation or was not operating properly, documentation of causes for pollution control equipment not operating or not operating properly, and a statement of what corrective actions were taken and what repairs were made.
20. 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

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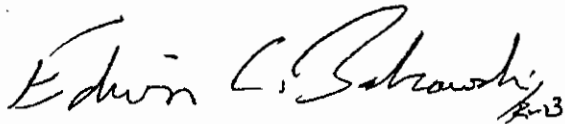
and one (1) copy shall be sent to the Illinois EPA's regional office at the following address unless otherwise indicated:

Illinois Environmental Protection Agency
Division of Air Pollution Control
9511 West Harrison
Des Plaines, Illinois 60016

The OPERATING permit application is DENIED because the Illinois Environmental Protection Act, Section 9, and 35 Ill. Adm. Code 201.160(b) might be violated.

Pursuant to Section 201.160(b), an operating permit may not be issued until the equipment has been constructed or modified in accordance with applicable conditions in this construction permit. The Illinois EPA suggests that you apply for the operating permit after the construction and testing are successfully completed in accordance with the construction permit. This information must be submitted in triplicate and should reference the application and I.D. numbers assigned above.

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



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

Date Signed:

5/23/2008

ECB:JPB:psj

cc: Region 1

217/782-2113

FEDERALLY ENFORCEABLE STATE OPERATING PERMIT -- REVISED

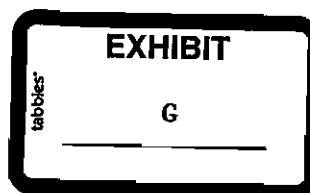
PERMITTEE

KCBX Terminals Co.
Attn: Michael Gibson
3259 East 100th Street
Chicago, Illinois 60617

Application No.: 95050167 I.D. No.: 031600AHI
Applicant's Designation: REV02/10/04 Date Received: November 4, 2002
Subject: Bulk Materials Terminal
Date Issued: April 8, 2004 Expiration Date: June 22, 2005
Location: 3259 East 100th Street, Chicago, 60617

This permit is hereby granted to the above-designated Permittee to OPERATE emission source(s) and/or air pollution control equipment consisting of a bulk materials terminal, three diesel generators and fuel combustion units 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 emissions of air pollutants from the source to less than major source thresholds (i.e., 100 tons/year for particulate matter with an aerodynamic diameter less than or equal to 10 micrometers (PM₁₀), 100 tons/year for nitrogen oxides (NO_x), and 100 tons/year for sulfur dioxide (SO₂)). As a result, the source is excluded from the requirements to obtain a Clean Air Act Permit Program (CAAPP) permit. The maximum emissions of this source, as limited by the conditions of this permit are described in Attachment A.
- 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) for this location.
- 2a. No person shall cause or allow any visible emissions of fugitive particulate matter from any process, including any material handling or storage activity, that is visible by an observer beyond the property line of the emission source, pursuant to 35 Ill. Adm. Code 212.301.
- b. Pursuant to 35 Ill. Adm. Code 212.304(a), all storage piles of materials with uncontrolled emissions of fugitive particulate matter in excess of 50 tons/year shall be protected by a cover or sprayed with a surfactant solution or water on a regular basis, as needed, or treated by an equivalent method, in accordance with the operating program required by 35 Ill. Adm. Code 212.309, 212.310, and 212.312.



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- c. Pursuant to 35 Ill. Adm. Code 212.305, all conveyor loading operations to storage piles specified in 35 Ill. Adm. Code 212.304 shall utilize spray systems, telescopic chutes, stone ladders or equivalent methods 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 212.306, all normal traffic pattern access areas surrounding storage piles specified in 35 Ill. Adm. Code 212.304 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.
- e. Pursuant to 35 Ill. Adm. Code 212.307, all unloading and transporting operations of materials collected by pollution control equipment shall be enclosed or shall utilize spraying, pelletizing, screw conveying or other equivalent methods.
- f. Pursuant to 35 Ill. Adm. Code 212.308, crushers, grinding mills, screening operations, bucket elevators, conveyor transfer points, conveyors, storage bins and fine product truck and railcar loading operations shall be sprayed with water or a surfactant solution, utilize choke-feeding or be treated by an equivalent method in accordance with an operating program.
 - i. Conveyor loadout to trucks and railcars shall be conducted with sleeves extending to at least 6 inches below the sides and the receiving vehicle, except for topping off.
 - ii. Conveyor loadout sleeves shall be inspected for proper operation while such loadout to trucks or railcars is occurring, at least once each week when such loadout to trucks or railcars is performed.
- g. If particulate collection equipment is operated to control bucket elevators, conveyor transfer points, conveyors, storage bins and fine product truck and railcar loading operations, emissions from such equipment shall not exceed 0.03 gr/dscf, pursuant to 35 Ill. Adm. Code 212.313.
- h. No person shall cause or allow fugitive particulate matter emissions generated from crushing, screening, roadways, parking areas or storage piles to exceed an opacity of 10 percent, pursuant to 35 Ill. Adm. Code 212.316(b), (c), and (d).
- i. No person shall cause or allow fugitive particulate matter emissions from any other emission unit to exceed an opacity of 20 percent, pursuant to 35 Ill. Adm. Code 212.316(f).

