Project XL Final Project Agreement

FOR THE PROJECT XL PILOT AT THE

Andersen Corporation

Bayport, Washington County, Minnesota

This Final Project Agreement (FPA) is entered into between the Andersen Corporation, the Minnesota Pollution Control Agency (MPCA), the United States Environmental Protection Agency (EPA), and Washington County (the County), herein referred to as the parties. The Andersen Corporation Community Advisory Committee (CAC) was instrumental in the preparation and review of this document. This FPA sets forth commitments, goals and measurements for the success of this pilot project that are necessary to the successful implementation and evaluation of this project. This FPA provides additional information on the Andersen Project XL pilot including: a description of the project; how the project meets the criteria for Project XL; and the legal mechanisms intended to provide regulatory flexibility. Each signatory represents that he is fully authorized to enter into this FPA.

_____

Andersen Corporation

_____

Commissioner
Minnesota Pollution Control Agency

_____

Washington County

_____

David A. Ullrich
Acting Regional Administrator
United States Environmental
Protection Agency, Region V

Table Of Contents

NOTE: Andersen Corporation's existing facility at 100 Fourth Avenue North and the as yet undeveloped Andersen West Site are considered one source under this pilot project. For clarity, the following terms will be used throughout the FPA:

"**Fourth Avenue Site**" where the discussion applies only to the existing site;
"**Andersen West Site**" where the discussion applies only to the as yet undeveloped property located approximately one mile West of the Fourth Avenue Site at 4001 Stagecoach Road North, Bayport, MN; and
"**Bayport Facility**" where the discussion applies to both the 100 Fourth Avenue Site and Andersen West Sites.

Glossary of Terms
Andersen Corporation
Project XL Proposal

Terms and descriptions of the terms contained in this glossary are solely to assist the public in understanding this FPA. Therefore the terms contained in this glossary do not supersede or modify or otherwise affect any term or definition in state or federal law and regulations.

Bag-house Filter Collectors -- Vacuum-like systems used to collect sawdust generated by milling operations.

Best Available Control Technology (BACT) -- A case-by-case technology determination that considers energy, environmental and economic impacts in determining the maximum achievable pollutant reduction.

Commentors -- People or organizations with an interest in an XL project, but not the need to participate intensively in its development. The project development process should inform and be informed by commentors on a periodic basis. The views of informed commentors are a strong indicator of the broad potential for wider applicability of the innovation being tested in a project.

Community Advisory Committee (CAC) -- The body formed to assist Andersen Corporation in development of its XL proposal. The CAC is made up of direct participants: individuals representing a variety of stakeholders including local residents, employees, business, environmental groups and government.

Criteria Pollutant -- Currently, there are eight criteria pollutants that have ambient air concentration limits for how much of these pollutants can be in the air. The standards are intended to protect health and welfare. The criteria pollutants are particulate matter (PM), particulate matter less than 10 microns (PM_{10}), particulate matter less than 2.5 microns ($PM_{2.5}$), carbon monoxide (CO), sulfur dioxide (SO_2), nitrous oxides (NO_x), lead (Pb), and ozone (O3).

Diptank -- A piece of process equipment used to apply wood preservative to pallet loads of milled wood pieces. The process equipment consists of an open-top tank containing wood preservative and carriages which convey pallet loads of wood pieces into and out of the preservative solution.

Direct participants -- People or organizations representing a variety of stakeholders who work intensively with project sponsors to build a project from the ground up. For example, the CAC is made up of direct participants.

Emissions -- Airborne discharges resulting from sources such as industrial processes.

Emissions Cap -- A limit on total emissions established at a facility.

Environmental Management System (EMS) -- A comprehensive, documented program implemented by a company to promote compliance with environmental laws and promote environmental performance.

Environmental Protection Agency (EPA) -- The federal government agency charged with implementing U. S. environmental laws and the sponsoring agency for XL projects.

EPA 33/50 Program -- An EPA-sponsored program which sought voluntary industry reductions in emissions of certain hazardous substances.

Fibrex™ -- Andersen Corporation's reclaimed wood/vinyl composite used in production of window and patio door components.

Final Project Agreement (FPA) -- The negotiated agreement describing a Project XL pilot.

General Public -- The broad category of people and organizations who are not direct participants in the Project XL development process, but who have an interest in and wish to be informed about progress on the project.

Groundwater Remediation System -- A system designed to remove groundwater contamination. Often, such systems use wells to recover contamination.

Hazardous Air Pollutants (HAPs) -- Air emissions regulated for potentially hazardous effects.

Milling -- Milling operations shall be all those activities that involve the cutting and shaping of wood or Fibrex except that shaping by extrusion shall not be considered milling.

