STATEMENT OF BASIS

For the issuance of Draft Air Permit # 0759-AR-13 AFIN: 47-00194

1. PERMITTING AUTHORITY:

Arkansas Department of Environmental Quality 5301 Northshore Drive North Little Rock, Arkansas 72118-5317

2. APPLICANT:

Evonik Cyro, LLC 1500 Richard Prewitt Drive Osceola, Arkansas 72370

3. PERMIT WRITER:

Jesse Smith

4. NAICS DESCRIPTION AND CODE:

NAICS Description: Unlaminated Plastics Film and Sheet (except Packaging)

Manufacturing

NAICS Code: 326113

5. ALL SUBMITTALS:

The following is a list of ALL permit applications included in this permit revision.

| Date of Application | Type of Application | Short Description of Any Changes |
|---------------------|------------------------------|----------------------------------|
| | (New, Renewal, Modification, | That Would Be Considered New or |
| | Deminimis/Minor Mod, or | Modified Emissions |
| | Administrative Amendment) | |
| 12/19/2017 | Deminimis Mod and | Removal of SN-53 and SN-60 |
| | Modification | Addition of SN-65 and SN-66 |

6. REVIEWER'S NOTES:

Evonik Cyro, LLC (CYRO) owns and operates a facility at 1500 Richard Prewitt Drive, Osceola, which manufactures polymer pellets and sheets. During this modification, the Panel Saw Dust Collector and a Conveying System Vent (SN-53 and SN-60) have been removed, Two Power Feed Systems (SN-65 and SN-66) have been added, and the VOC hourly and yearly limits for the Seal Pot Vent have been updated due to emissions testing. Specific Conditions 13 and 14 have been removed as the equipment they are referencing

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is no longer in service and the general conditions have been updated as well. The testing requirement for the oxidizing units has been updated to test for VOC's instead of individual HAPs.

The total emission changes from this modification include a decrease of 0.8 tpy PM/PM $_{10}$ and an increase of 0.5 tpy VOC.

7. COMPLIANCE STATUS:

The following summarizes the current compliance of the facility including active/pending enforcement actions and recent compliance activities and issues.

The facility was last inspected on February 23, 2017. There were no issues noted at this time.

8. PSD/GHG APPLICABILITY:

- a) Did the facility undergo PSD review in this permit (i.e., BACT, Modeling, etc.)? N If yes, were GHG emission increases significant? N
- b) Is the facility categorized as a major source for PSD? N
- Single pollutant ≥ 100 tpy and on the list of 28 or single pollutant ≥ 250 tpy and not on list

If yes for 8(b), explain why this permit modification is not PSD.

9. SOURCE AND POLLUTANT SPECIFIC REGULATORY APPLICABILITY:

| Source | Pollutant | Regulation (NSPS, NESHAP or PSD) |
|----------------|-----------------------|-------------------------------------|
| 01, 02, 03, 19 | VOC, Record Tank Size | 40 C.F.R. pt. 60 Subpart Kb |
| 62, 63, 64 | HAPs | 40 C.F.R. § 63 Subpart ZZZZ |

10. PERMIT SHIELD – TITLE V PERMITS ONLY:

Did the facility request a permit shield in this application? N (Note - permit shields are not allowed to be added, but existing ones can remain, for minor modification applications or any Regulation 18 requirement.)

If yes, are applicable requirements included and specifically identified in the permit? N If not, explain why.

11. EMISSION CHANGES AND FEE CALCULATION:

See emission change and fee calculation spreadsheet in Appendix A.

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12. AMBIENT AIR EVALUATIONS:

Include the results for any ambient air evaluations or modeling. Include NSR/PSD permits and permits that require an evaluation in accordance with revisions to the Arkansas State Implementation Plan, National Ambient Air Quality Standards, Infrastructure SIPs and NAAQS SIP per Ark Code Ann. § 8-4-318, dated March 2017 and the ADEQ Air Permit Screening Modeling Instructions.

a) NAAQS

A NAAQS evaluation is not required under the Arkansas State Implementation Plan, National Ambient Air Quality Standards, Infrastructure SIPs and NAAQS SIP per Ark. Code Ann. § 8-4-318, dated March 2017 and the ADEQ Air Permit Screening Modeling Instructions.

b) Non-Criteria Pollutants:

Based on Department procedures for review of non-criteria pollutants, emissions of non-criteria pollutants are below thresholds of concern.