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3. Pursuant to 35 Ill. Adm. Code 212.324(b), emissions of particulate matter with an aerodynamic diameter less than or equal to 10 micrometers (PM₁₀) from any process emission unit shall not exceed 0.03 gr/scf during any one hour period.
4. Pursuant to 35 Ill Adm. Code 212.324(f), the Permittee shall maintain and repair all air pollution control equipment in a manner that assures that the emission limits and standards shall be met at all times. Proper maintenance shall include the following minimum requirements:
 - a. Visual inspections of air pollution control equipment;
 - b. Maintenance of an adequate inventory of spare parts; and
 - c. Expeditious repairs, unless the source is shutdown.
5. Pursuant to 35 Ill Adm. Code 212.324(g), the Permittee shall maintain recordkeeping of maintenance and repair that includes the following minimum requirements:
 - a. Written records of inventory and documentation of inspections, maintenance, and repairs of all air pollution control equipment shall be kept in accordance with 35 Ill Adm. Code 212.324(f).
 - b. The Permittee shall document any period during which any process emission source was in operation when the air pollution control equipment was not in operation or was malfunctioning, so as to cause an emissions level in excess of the emissions limitation. These records shall include documentation of the causes for pollution control equipment not operating or malfunctioning, and shall state what corrective actions were taken and what repairs were made.
 - c. Copies of all records required by this Permit shall be submitted to the Illinois EPA within ten (10) working days of a written request by the Illinois EPA.
 - d. The records required under this Section shall be kept and maintained for at least three (3) years and shall be available for inspection and copying by Illinois EPA representatives during working hours.
 - e. Upon written request by the Illinois EPA, a report shall be submitted to the Illinois EPA for any period specified in the request stating the following: the dates during which any process emissions source was in operation when the air pollution control equipment was not in operation or was not operating properly, documentation of causes for pollution control equipment not operating or not operating properly, and a statement of what corrective actions were taken and what repairs were made.

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- 6a. The Permittee shall maintain contingency measure plans reflecting the PM₁₀ emission reductions set forth in 35 Ill. Adm. Code 212.703. Updates to the PM₁₀ contingency plans shall be submitted to the Illinois EPA, as necessary.
 - b. Sources having operational changes subject to 35 Ill. Adm. Codes 212.304, 212.305, 212.306, 212.308, 212.316(a) through (e), 212.424 or 212.464 which require either a new permit or a revision to an existing permit shall, within 30 days after such changes, submit a request to modify its permit in order to include a new, appropriate contingency measure plan. Such new plan shall be subject to the requirements of 35 Ill. Adm. Code 212, Subpart U.
7. The contingency measure plan shall contain two levels of control measures:
 - a. Level I measures are measures that will reduce total source-wide fugitive emissions of PM-10 subject to control under 35 Ill. Adm. Codes 212.304, 212.305, 212.306, 212.308, 212.316(a) through (e), 212.424 or 212.464 by at least 15%.
 - b. Level II measures are measures that will reduce total source-wide fugitive emissions of PM-10 subject to control under 35 Ill. Adm. Codes 212.304, 212.305, 212.306, 212.308, 212.316(a) through (e), 212.424 or 212.464 by at least 25%.
 8. If the review of monitoring data reveals an exceedance of the 24-hour ambient air quality standard for PM-10 found at 35 Ill. Adm. Code 243.120, the Illinois EPA may take whatever steps are necessary to determine which source or sources are culpable for the exceedance, including, but not limited to reviewing operating records of the source or sources identified to determine whether any source or sources experienced a malfunction or breakdown or violated any term or condition of its operating permit which contributed to the exceedance.
 - 9a. The Permittee shall implement Level I or Level II measures within ninety (90) days after receipt of a notification from the Illinois EPA that the Permittee has been identified as a source that may likely to be causing or contributing to a PM₁₀ exceedance detected by monitoring.
 - b. The Permittee shall implement Level I or Level II measures corresponding to fugitive emissions within ninety (90) days, and shall implement such measures corresponding to any non-fugitive emissions according to the approved schedule set forth in the Permittee's alternative control plan, after receipt of a notification from the Illinois EPA that the Permittee is identified of likely to be causing or contributing to one or more of the exceedances leading to a violation of the ambient air quality standard for PM₁₀.
 - c. Upon the finding of a failure to attain the PM₁₀ standard by the Administrator of USEPA, the Permittee shall, within sixty (60) days after receipt of such notification, implement any Level II measures