Minnesota Pollution Control Agency (MPCA) -- The regulatory agency charged with implementing environmental laws in the State of Minnesota.

Minnesota XL Permit -- a permit issued under Minn. Stat. 114C authorizing a Project XL pilot in Minnesota and which the parties agree is expected to contain all Federally enforceable air permits.

Multi-media Agreement -- In the context of Project XL, an agreement that encompasses air, water, waste and, potentially, other issues.

New Source Review (NSR)-- The federal regulatory program establishing pre-construction permitting requirements for certain facilities based on the potential emissions of the facility and/or the modification to be permitted.

Non-milling -- Non-milling operations shall be all those activities that generate PM/PM_{10} emissions and which are not milling operations.

PM -- Particulate matter; dust.

PM_{10} -- Small particulate matter less than 10 microns in diameter.

Penta -- Short for Pentachlorophenol.

Pentachlorophenol -- A wood preservative compound that was once widely used.

Prevention of Significant Deterioration (PSD) -- The new source review program for areas that are in attainment or unclassifiable for the Federal ambient air concentration limits.

Project XL -- A Federal program to conduct pilot projects that promote eXcellence and Leadership through negotiated agreements with regulated parties.

Regulatory Innovation -- Efforts to seek more flexible or cost-effective means of attaining beyond compliance results.

Regulatory Flexibility -- The ability of a facility to make certain changes or undertakes certain activities that may otherwise be subject to specific regulatory approval.

Resource Conservation and Recovery Act (RCRA) -- The main federal statute regulating solid and hazardous waste storage, treatment and disposal activities.

Solvent-based -- Coatings that primarily are borne by solvents, usually leading to emissions of VOCs.

Stakeholders -- People and organizations with varying degrees of interest and involvement in a XL project. Stakeholders are categorized into Direct Participants, Commentors and the General Public in XL projects.

Stakeholder Involvement Plan -- The process for informing and involving a variety of people and organizations in the development of a Project XL initiative.

Substantial consensus -- Agreement on a particular position by most members of the Andersen Project XL CAC as outlined in Attachment B.

Superior Environmental Performance (SEP) -- An important requirement for Project XL. Generally, using current actual loading to the environment and assuming continued operation of any voluntary controls, a facility must demonstrate it will attain performance superior to what otherwise would have happened outside of Project XL.

Synthetic Minor Limit -- A permit condition placing federally enforceable emission limits on a facility or modification such that the source or modification falls below an applicable major source or major modification permit threshold.

Title V Air Permit -- An operating permit required under Title V of the Federal Clean Air Act that consolidates all Federal air requirements into one document.

Toxic Release Inventory (TRI) -- The compilation of facility toxic emissions and discharges reported by facilities to state and federal regulators.

Tracking Period -- An increment of time for summarizing business performance. Andersen Corporation operates with an accounting system based on 13 periods per year. The first period of the year is 3 weeks long, the second through twelve periods are 4 weeks in duration and the thirteenth period is 5 weeks. Existing air emission permits require Andersen Corporation to summarize emissions each period.

Volatile Organic Compounds (VOCs) -- Hydrocarbon compounds. VOCs may contribute to the formation of lower atmosphere ozone (smog) and/or may be toxic. Examples of VOC sources include solvents, coatings, and lubricants.

Waterborne Preservative -- A preservative formulation wherein water replaces solvent as the carrier for preservation agents which results in significantly lower VOC emissions on a per unit basis.

I. EXECUTIVE SUMMARY

The Andersen Corporation pilot will be conducted under EPA's Project XL program. The parties to this agreement have four overarching goals in conducting this project at the Andersen Corporation's Bayport Facility:

Goal 1: Improve Environmental Performance

This project will test an innovative performance ratio measurement based on Volatile Organic Compound (VOC) emissions per standard measure of production, referred to hereafter as the "performance ratio." At a minimum, the performance ratio will essentially "lock-in" Andersen's current production methods and processes and will prevent a return to historic solvent-based coating and wood preservative processes, while allowing the company the flexibility to search for even greater efficiencies and emissions improvements. The company will be allowed to increase production levels, without undergoing Prevention of Significant Deterioration (PSD) review for VOC emission changes, as long as VOC emissions remain less than the performance ratio as well as less than a facility-wide VOC cap. The VOC cap is derived from representative actual emissions and production levels.

