

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

May 17, 2013

**PERMIT TO INSTALL
46-13**

**ISSUED TO
KPMF USA Investment, LLC**

**LOCATED AT
57 Kay Industrial Drive
Lake Orion, Michigan**

**IN THE COUNTY OF
Oakland**

**STATE REGISTRATION NUMBER
N2702**

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 Section 5505(1) of Article II, Chapter I, Part 55, Air Pollution Control, of the Natural Resources and Environmental Protection Act, 1994 PA 451, as amended. 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:

April 26, 2013

DATE PERMIT TO INSTALL APPROVED:

May 17, 2013

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
CO ₂ e	Carbon Dioxide Equivalent	°F	Degrees Fahrenheit
COM	Continuous Opacity Monitoring	gr	Grains
EPA	Environmental Protection Agency	Hg	Mercury
EU	Emission Unit	hr	Hour
FG	Flexible Group	H ₂ S	Hydrogen Sulfide
GACS	Gallon of Applied Coating Solids	hp	Horsepower
GC	General Condition	lb	Pound
GHGs	Greenhouse Gases	kW	Kilowatt
HAP	Hazardous Air Pollutant	m	Meter
HVLP	High Volume Low Pressure *	mg	Milligram
ID	Identification	mm	Millimeter
LAER	Lowest Achievable Emission Rate	MM	Million
MACT	Maximum Achievable Control Technology	MW	Megawatts
MAERS	Michigan Air Emissions Reporting System	ng	Nanogram
MAP	Malfuction Abatement Plan	NO _x	Oxides of Nitrogen
MDEQ	Michigan Department of Environmental Quality (Department)	PM	Particulate Matter
MSDS	Material Safety Data Sheet	PM10	PM with aerodynamic diameter ≤10 microns
NESHAP	National Emission Standard for Hazardous Air Pollutants	PM2.5	PM with aerodynamic diameter ≤ 2.5 microns
NSPS	New Source Performance Standards	pph	Pounds per hour
NSR	New Source Review	ppm	Parts per million
PS	Performance Specification	ppmv	Parts per million by volume
PSD	Prevention of Significant Deterioration	ppmw	Parts per million by weight
PTE	Permanent Total Enclosure	psia	Pounds per square inch absolute
PTI	Permit to Install	psig	Pounds per square inch gauge
RACT	Reasonably Available Control Technology	scf	Standard cubic feet
ROP	Renewable Operating Permit	sec	Seconds
SC	Special Condition	SO ₂	Sulfur Dioxide
SCR	Selective Catalytic Reduction	THC	Total Hydrocarbons
SRN	State Registration Number	tpy	Tons per year
TAC	Toxic Air Contaminant	µg	Microgram
TEQ	Toxicity Equivalence Quotient	VOC	Volatile Organic Compound
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. **(R 336.1201(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 48909-7760, if it is decided not to pursue the installation, construction, reconstruction, relocation, or modification of the equipment allowed by this Permit to Install. **(R 336.1201(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 R 336.1210, 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. **(R 336.1201(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. **(R 336.1201(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 R 336.1219 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 R 336.1219 and shall be sent to the District Supervisor, Air Quality Division, Michigan Department of Environmental Quality. **(R 336.1219)**
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. **(R 336.1901)**
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). **(R 336.1912)**
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 R 336.1301, 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 R 336.1303. **(R 336.1301)**
 - 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 R 336.1370(2). **(R 336.1370)**
13. The Department may require the permittee to conduct acceptable performance tests, at the permittee's expense, in accordance with R 336.2001 and R 336.2003, under any of the conditions listed in R 336.2001. **(R 336.2001)**

SPECIAL CONDITIONS

EMISSION UNIT SUMMARY TABLE

The descriptions provided below are for informational purposes and do not constitute enforceable conditions.

Emission Unit ID	Emission Unit Description (Process Equipment & Control Devices)	Installation Date/ Modification Date	Flexible Group ID
EUCoatingLn	Manufacturing of plastic casted film rolls using coating applicators such as reverse roll, rotary screen, knife over roller or slot die. In addition to the manufacture of plastic film, the coating line applies adhesive, ink, or urethane clear topcoat to various plastic film surfaces. Regenerative thermal oxidizer (RTO) will control VOC emissions from this emission unit.	TBD	PTI No. 305-05G (FGFACILITY)
Changes to the equipment described in this table are subject to the requirements of R 336.1201, except as allowed by R 336.1278 to R 336.1290.			

