STATEMENT OF BASIS

Taminco Inc.
Taminco Pace Plant
Facility ID No.: 1130004
Santa Rosa County

Title V Air Operation Permit Renewal
FINAL Title V Air Operation Permit No.: 1130004-018-AV

This Title V Air Operation Permit Renewal is issued under the provisions of Chapter 403, Florida Statutes (F.S.), and Florida Administrative Code (F.A.C.) Chapters 62-4, 62-210 and 62-213. The above named Permittee is hereby authorized to operate the facility shown on the application and approved drawing(s), plans, and other documents, attached hereto or on file with the permitting authority, in accordance with the terms and conditions of this permit.

The subject of this permit is for the renewal of the Title V Air Operation Permit, 1130004-011-AV, effective August 22, 2005. It follows Title V operating permit revision 1130004-014-AV, effective February 1, 2008. Construction permit applications 1130004-015-AC and 1130004-016-AC were combined into the current construction permit 1130004-017-AC, effective July 29, 2008, but construction has not begun and the facility does not plan to begin construction during 2010 (see letter to DEP dated 7/1/10).

Several changes were made during this permit renewal (see TABLE Summary Emissions Unit Updates). Regulatory analysis determinations were updated and corrected for the units at the facility which are regulated under the Hazardous organic NESHAP (HON) and Miscellaneous organic NESHAP (MON) rules under 40 CFR 63 subparts F, G. H and FFFF. An updated Notification of Compliance status (NOCS) for both HON and MON was submitted with the renewal application. As a result of the analysis, several emissions units (EU) were removed, EU descriptions were updated, emission factors were updated, and several EUs were created for regulatory purposes. Emissions Unit 067, Higher Amines Plant Equipment Leaks, was deleted. After re-evaluation of the Amyl Amines Project (submitted in June 26, 2007), it was determined that NSPS Subpart VV was not triggered for the Higher Amines Plant. The changes are regulatory/facility reconciliations that are allowed under the Title V renewal process.

Ammonia has been removed from the Title V inventory because (1) ammonia is not a regulated pollutant and (2) emissions from the Taminco Pace Plant are much less than the cutoff of 250 tons per year under Rule 62-213.420(3)(c)(6), F.A.C. The current plant configuration includes two ammonia tanks that are vented to a scrubber and then a flare (D-67130 and D-68101) and three pressurized ammonia storage tanks (D-30206A, D-30206B and D-30206D), which are designed to return vapors to the tank during unloading.

In this permit renewal, the testing frequency for opacity on the B&W Boiler (EU 003) and the Riley Boiler (EU 001) has been reduced from annual to once every five years. Since Rule 62-296.406(1), F.A.C., does not prescribe testing and the facility historically has shown no visible emissions, the opacity testing frequency has been changed to "once during the last 12 months of this permit." To ensure worst case conditions, the facility has committed to operating at the permitted capacity during the test. In addition, for the Riley Boiler, the facility will conduct

Method 9 tests while burning amines waste and used oil (Note: these may be done in separate runs).

Taminco owns and operates an Amines Plant. The site's No. 1 and No. 4 Plants primarily produce a variety of Methylamines. The No. 2 Plant primarily produces a variety of higher amines, including alkylamines and amylamines. In the No. 3 Plant, a 72-inch batch distillation column processes higher amines and crude methanol. The Taminco Methylamines Pace Plant consists of regulated emissions units described in the following paragraphs.

Methanol Storage (remaining from old Methanol Plant)
The Methanol Plant was shut down and decommissioned, effective November 3, 2003. The storage tanks were retained for continued use storing incoming raw material. Methanol is no longer loaded from the facility, so the facility has requested the removal of the EU 028, the Methanol Loading Scrubber.

Boilers
Boilers manufactured by Riley Stoker (EU 001) and B & W (EU 003) have boilerplate capacities of 90,000 pounds per hour of steam at 600 psig, which is considered equivalent to 130 MMBtu heat input (with 75 percent boiler efficiency and 1,080 Btu per pound of steam). The boilers are fueled by natural gas, process off-gases (both boilers) and process liquids, and used oil (Riley Boiler only). Process liquids originate from methylamines and higher amines production plants and used oil is from on-site compressors and other equipment. Please also note that Gulf Power owns a cogeneration facility located within the Taminco Pace Plant boundaries. Taminco personnel operate the unit; however, Gulf Power maintains compliance with the Title V air permit (1130173-008-AV).

