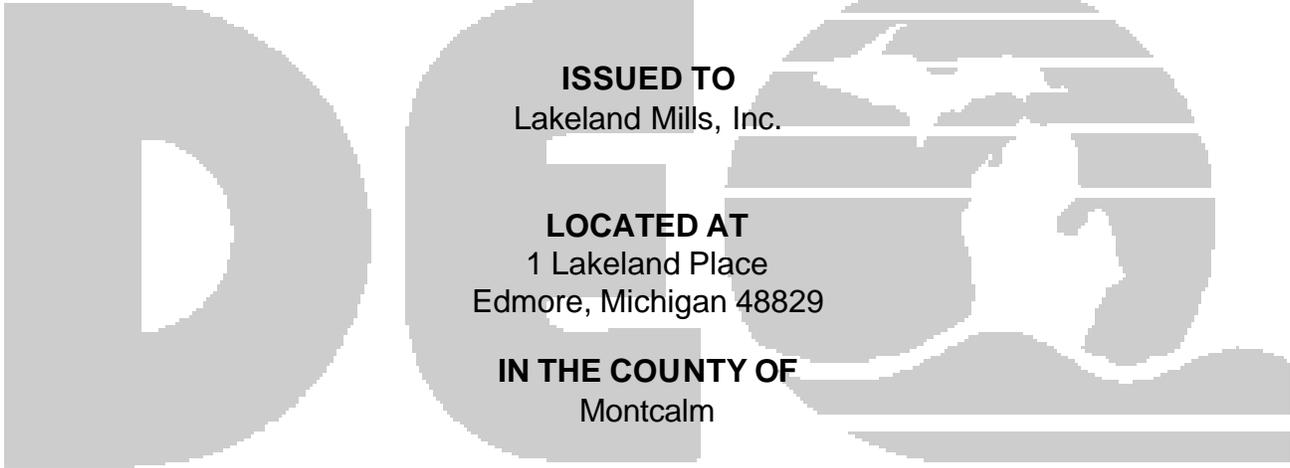


**MICHIGAN DEPARTMENT OF ENVIRONMENTAL QUALITY
AIR QUALITY DIVISION**

August 4, 2004

NEW SOURCE REVIEW PERMIT TO INSTALL

No. 189-04



ISSUED TO
Lakeland Mills, Inc.

LOCATED AT
1 Lakeland Place
Edmore, Michigan 48829

IN THE COUNTY OF
Montcalm

STATE REGISTRATION NUMBER

N7347

The Air Quality Division has approved this Permit to Install, pursuant to the delegation of authority from the Michigan Department of Environmental Quality. This permit is hereby issued in accordance with and subject to Part 5505(1) of Article II, Chapter I, Part 55 (Air Pollution Control) of P.A. 451 of 1994. Pursuant to Air Pollution Control Rule 336.1201(1), this permit constitutes the permittee's authority to install the identified emission unit(s) in accordance with all administrative rules of the Department and the attached conditions. Operation of the emission unit(s) identified in this Permit to Install is allowed pursuant to Rule 336.1201(6).

| | |
|---|------------|
| DATE OF RECEIPT OF ALL INFORMATION REQUIRED BY RULE 203: 8/2/2004 | |
| DATE PERMIT TO INSTALL APPROVED: 8/4/2004 | SIGNATURE: |
| DATE PERMIT VOIDED: | SIGNATURE: |
| DATE PERMIT REVOKED: | SIGNATURE: |

PERMIT TO INSTALL

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Common Abbreviations / Acronyms

| Common Acronyms | | Pollutant / Measurement Abbreviations | |
|------------------------|---|--|--|
| AQD | Air Quality Division | Btu | British Thermal Unit |
| BACT | Best Available Control Technology | °C | Degrees Celsius |
| CAA | Clean Air Act | CO | Carbon Monoxide |
| CEM | Continuous Emission Monitoring | dscf | Dry standard cubic foot |
| CFR | Code of Federal Regulations | dscm | Dry standard cubic meter |
| COM | Continuous Opacity Monitoring | °F | Degrees Fahrenheit |
| EPA | Environmental Protection Agency | gr | Grains |
| EU | Emission Unit | Hg | Mercury |
| FG | Flexible Group | hr | Hour |
| GACS | Gallon of Applied Coating Solids | H ₂ S | Hydrogen Sulfide |
| GC | General Condition | hp | Horsepower |
| HAP | Hazardous Air Pollutant | lb | Pound |
| HVLP | High Volume Low Pressure * | m | Meter |
| ID | Identification | mg | Milligram |
| LAER | Lowest Achievable Emission Rate | mm | Millimeter |
| MACT | Maximum Achievable Control Technology | MM | Million |
| MAERS | Michigan Air Emissions Reporting System | MW | Megawatts |
| MAP | Malfunction Abatement Plan | NO _x | Oxides of Nitrogen |
| MDEQ | Michigan Department of Environmental Quality | PM | Particulate Matter |
| MSDS | Material Safety Data Sheet | PM-10 | Particulate Matter less than 10 microns diameter |
| NESHAP | National Emission Standard for Hazardous Air Pollutants | pph | Pound per hour |
| NSPS | New Source Performance Standards | ppm | Parts per million |
| NSR | New Source Review | ppmv | Parts per million by volume |
| PS | Performance Specification | ppmw | Parts per million by weight |
| PSD | Prevention of Significant Deterioration | psia | Pounds per square inch absolute |
| PTE | Permanent Total Enclosure | psig | Pounds per square inch gauge |
| PTI | Permit to Install | scf | Standard cubic feet |
| RACT | Reasonable Available Control Technology | sec | Seconds |
| ROP | Renewable Operating Permit | SO ₂ | Sulfur Dioxide |
| SC | Special Condition Number | THC | Total Hydrocarbons |
| SCR | Selective Catalytic Reduction | tpy | Tons per year |
| SRN | State Registration Number | µg | Microgram |
| TAC | Toxic Air Contaminant | VOC | Volatile Organic Compounds |
| VE | Visible Emissions | yr | Year |