The following conditions apply to: EUCoatingLn

DESCRIPTION: Manufacturing of plastic casted film rolls using coating applicators such as reverse roll, rotary screen, knife over roller or slot die. In addition to the manufacture of plastic film, the coating line applies adhesive, ink, or urethane clear topcoat to various plastic film surfaces.

Flexible Group ID: PTI No. 305-05G (FGFACILITY)

POLLUTION CONTROL EQUIPMENT: The VOC emissions from this line will be controlled by Non-Fugitive Enclosure (NFE) and a regenerative thermal oxidizer (RTO).

I. EMISSION LIMITS

Pollutant	Limit	Time Period / Operating Scenario	Equipment	Testing / Monitoring Method	Underlying Applicable Requirements
1. VOCs	16.7 tpy	12-month rolling time period as determined at the end of each calendar month	EUCoatingLn	SC VI.1, SC VI.2 SC VI.3	R 336.1205, R 336.1702(a)

II. MATERIAL LIMITS

NA

III. PROCESS/OPERATIONAL RESTRICTIONS

1. The permittee shall capture all waste coatings, adhesive, ink, *etc.* (materials) and shall store them in closed containers. The permittee shall dispose of all waste materials in an acceptable manner in compliance with all applicable state rules and federal regulations. **(R 336.1702(a))**
2. The permittee shall handle all VOC and / or HAP containing materials, including coatings, reducers, solvents and thinners, in a manner to minimize the generation of fugitive emissions. The permittee shall keep containers covered at all times except when operator access is necessary. **(R 336.1205, R 336.1225, R 336.1702(a))**
3. The permittee shall not operate EUCoatingLn unless a malfunction abatement plan (MAP) as described in Rule 911(2), has been submitted within 60 days after initial startup, and is implemented and maintained. The MAP shall, at a minimum, specify the following:
 - a. A complete preventative maintenance program including identification of the supervisory personnel responsible for overseeing the inspection, maintenance, and repair of air-cleaning devices, a description of the items or conditions that shall be inspected, the frequency of the inspections or repairs, and an identification of the major replacement parts that shall be maintained in inventory for quick replacement.
 - b. An identification of the source and air-cleaning device operating variables that shall be monitored to detect a malfunction or failure, the normal operating range of these variables, and a description of the method of monitoring or surveillance procedures.
 - c. A description of the corrective procedures or operational changes that shall be taken in the event of a malfunction or failure to achieve compliance with the applicable emission limits.
 - d. A description of the procedures to capture, handle, and disposes of all materials to minimize the generation of fugitive emissions per SC numbers III.1 and III.2.

If at any time the MAP fails to address or inadequately addresses an event that meets the characteristics of a malfunction, the permittee shall amend the MAP within 45 days after such an event occurs. The permittee shall also amend the MAP within 45 days, if new equipment is installed or upon request from the District Supervisor. The permittee shall submit the MAP and any amendments to the MAP to the AQD District Supervisor for review and approval. If the AQD does not notify the permittee within 90 days of submittal, the MAP or amended MAP shall be considered approved. Until an amended plan is approved, the permittee shall implement corrective procedures or operational changes to achieve compliance with all applicable emission limits. **(R 336.1225, R 336.1702(a), R 336.1910, R 336.1911)**

IV. DESIGN/EQUIPMENT PARAMETERS

1. The permittee shall equip and maintain EUCoatingLn with rollers applicators or comparable technology with equivalent transfer efficiency. **(R 336.1702(a))**
2. The permittee shall not operate EUCoatinLn unless the NFE and the RTO are installed, maintained and operated in a satisfactory manner. Satisfactory operation of the capture system and the RTO includes a minimum VOC capture efficiency of 100 percent (by weight), a minimum VOC destruction efficiency of 98 percent (by weight), a minimum retention time of 0.5 seconds and a minimum combustion temperature of 1550°F. The minimum combustion chamber temperature may be adjusted based on the most recent acceptable stack test which achieved a minimum overall destruction efficiency of 98 percent, and which is specified in the MAP required in SC III.3. **(R 336.1205, R 336.1225, R 336.1702(a), R 336.1910)**
3. The permittee shall install, calibrate, maintain and operate in a satisfactory manner a temperature monitoring device in the combustion chamber of the RTO to monitor and record the temperature on a continuous basis, during operation of EUCoatingLn. **(R 336.1205, R 336.1225, R 336.1702)**