c) H₂S Modeling:

A.C.A. §8-3-103 requires hydrogen sulfide emissions to meet specific ambient standards. Many sources are exempt from this regulation, refer to the Arkansas Code for details.

| Is the facility exempt from the H ₂ S Standards | Y |
|--|---|
| If exempt, explain: No H ₂ S emissions | |

13. CALCULATIONS:

| SN | Emission Factor Source (AP-42, testing, etc.) | Emission Factor (lb/ton, lb/hr, etc.) | Control Equipment | Control Equipment Efficiency | Comments |
|--------------|--|---|----------------------|------------------------------------|------------------------|
| 1, 2, & 3 | Tanks | VOC = 0.1 lb/hr MMA = 0.1 lb/hr | | | |
| 5 & 50 | Manufacturer's estimate | $PM = 0.1 \text{ lb/hr}$ $SO_2 = 0.1 \text{ lb/hr}$ $VOC = 0.1 \text{ lb/hr}$ $CO = 0.8 \text{ lb/hr}$ $NO_x = 1.1 \text{ lb/hr}$ | None | | Natural gas combustion |

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| SN | Emission Factor Source (AP-42, testing, etc.) | Emission Factor (lb/ton, lb/hr, etc.) | Control Equipment | Control Equipment Efficiency | Comments |
|---------------------------------------|--|--|-----------------------|------------------------------------|-------------------------------|
| 22, 27- 30, 52, 54, 58 | Manufacturer's specifications | PM = 0.1 lb/hr 5 mg/m ³ dust in the air outlet | Bag Filter | 99.95% | Maximum annual possible |
| 31 & 32 | Manufacturer's estimate & specifications | $PM = 0.1 \text{ lb/hr}$ $SO_2 = 0.1 \text{ lb/hr}$ $VOC = 0.2 \text{ lb/hr}$ $CO = 1.4 \text{ lb/hr}$ $NO_x = 0.1 \text{ lb/hr}$ $MMA = 0.1 \text{ lb/hr}$ $EA = 0.1 \text{ lb/hr}$ | | | |
| 35 | Equipment specifications | PM = 0.2 lb/hr | | | Maximum annual possible |
| 42 | Equipment specifications | PM = 0.4 lb/hr | | | Maximum annual possible |
| 49 & 51 | Manufacturer's specifications | $PM = 0.1 \text{ lb/hr}$ $SO_2 = 0.1 \text{ lb/hr}$ $VOC = 0.1 \text{ lb/hr}$ $CO = 2.6 \text{ lb/hr}$ $NO_x = 0.1 \text{ lb/hr}$ $MMA = 0.9 \text{ lb/hr}$ | Catalytic Oxidizer | 99.0% | |
| 56 | Worst case based on manufacturer's specifications | PM = 0.1 lb/hr 12.0 grains/A.C.F. | Bag Filter | 99.9% | |
| 58 | Manufacturer's specifications | PM = 0.1 lb/hr | Bag Filter | 99.9% | |
| 59 | EPA, 1995 protocol for Equipment leak emission estimates | Lbs/hr services Valves = 0.000363 Connectors=0.000179 Open Ends = 0.00330 Pump Seals =0.004110 | | | |
| 61 | On-line Color Extrusion throughput | Percent of dust removed (1.85%) | Baghouse | 99.0% | |

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| SN | Emission Factor Source (AP-42, testing, etc.) | Emission Factor (lb/ton, lb/hr, etc.) | Control Equipment | Control Equipment Efficiency | Comments |
|------------------|--|---|----------------------|------------------------------------|-------------------------|
| 62, 63, 64 | AP-42 Chapter 3.3, 34 | Up to 600hp (lb/hp-hr) PM/PM ₁₀ =.0022 SO ₂ =.00205 VOC=.00252 CO=.00668 NO _X =.031 | | | Emergency Generators |
| 65 66 | AP-42 Section 11.26 | 0.0035 lb PM/PM ₁₀ per 1,000 lb throughput | Baghouse | 99% | |

14. TESTING REQUIREMENTS:

The permit requires testing of the following sources.

| SN | Pollutants | Test Method | Test Interval | Justification |
|----------------|------------|-------------|-----------------------|---------------|
| 31, 32, 49, 51 | VOC | #18 | Once every five years | Reg.19.702 |

15. MONITORING OR CEMS:

The permittee must monitor the following parameters with CEMS or other monitoring equipment (temperature, pressure differential, etc.)