Methylamines (Plant Nos. 1 and 4)
At the Methylamines Plant No. 1 (EU 005, 006, 046, 049, 050, 051, 053 and 054), and No. 4 (EU 060, 033, 034, 035, 036, 053 and 037), methanol is continuously reacted with ammonia to yield methylamines. A natural gas-fired preheater is used to reach reaction temperature. Volatile off-gases from the product scrubbers are controlled with the Amines Plants Flare (EU 005), which operates with a natural gas pilot. Process gas from the high pressure absorber vents can also be controlled in the Riley Stoker boiler or B&W boilers. Visible emissions from the gas fired heater and the flare are controlled by proper combustion. Methylamines Plant No. 1 also has the capability to produce Dimethylurea from a reaction of monomethylamine and urea.

Higher Amines Plant (Plant Nos. 2 and 3)
At the Higher Amines Plant, alcohols, ammonia, ethers, aldehydes, ketones and other amines are reacted to yield various alkylamines and amylamines. A natural gas-fired preheater is used to bring the mixture to reaction temperature. The volatile off-gases from the product scrubbers are controlled in the Amines Plants Flare. Process gas from the high pressure absorber vent in the Higher Amines Plant (No. 2) can also be controlled in the Riley Stoker or B&W Boilers. Visible Emissions from the gas fired heater and the flare are controlled by proper combustion.

<u>Prevention of Significant Deterioration (PSD)</u>: As a chemical processing plant with emissions of NOx, CO and VOC greater than 100 TPY this facility is a major stationary source with respect to PSD. The facility (Air Products and Chemicals, ref: letter dated November 20, 2003) voluntarily surrendered all net emission reductions from the decommissioning of the Ammonia and Methanol Plants and gave up their rights to use these emission decreases in future netting analysis to avoid PSD review on other new projects. On an annual basis the reductions were

1,596 tons of NO_X, 175 tons of CO, 141 tons of VOC, 26 tons each of PM and PM_{10}, and 1 ton of SO_X. These reductions are separate from subsequent reductions realized from shutdown of two Nitric Acid Plants and the Ammonia Nitrate unit in 2005.

Facility-Wide Estimated Emissions (Tons per Year)*

POLLUTANT	TPY
PM	22.81
PM10	22.80
NO_X	453.05
SO_2	13.90
CO	169.14
VOC	114.03
Methanol	55.64

*includes reconciliation of sources (cooling towers, wastewater, fugitive leaks) and shutdown of nitric acid plants and ammonia nitrate plant. The shutdowns resulted in net emission decreases in PM/PM_{10}, SO_2, and CO because waste oil throughput decreased.

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The Taminco Pace Plant operates five emergency diesel internal combustion engines (ICE) (B-area emergency fire water pump and No. 2 well water pump, each at 234 hp, plant emergency generator at 330 hp, north foxtrot at 380 hp, and south foxtrot at 340 hp). These engines are

considered categorically and conditionally exempt per 62-210.300(3)(a)(35)(d): one or more emergency generators located within a single facility provided that one fuel (in this case diesel) is burned and the collective annual amount of fuel burned by all units does not exceed 32,000 gallons of diesel fuel. Regarding regulatory applicability to new source performance standards (NSPS) Subpart IIII (manufacturers, owners, and operators of Stationary, Compression Ignition (Diesel) ICE), all engines listed were manufactured prior to July 11, 2005, and are therefore not subject to this subpart per 40 CFR 60.4200(a)(2). Regarding regulatory applicability to the national emission standards for hazardous air pollutants (NESHAP) Subpart ZZZZ (owners or operators of Stationary, Reciprocating ICE), existing stationary reciprocating internal combustion engines [per 40 CFR 63.6590(a)(1)(ii)] with a rating of less than 500 brake Hp, located at a major source of hazardous air pollutants (HAP) emissions and constructed.

Also included in this permit are miscellaneous unregulated/insignificant emissions units and/or activities. CAM no longer applies.

Based on the Title V Air Operation Permit Renewal application received January 12, 2010, this facility is a major source of hazardous air pollutants (HAP).