The performance ratio will provide an innovative experiment in performance-based regulatory approaches. The current command and control system relies on setting "worst case and minimum" compliance levels for regulated sources. The performance ratio is based on measuring and reporting actual environmental performance. This approach is especially important for companies like Andersen Corporation because over the past 10 years they have made significant environmental improvements. Large reductions from this point forward will be incrementally more difficult. The changes already implemented at the Andersen Corporation facilities make current environmental performance highly efficient. Therefore, part of this pilot will be to document that efficiency and encourage further improvements. Traditional command and control regulatory systems have addressed penalties for bad environmental performance but have not focused on encouraging improved performance once a facility is in compliance. The performance ratio approach will have *consequences* for poor performance like the current regulatory system, and will also include *rewards* for better performance. This provides an incentive for Andersen Corporation to continue improvements in the environmental performance of the Bayport Facility. The performance ratio is described in greater detail in Attachment A.

Goal 2: Maximize Local Public Understanding

Community members and other stakeholders will be informed about Project XL through the provision of easily accessible, understandable, verifiable and timely information. Stakeholders will continue to be engaged in the Project XL program through the Community Advisory Committee (CAC), the Andersen Community Update newsletter, Internet postings, news media contacts, open houses, displays and responses to community

inquiries. Goals and objectives, stakeholder descriptions, CAC responsibilities, strategies and tactics are contained in the Andersen Project XL Stakeholder Involvement Plan. This plan accompanies the FPA as Attachment B.

The processes contained in the Stakeholder Involvement Plan ensure that the Minnesota XL permit conditions meet stakeholder needs, and that the Minnesota XL permit language is written in a clear, understandable fashion. The primary role of the CAC is to listen to the public, convey concerns to the company and to forge an accountability link between Andersen and those affected by the environmental performance of the company.

Goal 3: Remove Pollution Prevention Barriers

In broad terms, the intent of this project is to facilitate an extension of Andersen Corporation's environmental stewardship efforts. The company is seeking to implement new products and process technologies that bridge the gap between the level of compliance required under the current regulatory structure and the end goal of environmental and economic sustainability. Among window and door manufacturers, Andersen Corporation has been a market leader in developing and marketing products that advance that goal. Andersen Corporation pioneered the production of high-performance, long-lasting, energy-efficient windows and patio doors. The company continues to develop new, more environmentally efficient products and processes. This Minnesota XL project will shorten the implementation time of such changes by pre-authorizing more environmentally efficient products and processes. The performance ratio and facility emission caps will ensure that emissions from the Bayport Facility will not exceed past actual emissions.

Andersen Corporation also has been an environmental leader with numerous achievements in the area of pollution prevention. In particular, the company achieved an 85% reduction in releases of EPA 33/50 program substances in the period 1988-1995. Through calendar year 1997, and using 1988 as a baseline, Andersen Corporation reduced VOC emissions by 45%, reduced reportable Toxic Release Inventory emissions by 90%, and reduced solid waste landfilled by 96%. In 1995, Andersen Corporation implemented an environmental management system and routinely conducts environmental audits of its facilities. The Andersen environmental management system is a critical element of the Andersen environmental program.

One example of how this project will remove pollution prevention barriers is through the facilitation of an expanded use of Fibrex material in Andersen Corporation products. Andersen Corporation research and development efforts led to the development of the Fibrex composite material, which is a combination of reclaimed sawdust and vinyl. Window components manufactured from Fibrex composite offer performance characteristics similar to the existing vinyl-clad wood components. Currently, Andersen Corporation is using Fibrex composite technology in their Renewal™ replacement window product line and has introduced Fibrex composite components into some core product lines. This Project XL agreement encourages further expansion of Fibrex composite production.

The expanded use of Fibrex composite is beneficial for several reasons. The first reason is the reduced dependence on virgin wood materials. The manufacture of Fibrex composite allows for the use of wood byproduct materials, rather than the use of virgin wood. The second reason expanded use of Fibrex composite is beneficial is that it requires no wood preservation treatment. Wood preservation treatment accounts for a substantial amount of VOC air emissions from the Bayport Facility. Thus, expanded use of Fibrex composite will result in substantial reductions in the emissions of VOCs per unit of production. Refer to Table 1 for a comparison of air emissions for the traditional vinyl clad wood parts versus Fibrex composite produced parts.

Table 1. Air Emissions Comparison: Vinyl Clad Wood to Fibrex composite
(Based on 1,000,000 standard size window pieces)

Type of Emission	Vinyl-Clad Profile Air Emissions (tons)	Fibrex Profile Air Emissions (tons)
VOC	96.2 tons	5.6 tons
PM/PM_{10}	0.69 tons	1.88 tons
HAP	0.19 tons	0.03 tons

Finally, Fibrex composite creates a high value usage of certain Andersen byproduct materials, and is itself completely recyclable into new Fibrex composite components, thus completing a product stewardship circle of Fibrex composite to Fibrex composite.