| SN | Parameter or Pollutant to be Monitored | Method (CEM, Pressure Gauge, etc.) | Frequency | Report (Y/N) |
|------------|--|--|--------------|--------------|
| 05 & 50 | Natural Gas Usage | Meter | Monthly | N |
| 49 & 51 | Catalytic Oxidizer Temperature | CPMS | Continuously | N |

16. RECORDKEEPING REQUIREMENTS:

The following are items (such as throughput, fuel usage, VOC content, etc.) that must be tracked and recorded.

| SN | Recorded Item | Permit Limit | Frequency | Report (Y/N) |
|--------|----------------------|---------------------------------|-----------|--------------|
| 05, 50 | Natural Gas Usage | 78.84 MMcf per rolling 12-month | Monthly | N |

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| SN | Recorded Item | Permit Limit | Frequency | Report (Y/N) |
|------------|--|--|--------------|--------------|
| | | period | | |
| 01 | Tank Dimensions and Volume Calculation | 1,136 m ³ | Once | N |
| 02 | Tank Dimensions and Volume Calculation | 151 m ³ | Once | N |
| 03, 19 | Tank Dimensions and Volume Calculation | 75 m ³ | Once | N |
| 01 | VOC stored and the maximum true vapor pressure of that VOC | Determined by 60.116b(e)(3) | As necessary | N |
| 01 | Maximum tank turnovers | 100 turnovers per consecutive 12- month period | Monthly | N |
| 02 | Maximum tank turnovers | 100 turnovers per consecutive 12- month period | Monthly | N |
| 03 | Maximum tank turnovers | 30 turnovers per consecutive 12-month period | Monthly | N |
| 62, 63, 64 | Hours of operation | 500 hours/year | Monthly | N |

17. OPACITY:

| SN | Opacity | Justification for limit | Compliance Mechanism |
|--|---------|-------------------------|---------------------------|
| 05, 22, 27 – 32, 35, 42, 49 – 54, 56, 58, & 61, 65, 66 | 5% | Reg.18.501 | Upon inspection |
| 62, 63, 64 | 20% | Reg.19.503 | Inspection Observation |

18. DELETED CONDITIONS:

| Former SC | Justification for removal |
|-----------|---|
| | * ************************************* |

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|------|---|----|---|

| Former SC | Justification for removal |
|-----------|---|
| 13 and 14 | Acrylic sheet process has been removed from the facility. |

19. GROUP A INSIGNIFICANT ACTIVITIES:

The following is a list of Insignificant Activities including revisions by this permit.

| Course | Croup A | Emissions (tpy) | | | | | | |
|--|------------------|-----------------|--------|-----|----|-----------------|--------|-------|
| Source Name | Group A Category | PM/PM_{10} | SO_2 | VOC | СО | NO_x | HA | Ps |
| Name | Category | F 1V1/ F 1V110 | SO_2 | VOC | CO | NO _X | Single | Total |
| No new insignificant activities added with this permitting action. | | | | | | | | |

20. VOIDED, SUPERSEDED, OR SUBSUMED PERMITS:

The following is a list of all active permits voided/superseded/subsumed by the issuance of this permit.

| Permit # |
|------------|
| 0759-AR-12 |



Fee Calculation for Minor Source

Revised 03-11-16

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| | | | Old Permit | New Permit |
|-----------------------------------|-------|--|------------|------------|
| \$/ton factor | 23.93 | Permit Predominant Air Contaminant | 20 | 20 |
| Minimum Fee \$ | 400 | Net Predominant Air Contaminant Increase | 0 | |
| Minimum Initial Fee \$ | 500 | | | |
| | | Permit Fee \$ | 400 | |
| Check if Administrative Amendment | | Annual Chargeable Emissions (tpy) | 20 | |

| Pollutant (tpy) | Old Permit | New Permit | Change |
|-------------------|------------|------------|--------|
| PM | 14.6 | 13.8 | -0.8 |
| PM_{10} | 14.6 | 13.8 | -0.8 |
| PM _{2.5} | 0 | 0 | 0 |
| SO_2 | 3.7 | 3.7 | 0 |
| VOC | 10.1 | 10.6 | 0.5 |
| CO | 44.1 | 44.1 | 0 |
| NO_X | 20 | 20 | 0 |
| Single HAP | 3.1 | 3.1 | 0 |
| Total HAPs | 8.8 | 9.3 | 0.5 |