* For High Volume Low Pressure (HVLP) applicators, the pressure measured at the HVLP gun air cap shall not exceed ten (10) pounds per square inch gauge (psig).

GENERAL CONDITIONS

1. The process or process equipment covered by this permit shall not be reconstructed, relocated, or modified, unless a Permit to Install authorizing such action is issued by the Department, except to the extent such action is exempt from the Permit to Install requirements by any applicable rule. **[R336.1201(1)]**
2. If the installation, construction, reconstruction, relocation, or modification of the equipment for which this permit has been approved has not commenced within 18 months, or has been interrupted for 18 months, this permit shall become void unless otherwise authorized by the Department. Furthermore, the permittee or the designated authorized agent shall notify the Department via the Supervisor, Permit Section, Air Quality Division, Michigan Department of Environmental Quality, P.O. Box 30260, Lansing, Michigan 48909, if it is decided not to pursue the installation, construction, reconstruction, relocation, or modification of the equipment allowed by this Permit to Install. **[R336.1201(4)]**
3. If this Permit to Install is issued for a process or process equipment located at a stationary source that is not subject to the Renewable Operating Permit program requirements pursuant to R336.1210, operation of the process or process equipment is allowed by this permit if the equipment performs in accordance with the terms and conditions of this Permit to Install. **[R336.1201(6)(b)]**
4. The Department may, after notice and opportunity for a hearing, revoke this Permit to Install if evidence indicates the process or process equipment is not performing in accordance with the terms and conditions of this permit or is violating the Department's rules or the Clean Air Act. **[R336.1201(8), Section 5510 of Act 451, PA 1994]**
5. The terms and conditions of this Permit to Install shall apply to any person or legal entity that now or hereafter owns or operates the process or process equipment at the location authorized by this Permit to Install. If the new owner or operator submits a written request to the Department pursuant to R336.1219 and the Department approves the request, this permit will be amended to reflect the change of ownership or operational control. The request must include all of the information required by subrules (1)(a), (b), and (c) of R336.1219. The written request shall be sent to the District Supervisor, Air Quality Division, Michigan Department of Environmental Quality. **[R336.1219]**
6. Operation of this equipment shall not result in the emission of an air contaminant which causes injurious effects to human health or safety, animal life, plant life of significant economic value, or property, or which causes unreasonable interference with the comfortable enjoyment of life and property. **[R336.1901]**
7. The permittee shall provide notice of an abnormal condition, start-up, shutdown, or malfunction that results in emissions of a hazardous or toxic air pollutant which continue for more than one hour in excess of any applicable standard or limitation, or emissions of any air contaminant continuing for more than two hours in excess of an applicable standard or limitation, as required in Rule 912, to the Department. The notice shall be provided not later than two business days after start-up, shutdown, or discovery of the abnormal condition or malfunction. Written reports, if required, must be filed with the Department within 10 days after the start-up or shutdown occurred, within 10 days after the abnormal conditions or malfunction has been corrected, or within 30 days of discovery of the abnormal condition or malfunction, whichever is first. The written reports shall include all of the information required in Rule 912(5). **[R336.1912]**
8. Approval of this permit does not exempt the permittee from complying with any future applicable requirements which may be promulgated under Part 55 of 1994 PA 451, as amended or the Federal Clean Air Act.