A second key example of how this project will remove pollution prevention barriers involves the preservation of wood components. Andersen Corporation has worked with suppliers to develop waterborne wood preservative formulations that provide the same product performance as their solvent-based predecessors. The VOC content of waterborne formulations is typically 10–30% that of the traditional solvent-based formulations. Since 1990, Andersen Corporation has installed or converted 12 preservative wood treatment systems to waterborne preservatives to replace older solvent-based preservative processes. Greater than 50% of the wood window and doorframe components are now preserved with a waterborne wood preservative formulation, which has reduced VOC emissions by over 350 tons annually. This agreement will facilitate increased use of existing waterborne wood treatment systems and the installation of additional waterborne wood treatment systems. Also, Andersen will attempt to cease operation of the oldest of its two diptanks within five years of the start of the project. Refer to Table 2 for a comparison of air emissions per unit of production from traditional solvent-based wood preservation processes versus waterborne processes.

Table 2. Air Emissions Comparison: Solvent-based to Waterborne Wood Treatment
(Based on 1,000,000 standard size window pieces)

Type of Emission	Solvent-based Wood Treatment Air Emissions (tons)	Waterborne Wood Treatment Air Emissions (tons)
VOC	87.0 tons	13.3 tons
HAP	0.16 tons	0 tons

These two tangible examples demonstrate Andersen's historical commitment to pollution prevention and innovation. While these examples are not intended to represent numerical per unit emission reduction commitments by Andersen, they do illustrate the potential environmental improvement that will accompany expanded production of Fibrex composite components and waterborne wood treatment under the agreement. Further, the flexibility in this agreement allows Andersen to explore and implement other as yet unidentified pollution prevention measures. With the performance ratio acting as an incentive and given the flexibility to innovate, Andersen is committed to continued improvement.

Goal 4: Minimize Administrative Burden for Regulatory Agencies and Andersen Corporation

Following the execution of this agreement a streamlined Minnesota Project XL multi-media permit (Minnesota XL Permit) will be developed and issued by the MPCA. The Minnesota XL Permit will, to the extent possible, combine air, hazardous waste, and water discharge conditions at the Bayport Facility into one Minnesota XL Permit, and will include the federal air permit for the Bayport Facility as required by 40 CFR Part 70[1]. During the development of the multi-media Minnesota XL Permit, overlapping or conflicting conditions from existing permits will be combined or reconciled, as allowed by applicable requirements. The Minnesota XL Permit will, to the extent possible, reduce the administrative burden through simplified monitoring, reporting and recordkeeping.

II. PROJECT DESCRIPTION

A. Purpose

This Final Project Agreement ("FPA") states the intentions of the U.S. Environmental Protection Agency ("EPA"), the Minnesota Pollution Control Agency ("MPCA"), Washington County and Andersen Corporation ("Andersen"), in cooperation with the CAC, to carry out a

[1] The Minnesota XL Permit will be a consolidation of Andersen's various environmental obligations, will contain the Clean Air Act Title V, minor NSR, and PSD permits and will be issued subject to public notice and comment and opportunity for EPA objection and public petition.

pilot project as part of EPA's Project XL program to develop innovative approaches to environmental protection.

This FPA is intended to be a joint statement of the plans, intentions and commitments of the parties with regard to the project approved for implementation at Andersen's Fourth Avenue Site and the Andersen West Site. This FPA is not intended to create legal rights or obligations and is not an enforceable contract or a regulatory action such as a permit or a rule. This applies to both the substantive and procedural provisions of this FPA. Thus, for example, this FPA establishes procedures that the parties intend to follow with respect to termination under the FPA. However, while the parties fully intend to follow these procedures, they are not legally obligated to do so. The parties intend to implement the enforceable commitments, federal and state regulatory flexibility, monitoring, recordkeeping, and reporting provisions of this FPA through rulemaking and/or the Minnesota XL Permit. The terms and conditions of these legal mechanisms will be legally enforceable, though this FPA itself is not legally enforceable. Because it is not legally enforceable, this FPA is not an agency "action" that could be reviewed; in addition, no action or omission by any party to this FPA could give rise to any claim against the party for penalties, damages or other compensation based solely on the claim that the action was at variance with a provision or provisions of this FPA. All parties to this FPA will strive for a high level of cooperation, communication, and coordination to assure successful, effective, and efficient administration of the project.

B. Bayport Facility Description

The Andersen Corporation is a leading manufacturer of durable, energy efficient, high performance clad wood windows and patio doors. Andersen's main manufacturing plant is at 100 Fourth Avenue North in Bayport, Minnesota (Fourth Avenue Site), along the St. Croix River, a federally designated "Wild and Scenic River," which forms the border between Minnesota and Wisconsin.