4. The permittee shall not operate EUCoatingLn unless the NFE is installed, maintained and operated in a satisfactory manner. Satisfactory operation requires that the NFE is operating at a pressure lower than all adjacent areas, so that air flows into the NFE through all natural draft openings (NDOs). NDO is defined as any opening that is not connected to a duct in which a fan or blower is installed. **(R 336.1702(a))**

V. TESTING/SAMPLING

Records shall be maintained on file for a period of five years. **(R 336.1201(3))**

1. The permittee shall determine the VOC content, water content, and density of any coating as applied and as received, using federal Reference Test Method 24. Upon prior approval by the AQD District Supervisor, the permittee may determine the VOC content from manufacturer's formulation data. If the Method 24 and the formulation values should differ, the permittee shall use the Method 24 results to determine compliance. **(R 336.1702, R 336.2001, R 336.2003, R 336.2004, R 336.2040(5))**
2. Within 180 days of trial operation, the permittee shall verify the capture efficiency of the NFE, and the destruction efficiency of the RTO for EUCoatingLn by testing at owner's expense, in accordance with Department requirements. No less than 30 days prior to testing, the permittee shall submit a complete test plan to the AQD Technical Programs Unit and District Office. The AQD must approve the final plan prior to testing. Verification of emission rates includes the submittal of a complete report of the test results to the AQD Technical Programs Unit and District Office within 60 days following the last date of the test. **(R 336.1205, R 336.1702, R 336.2001, R 336.2003, R 336.2004)**
3. During the initial capture efficiency performance test of the NFE, the permittee shall verify that the direction of air flow at each NDO of the NFE for EUCoatingLn is into the NFE. The verification of the direction of air flow at the NDOs shall be conducted using the smoke tube test method, or an alternate method approved by the AQD Technical Programs Unit and District Office. The permittee shall submit a notice of the anticipated test date to the AQD Technical Programs Unit and District Office no later than 30 days prior to the test date and a complete test report shall be submitted to the AQD Technical Programs Unit and District Office within 60 days after the completion of the testing. All test methods, plans, and procedures shall be approved by the AQD prior to testing. **(R 336.1702(a))**

VI. MONITORING/RECORDKEEPING

Records shall be maintained on file for a period of five years. **(R 336.1201(3))**

1. The permittee shall complete all required calculations in a format acceptable to the AQD District Supervisor by the 15th day of the calendar month, for the previous calendar month, unless otherwise specified in any monitoring/recordkeeping special condition. **(R 336.1205, R 336.1225, R 336.1702)**
2. The permittee shall maintain a current listing from the manufacturer of the chemical composition of each material, 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. The permittee shall keep all records on file and make them available to the Department upon request. **(R 336.1224, R 336.1225, R 336.1702)**
3. The permittee shall keep the following information on a calendar month basis for the EUCoatingLn:
 - a) Gallons (with water) of each material used.
 - b) VOC content (with water) of each material 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.

The permittee shall keep the records in a format acceptable to the AQD District Supervisor and make them available to the Department upon request. **(R 336.1205, R 336.1702(a))**

4. The permittee shall monitor, in a satisfactory manner, the temperature in the combustion chamber of the thermal oxidizer on a continuous basis, during operation of EUCoatingLn. Temperature data recording shall consist of measurements made at equally spaced intervals, not to exceed 15 minutes per interval. **(R 336.1205, R 336.1225, R 336.1702)**

VII. REPORTING

1. Within 30 days after completion of the installation, construction, reconstruction, relocation, or modification authorized by this Permit to Install, the permittee or the authorized agent pursuant to Rule 204, shall notify the AQD District Supervisor, in writing, of the completion of the activity. Completion of the installation, construction, reconstruction, relocation, or modification is considered to occur not later than commencement of trial operation of EUCoatingLn. **(R 336.1201(7)(a))**

VIII. STACK/VENT RESTRICTIONS

The exhaust gases from the stacks listed in the table below shall be discharged unobstructed vertically upwards to the ambient air unless otherwise noted:

Stack & Vent ID	Maximum Exhaust Diameter/ Dimensions (inches)	Minimum Height Above Ground (feet)	Underlying Applicable Requirements
1. SVRTO	44	41	R 336.1225, R 336.1901, R 336.2803, R 336.2804, 40 CFR 52.21(c) & (d)

IX. OTHER REQUIREMENTS

NA