9. Approval of this permit does not obviate the necessity of obtaining such permits or approvals from other units of government as required by law.
10. Operation of this equipment may be subject to other requirements of Part 55 of 1994 PA 451, as amended and the rules promulgated thereunder.
11. Except as provided in subrules (2) and (3) or unless the special conditions of the Permit to Install include an alternate opacity limit established pursuant to subrule (4) of R336.1301, the permittee shall not cause or permit to be discharged into the outer air from a process or process equipment a visible emission of density greater than the most stringent of the following. The grading of visible emissions shall be determined in accordance with R336.1303. **[R336.1301]**
 - a) A six-minute average of 20 percent opacity, except for one six-minute average per hour of not more than 27 percent opacity.
 - b) A visible emission limit specified by an applicable federal new source performance standard.
 - c) A visible emission limit specified as a condition of this permit to install.
12. Collected air contaminants shall be removed as necessary to maintain the equipment at the required operating efficiency. The collection and disposal of air contaminants shall be performed in a manner so as to minimize the introduction of contaminants to the outer air. Transport of collected air contaminants in Priority I and II areas requires the use of material handling methods specified in R336.1370(2). **[R336.1370]**
13. The Department may require the permittee to conduct acceptable performance tests, at the permittee's expense, in accordance with R336.2001 and R336.2003, under any of the conditions listed in R336.2001. **[R336.2001]**

SPECIAL CONDITIONS

Emission Unit Identification

| Emission Unit ID | Emission Unit Description | Stack Identification |
|---|--|-----------------------------|
| EUDIPTANK | A wooden trellis coating process which consists of a dip tank followed by a curing oven. | NA |
| Changes to the equipment described in this table are subject to the requirements of R336.1201, except as allowed by R336.1278 to R336.1290. | | |

The following conditions apply to: EUDIPTANK

Emission Limits

| | Pollutant | Equipment | Limit | Time Period | Testing/ Monitoring Method | Applicable Requirements |
|-----|------------------|------------------|--------------|---|---|------------------------------------|
| 1.1 | VOCs | EUDIPTANK | 3.5 tpy | 12-month rolling time period as determined at the end of each calendar month. | SC 1.8 | R336.1702(a) |

Material Limits

| | Pollutant | Equipment | Limit | Time Period | Testing/ Monitoring Method | Applicable Requirements |
|---|------------------|------------------|---------------------------------------|--------------------|---|------------------------------------|
| 1.2 | VOCs | EUDIPTANK | 1.50 lb/gal (minus water)* as applied | Instantaneous | SC 1.8 | R336.1702(a) |
| * The phrase "minus water" shall also include compounds which are used as organic solvents and which are excluded from the definition of volatile organic compound. [R336.1602(4)] | | | | | | |

Process / Operational Limits

1.3 All waste coatings shall be captured and stored in closed containers and shall be disposed of in an acceptable manner in compliance with all applicable rules and regulations. **[R336.1224, R336.1702(a)]**

Equipment

1.4 The permittee shall equip and maintain the diptank portion of EUDIPTANK with a cover. Whenever the tank is not in use, the cover shall remain closed. **[R336.1225, R336.1702(a), R336.1901, R336.1910]**

Testing

1.5 The VOC content, water content, and density of any coating, as applied and as received, shall be determined using federal Reference Test Method 24. Upon prior written approval by the AQD District Supervisor, the VOC content may be determined from manufacturer's formulation data. If the Method 24 and the

formulation values should differ, the Method 24 results shall be used to determine compliance. **[R336.1225, R336.1702, R336.1901]**

Recordkeeping /Reporting /Notification

- 1.6 All required calculations shall be completed in a format acceptable to the AQD District Supervisor and made available by the 15th day of the calendar month, for the previous calendar month, unless otherwise specified in any recordkeeping, reporting or notification special condition. **[R336.1225, R336.1702, R336.1901]**
- 1.7 The permittee shall maintain a current listing from the manufacturer of the chemical composition of each coating, including the weight percent of each component. The data may consist of Material Safety Data Sheets, manufacturer's formulation data, or both as deemed acceptable by the AQD District Supervisor. All records shall be kept on file for a period of at least five years and made available to the Department upon request. **[R336.1225, R336.1702, R336.1901]**
- 1.8 The permittee shall keep the following information on a monthly basis for EUDIPTANK:
 - a) Gallons (with water) of each coating used.
 - b) VOC content (minus water and with water) of each coating as applied.
 - c) VOC mass emission calculations determining the monthly emission rate in tons per calendar month.
 - d) VOC mass emission calculations determining the annual emission rate in tons per 12-month rolling time period as determined at the end of each calendar month.
 - e) Hours of operation.

The records shall be kept in the format specified in Appendix A or an alternate format that has been approved by the AQD District Supervisor. All records shall be kept on file for a period of at least five years and made available to the Department upon request. **[R336.1225, R336.1702, R336.1901]**

Stack / Vent Restrictions

- 1.9 The exhaust gases from EUDIPTANK shall not be discharged to the ambient air at any time. **[R336.1225, R336.1901]**