Operating in the St. Croix Valley since 1903, Andersen has demonstrated a long-term ethic of stewardship. This ethic is reinforced by the high level of environmental performance of the current Andersen operations. Andersen employs approximately 3,000 people at its Fourth Avenue Site. Existing Fourth Avenue Site manufacturing facilities are located on 110 acres, consisting of 78 buildings, most of which are interconnected. Manufacturing and related processes at Andersen include wood cutting and milling, wood preservative application, painting, vinyl processing, adhesive operations, by-product transfer, wood-fired boilers, assembly operations, technology development, production support and maintenance functions.

The Andersen West Site is located at 4001 Stagecoach Road North, on the western boundary of Bayport. The Andersen West Site is located approximately one mile West of the Fourth Avenue Site and is intended, in part, to be a support operation for the Fourth Avenue Site. The property was purchased by Andersen in 1994 to provide expansion space for its various operations. The site is 245 acres in total size. Of that acreage, approximately 150 acres are

suitable for development. The remaining acreage not able to be developed includes a wetland, a bluffland tract that the Company has placed in a conservation easement, and 3 probable Native American Burial sites. A site suitability study is currently underway to identify the best possible use(s) for the site.

C. Basic Elements of the Project

Reflecting Andersen Corporation ideals and the goal of continually increasing the efficiency of their manufacturing operations, the Bayport Facility is committed to source reduction, materials substitution, recycling and pollution control (in descending order of preference). The Bayport Facility commits to continue its environmental stewardship efforts over the ten-year life of this Project XL pilot. The Andersen commitments contained in this FPA will promote a positive overall impact on the environment, the local community, and employee health and safety.

1. Air Emissions

The air portion of this project establishes a baseline for environmental performance based on current production methods and processes. The baseline, which is expressed as pounds of VOC emitted per standard measure of production (the performance ratio), is described in detail in Attachment A. One of the primary purposes of this project is to allow Andersen to expedite efforts to convert production of window and door components to more environmentally efficient processes, such as Fibrex composite, waterborne preservative treatment, and higher solids paint coatings. These types of processes result in fewer VOC emissions than traditional solvent-based processes. In addition, the project will facilitate the potential use of Fibrex composite technology for other building material applications.

To expedite this conversion to more efficient processes, the MPCA and EPA will allow Andersen to modify and add VOC and milling and non-milling PM/PM_{10} sources without additional PSD approvals, and eliminate certain existing VOC synthetic minor limits at the Fourth Avenue Site[2]. Several limits on emissions will remain in effect, with some

[2] The **certain existing synthetic minor limits** that will be eliminated pursuant to the site-specific rule and permits accompanying this project are:
(1) VOC limits on five waterborne inline wood treatment systems in the main facility, which are specified in permit number 549-90-I/O-2;
(2) VOC limits on five waterborne inline wood treatment systems in the door subplant, which are specified in permit number 549-90-I/O-2;
(3) VOC limits on two waterborne inline wood treatment systems, which are specified in permit number 16300001-017; and
(4) VOC limits on three solventborne paint systems in the door subplant, which are specified in permit number 549-90-I/O-2.

(Footnote Continued On Next Page.)

revisions, for the Andersen West Site. These are limits that were taken in a previous state permit action. In addition, existing VOC synthetic minor limits on the diptanks will be combined into one rolling limit. As required by an existing synthetic minor limit on the door plant paint lines, Andersen will continue to operate a catalytic oxidizer to control VOC emissions until such time that the conditions listed in Section II.D.1 of this FPA are satisfied.

Andersen will agree to accept an enforceable performance ratio, an incentive structure that encourages a lower performance ratio, and enforceable mass emission caps on VOC and non-milling PM/PM_{10} emissions at the Bayport Facility, as well as a subcap on milling and non-milling PM/PM_{10} emissions for the Andersen West Site. Andersen will perform a PSD analysis and meet all applicable PSD requirements to receive a PSD permit consistent with 40 CFR 52.21, which will be contained in the Minnesota XL permit, for its milling equipment in order to remove the current synthetic minor limitations for PM/PM_{10}. Andersen also commits that any new paint and preservative processes will perform as well as existing environmentally efficient processes. Andersen will control all milling operations with the best available control technology (BACT), which the parties believe to be baghouse filters. Andersen will complete a PSD analysis to determine BACT.

Andersen's Title V permit, which will be included in the Minnesota XL permit, will also contain provisions approving in advance some changes anticipated at the facility. An example of possible permit provision for a preapproved change is included in Attachment D to this FPA. Any such provision will describe the preapproved changes and specify applicable requirements (including monitoring, recordkeeping, and reporting).

In addition, Andersen will ensure that air toxic levels remain below risk-based levels and will attempt to cease operation of the oldest of the two diptanks within five years after the start of the project.