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corresponding to fugitive emissions subject to control under 35 Ill. Adm. Codes 212.304, 212.305, 212.306, 212.308, 212.316(a) through (e), 212.424 or 212.464.

- 10a. Operation and emissions of particulate matter (PM) from the following activities shall not exceed the following limits:.

Annual Throughput (Tons/Year)	Particulate Matter Emissions	
	(Tons/Mo)	(Tons/Yr)
13,000,000	9.52	95.2

- b. i. The monthly throughput and number of drop points for each operating scenario shall be recorded each month. Particulate matter emissions shall be calculated by multiplying the monthly actual throughput times the number of drop points times the emission factor for that operating scenario. Such calculations shall follow the example spreadsheet provided in the permit application.
- ii. The average moisture content of all inbound material shall not be lower than 7.5% on a weighted basis.
- iii. Permittee shall determine compliance with the average moisture content limit on a monthly basis using a block monthly averaging period and industry standard test methods.
- c. The monthly emissions shall be totaled from all operating scenarios that month. This shall include the diesel generators.
- d. Each month the annual limits shall be determined from a running total of the previous 12 months of data.
- e. These limits are based upon the maximum annual throughput of material, the minimum efficiencies of air pollution control equipment, and standard emission factors.
- f. Note that there is a "nested" limit on the emissions of PM₁₀ as a result of the limit on PM emissions. PM₁₀ emitted is of a lesser quantity than PM, and therefore limiting PM emissions also limits PM₁₀ emissions.
- 11a. The sulfur content of the diesel fuel for the generators shall not exceed 2.0%.
- b. Emissions of nitrogen oxides shall not exceed 99.0 tons per year.
- c. Emissions of sulfur dioxides shall not exceed 66.8 tons per year.
- d. Emissions of PM₁₀ from the generators shall not exceed 5.0 tons per year.

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- e. Each month these limits shall be determined from the operating hours of the generators:

H1 = Total hours of operation for the two 760-HP generators
 H2 = Hours of operation of the 505-HP generator

NO_x Emissions = $((16.8 \times H1) + (12.4 \times H2))/2000$
 SO_2 Emissions = $((11.34 \times H1) + (0.82 \times H2))/2000$
 PM_{10} Emissions = $((0.49 \times H1) + (0.88 \times H2))/2000$

These limits are based on standard emission factors (AP-42). Compliance with the annual limits shall be determined on a monthly basis from the preceding 12 months of data.

- f. Emissions of other fuel combustion units shall be added to determine compliance with these limits.
- 12a. Within 90 days of a written request from the Illinois EPA, pursuant to 35 Ill. Adm. Code 201.282, the emissions from any emission unit(s) shall be measured by an approved testing service, during conditions which are representative of the maximum performance. The Illinois EPA may provide additional time for the performance of this testing upon request from the Permittee which shows that it is not feasible to perform representative testing within 90 days.
- b. i. The following methods and procedures shall be used for testing of emissions. Refer to 40 CFR 60, Appendix A for USEPA test methods.
- | | |
|---------------------------|----------------|
| Location of Sample Points | USEPA Method 1 |
| Gas Flow and Velocity | USEPA Method 2 |
| Flue Gas Weight | USEPA Method 3 |
| Moisture | USEPA Method 4 |
| Particulate Matter | USEPA Method 5 |
| Opacity | USEPA Method 9 |
- ii. A test shall consist of three separate runs each at least 60 minutes in duration. Compliance shall be determined from the average of the runs provided that the Illinois EPA may accept the arithmetic mean of the two runs in circumstances described in 40 CFR 60.8(f).
- c. Testing shall be performed by a qualified independent testing service.
- d. At least 30 days prior to the actual date of testing a written test plan shall be submitted to the Illinois EPA for review and approval. A copy shall also be submitted to the USEPA. The plan shall describe the specific procedures for testing, including:
- i. The person(s) who will be performing sampling and analysis and their experience with similar tests.