2. Hazardous Waste Management

There are two components related to hazardous waste management issues which are incorporated into this Project XL pilot. The first relates to Andersen experimenting with recycling old windows and the second relates to the management of process equipment that previously came into contact with pentachlorophenolic wood preservative.

No other existing synthetic minor limits included in permit numbers 549-90-I/O-2 and 16300001-017 are being eliminated under this project.

a. Window Recycling.

Andersen plans to continue evaluating the concept of recycling windows as feedstock for the Fibrex composite process. This entails collecting old window components from buildings where replacement windows are being installed, removing the paint (some of which may contain lead), processing the lead for reuse, reclaiming the glass for beneficial use, and using the wood as feedstock for the Fibrex composite processes. Andersen has proposed to manage its window take-back program without invoking RCRA treatment, storage, and disposal facility conditions that may otherwise be applicable. EPA, MPCA, and the County will consider providing Andersen with relief from these requirements, if necessary.

This window take-back program could divert waste materials from disposal in landfills while also helping to reduce Andersen's reliance on virgin timber. However, there are unresolved questions such as how Andersen would remove any lead based paint, the economic viability of such a program, a timetable for implementation, and what regulatory relief, if any, would be required to implement such a program. Because there is potential for significant environmental benefit in a window take-back program, MPCA, the County, and EPA encourage Andersen to further develop this idea.

Andersen agrees that it will continue to study and evaluate this idea and by no later than two years from the effective date of this agreement present its findings to the CAC, MPCA, the County, and EPA. At that time, Andersen may propose that the project be implemented as an amendment under Section V of this agreement. EPA, MPCA, and the County agree to expeditiously act on any such proposal.

b. Process Equipment Management.

In consideration of and based on the circumstances described below, the MPCA, and to the extent necessary, the County also plan to provide Andersen with flexibility regarding the management and disposal of wood-treatment process equipment that previously came into contact with pentachlorophenolic preservative, once Andersen elects to discontinue operation of the equipment. The specific details of this flexibility are included in Section II.E.2 of this FPA, and Andersen's alternative commitments related to this equipment are set forth in Section II.D. None of the flexibility described in this document involves federal waste requirements or policies. Andersen is allowed to manage any waste metal materials resulting from the decommissioning of the process equipment by recycling using a metal smelting operation provided the metal has met cleaning criteria set by the metal smelter. Groundwater beneath the process equipment is being remediated through a Superfund Consent Order with the State through a pump and treat system. The soils are being indirectly remediated through the groundwater pumpout system at the site, due to fluctuating groundwater levels at the site. The decommissioning of the process equipment will not invoke additional

investigation and remediation requirements, unless soils are exposed through site reconstruction or development activities facilitating access to the dip tank and floodcoater reservoir areas. As part of obtaining this flexibility, Andersen will continue to seek opportunities to enhance its groundwater remediation system.

By way of background, as part of Andersen's manufacturing process, cut and milled wood parts are treated using a solvent-based wood preservative formulation. Prior to March of 1986, a pentachlorophenolic preservative formulation was used in the west process diptank and former floodcoater, two of Andersen's wood-treating operations. Since that time, Andersen has only used non-pentachlorophenolic wood preservatives. The floodcoater was taken out of service in 1992. When taken out of service the tank liner was left in place, cleaned, filled with sand, and capped with concrete. As part of this FPA, Andersen has committed to a project goal of phasing out and discontinuing the use of its west process diptank. Phasing out of this tank means that the tank needs to be permanently decommissioned. Both the west diptank and the floodcoater reservoir tank have a steel liner encapsulated in concrete. The steel liner is epoxy coated. The concrete outer structure is anchored to the building structural system. Removing either of the tank steel liners cannot be accomplished without severely damaging the concrete outer tank and possibly compromising the structural integrity of the building. Once the west diptank operations are discontinued, metal carriages and other metal parts that previously came into contact with the pentachlorophenolic preservative will be cleaned and removed to the specification of the metal smelting operation used for recycling the material. Those parts that never came into contact with the pentachlorophenolic preservative will be handled properly outside the hazardous waste rules.

Regarding soil beneath the tank and floodcoater, on September 1, 1982, a faulty valve on a railroad car resulted in the accidental release of a pentachlorophenolic wood-treating solution. Subsequent investigation indicated that the contamination extended to the area around Andersen's wood treating operations. Andersen entered into a "Superfund" Consent Order on January 27, 1987 with the MPCA. Since that time, Andersen has been actively remediating the release of pentachlorophenolic solution. As part of the Consent Order, Andersen installed an extensive groundwater monitoring system, including an active groundwater pumpout system, and instituted an in-situ bioremediation system. As a result of Andersen's efforts, the extent of pentachlorophenolic contamination has receded considerably. In addition, the system has prevented groundwater contaminants from migrating to the St. Croix River.

In 1995, Andersen and the MPCA also entered into a Corrective Action Agreement, which currently regulates the decommissioning of the wood-treating equipment and any releases from the tanks. The Corrective Action Agreement allowed Andersen to leave the decommissioned floodcoater reservoir in the ground while Andersen was in the process of eliminating the wood treatment operations in Building 15. Because administrative efficiency and consistency are highlights of Project XL, this project

presents an opportunity to terminate the Corrective Action Agreement and have Andersen operate under this FPA, the Minnesota XL permit, and the 1987 Consent Order.

U.S. EPA Region 5 defers to the judgment of the authorized state in this case, and therefore believes that no federal regulatory relief under RCRA is needed pursuant to this XL project.

3. Other Environmentally-Beneficial Components

Andersen will continue to use its environmental management system (key features of which are described in Attachment C) to move beyond compliance. For example, the environmental management system (EMS) requires the establishment of ongoing pollution prevention goals. It also incorporates Andersen's beyond compliance efforts to maintain its tank and stormwater inspection programs, verify compliance with applicable environmental requirements and screen all new materials used at the Bayport Facility for adverse environmental impact.

D. Specific Andersen Commitments

Commitments under this agreement fall into two general categories: enforceable commitments and project goals. The first category, enforceable commitments, will be implemented through a federal site-specific rule proposed at the same time as this FPA and a Minnesota XL Permit which will be developed and issued subsequent to execution of this Final Project Agreement. Enforceable commitments will be subject to the same enforcement mechanisms as exist under current law. The enforceable commitments that EPA, MPCA, Andersen, and the CAC anticipate are designed to meet the requirements for superior environmental performance under the project. The second category, project goals, is discussed in this Final Project Agreement. Andersen will make every reasonable effort to meet the project goals. Although the project goals are not enforceable in the same way as the enforceable commitments, they are no less important to the success of the project. Furthermore, not meeting the project goals could result in actions to end the pilot project and phase Andersen Corporation back into the existing regulatory structure.

1. Enforceable Commitments for Superior Environmental Performance

The following commitments will be incorporated in the legally enforceable mechanisms that will implement this Project XL pilot. If Andersen fails to comply with these commitments, Andersen will be in a state of noncompliance and potentially be subject to the enforcement actions that are available under law. All conditions that will be set forth in the Andersen Minnesota XL permit will be subject to public review at the time the permit is proposed.

a. Enforcement Limit for VOC Air Emissions

The parties will calculate a five-year average performance ratio of pounds of VOCs emitted per volume of production as outlined in Attachment A.

b. Air Quality Emission Caps

MPCA will issue a Minnesota XL Permit to Andersen that will set facility-wide air emission caps. A cap on VOC emissions of 2,397 tons per year will be established for the Bayport Facility, with a subcap of 96 tons per year at the Andersen West Site. In addition, the existing VOC synthetic minor limits on the diptanks shall be combined into one rolling average limit of 1573.9 tons per year. The Minnesota XL Permit will also include an enforceable cap for non-milling PM/PM_{10} emissions of 184.6 tons per year that will apply to the Bayport Facility. The Andersen West Site also will be subject to a separate limit for total PM/PM_{10} (milling and non-milling) of 96 tons per year.

c. Particulate Emission through Bag Filters

Andersen will control all existing and future milling operations with baghouse filters. Baghouse filters have been shown by others to be capable of achieving an emission rate equal to best available control technology (BACT). Andersen will meet all applicable PSD requirements for its PM/PM_{10} emissions consistent with 40 CFR 52.21 and the Minnesota XL Permit will include the PSD permit for the milling equipment. MPCA will issue this Federal permit under its delegation of authority from EPA.

In accordance with 40 C.F.R. Section 52.21(j)(4), Andersen and MPCA shall review and modify as appropriate the BACT determination for milling operations (e.g., search the control technology databases to determine if baghouses continue to meet BACT for milling operations). If baghouses no longer meet BACT, the permit will be reopened to address future milling modifications.

d. Control of Door Plant Paint Lines

Andersen will continue to control the door plant paint line emissions with a catalytic oxidizer until they receive MPCA's approval to discontinue the use of the control equipment. MPCA shall give approval once Andersen demonstrates that:

(i). In accordance with the MPCA Health Risk Assessment as described in Section II.D.1.f of this FPA, shut down of the catalytic oxidizer will not represent an unacceptable risk to public health;

(ii). Andersen's overall reduction of VOC emissions on a per unit basis is sufficient to ensure continued compliance with the per unit production limit and the VOC cap; and

(iii). The CAC has agreed to the shut down of the oxidizer.