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- ii. The conditions under which testing will be performed, including a discussion of why these conditions will be representative of the maximum operating rate, the levels of operating parameters at or within which compliance is intended to be shown, if applicable, and the means by which the operating parameters for the processes and any control equipment will be determined.
- e. The Illinois EPA shall be notified prior to these tests to enable the Illinois EPA to observe these tests. Notification for the expected date of testing shall be submitted a minimum of thirty (30) days prior to the expected date. Notification of the actual date and expected time of testing shall be submitted a minimum of five (5) working days prior to the actual date of the tests.
- 13a. The Final Report(s) for all tests shall be submitted within 180 days after the date of the test. The Final Report shall include as a minimum:
 - i. General information describing the test, including the name and identification of the emission source which was tested, date of test, name of personnel performing the tests, and Illinois EPA observers, if any;
 - ii. A summary of results;
 - iii. Description of test procedures, including description of test equipment, and test schedule;
 - iv. Data and calculations, including copies of all raw data sheets and records of laboratory analyses, sample calculations, and data on equipment calibration.
- b. Submittals of information shall be made as follows:
 - i. Notices of Test - one copy to the Compliance Section and one copy to the Regional Office.
 - ii. Final Report - one copy to the Compliance Section, one copy to the Regional Office, and one copy to the Permit Section.

Illinois Environmental Protection Agency
Division of Air Pollution Control - Regional Office
9511 West Harrison
Des Plaines, Illinois 60016

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

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- 14a. The Permittee shall maintain records of the following items for the source:
- i. Total amount of materials processed in each operating scenario, tons/month and tons/year (running total);
 - ii. Operating hours of each generator, hours/month and hours/year (running total);
 - iii. Records for the inspections required by Condition 2(f)(ii), with date, time and observations;
 - iv. Moisture content of all inbound materials and monthly average moisture content; and
 - v. Emissions of PM, NO_x and SO₂ (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 three years from the date of entry and shall be made available for inspection and copying by the Illinois EPA and USEPA upon request. Any records retained in an electronic format (e.g., computer) shall be capable of being retrieved and printed on paper during normal source office hours so as to be able to respond to an Illinois EPA request for records during the course of a source inspection.
15. 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's 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 exceedances or violation and efforts to reduce emissions and future occurrences.
16. 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, Illinois 62794-9276

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

Illinois Environmental Protection Agency
Division of Air Pollution Control
9511 West Harrison
Des Plaines, Illinois 60016

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- 17a. The Permittee shall submit the following additional information with the Annual Emissions Report, due May 1st of each year:
- i. Total amount of materials processed in each operating scenario, tons/year; and
 - ii. Operating hours of each generator, hour/year.
- b. If there have been no exceedances during the prior calendar year, the Annual Emission Report shall include a statement to that effect.

Please note that this permit is revised to correct the maximum horsepower rating in Condition 11(e), and the moisture content in Conditions 10(b) and 14(a).

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

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

DES:JPB:jar

cc: Illinois EPA, FOS Region 1
Illinois EPA, Compliance Section
Lotus Notes

Attachment A

This attachment provides a summary of the maximum emissions from the source 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 the source. The resulting maximum emissions are well below the levels, (e.g., 100 tons/year for particulate matter with an aerodynamic diameter less than or equal to 10 micrometers (PM₁₀) and particulate matter (PM)) 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 control measures are more effective than required in this permit.

1a. Emissions of particulate matter (PM):

Annual Throughput (Tons/Year)	Particulate Matter Emissions	
	(Tons/Mo)	(Tons/Yr)
13,000,000	9.52	95.2

- b. Note that there is a "nested" limit on the emissions of PM₁₀ as a result of the limit on PM emissions. PM₁₀ emitted is of a lesser quantity of PM, and therefore limiting PM emissions also limits PM₁₀ emissions.
- Emissions of nitrogen oxides shall not exceed 99.0 tons per year.
 - Emissions of sulfur dioxides shall not exceed 66.8 tons per year.
 - Emissions of PM₁₀ from the generators and other fuel combustion units shall not exceed 5.0 tons per year (Included in 1a).

JPB:jar