Once the oxidizer is shut down, Andersen may use it to control VOC emissions elsewhere at the facility, leave it in place and available for use on door plant paint line emissions, or, with MPCA approval, dismantle it. If Andersen elects to dismantle the oxidizer, it does so with the express understanding that it may be required to reinstall the oxidizer or other appropriate control equipment if necessary to comply with project emission limits during the project term or applicable emission limits at the end of the project term. In addition, costs associated with retrofitting or installing an oxidizer, if necessary, will not be factors in determining whether an oxidizer is appropriate or required. Finally, the cost savings associated with shutting down the oxidizer must be shown to be reinvested in VOC emission reduction projects. This demonstration will be included in the Annual Report described in Section III.G. of this FPA.

e. New or Reconstructed Paintline and Preservative Processes

Any new or reconstructed paintline or preservative application equipment as defined below, installed by Andersen during the course of this project, shall meet the following emission limits established based on the current best performing processes at Andersen:

Any new or reconstructed paintline shall not emit at a rate greater than 4.5 pounds of VOCs per gallon of coating applied.

Pretreatment shall be applied in an enclosed chamber. Any solvent-based pretreatment process shall be equipped with a solvent recovery reclaim system or control equipment such that VOC emissions remain less than the paintline limit.

Any new or reconstructed preservative application process shall not emit VOCs at a rate greater than 2.0 pounds per gallon of preservative used.

For purposes of this requirement, paintline means any process by which window or door parts receive a surface coating in an automated inline process.

Preservative application equipment means any equipment where wood parts that are not intended to be painted are treated with a wood preservative, whereas, pretreatment refers to a coating applied prior to painting.

New process means any paintline or preservative equipment not currently existing at Andersen that emits at rates greater than minor permit amendment emission levels as defined by Minnesota Rule §7007.1450, Subp.2.

Whether this requirement applies to paintline or preservative equipment shall be determined in accordance with the requirements of 40 CFR §60.15.

f. Health Risk Analysis for Toxic Air Emissions

Andersen will conduct a health risk analysis for toxic air emissions. The health risk analysis will be based on a process established jointly by Andersen and the MPCA, in consultation with the CAC, utilize current Minnesota air toxics guidelines, and ensure chemical usage at the Bayport Facility is at acceptable levels for protection of public health from acute, subchronic, chronic, and carcinogenic effects. The MPCA basis for determining these levels is EPA's Integrated Risk Information System (IRIS), Health Effects Assessment Summary Tables (HEAST) for chronic and carcinogenic effects, Minnesota Department of Health (MDH) Health Risk Values and other values approved by the MPCA, MDH and Andersen.

g. West Process Diptank and Floodcoater Closure

The MPCA will include in the Minnesota XL permit conditions addressing the closure of the west process diptank and the floodcoater. When Andersen discontinues its operation of the west process diptank, if that tank cannot be certified clean under Minnesota Rules pt. 7045.0145, the following conditions shall apply:

(i). In accordance with Minnesota Rules pt. 7045.0120, all hazardous waste shall be removed from the diptank within 90 days of ceasing operation;

(ii). Andersen will remove all metal parts that have contacted the penta-containing wood preservative and recycle the material using a metal smelting operation; and

(iii). Andersen will provide verification acceptable to the MPCA that the parts were properly disposed.

At this time, due to structural problems with removing the tank liner, Andersen plans to leave the steel tank liner from the west process diptank in the ground, clean it, fill it with sand, and cap it with concrete. The floodcoater was shut down in 1992. The floodcoater steel tank liner has already been cleaned, filled with sand and capped with concrete. The following conditions apply to leaving the west diptank and floodcoater tank liners capped in place:

(iv). A property deed affidavit condition shall be placed in the permit noting the location of the tanks, and should the permit be revoked, or not be reissued, the tank location note shall be carried forward to a property deed affidavit filed with the county; and

(v). If the tanks are removed Andersen will test the adjacent soils, and will submit a plan to address the sand fill material, the soil under the tanks and the tanks themselves for MPCA review and approval.

(vi). During the active life of the diptanks any waste generated from new preservative formulations must be evaluated and managed in accordance with appropriate regulations.

2. Project Goals

a. Performance Ratio Measurement

In addition to the enforcement limit referenced in part II.D.1.a above, this project will test an innovative performance ratio measurement, which will provide an indicator of the environmental efficiency of the Andersen Bayport Facility. This agreement provides incentives for Andersen to further reduce the ratio. These incentives are described in Attachment A. A project goal is to fully evaluate this type of performance measurement approach.

b. Process Diptanks and Floodcoater Reservoir

Andersen has two active diptanks it uses to apply solvent-based wood preservative. The diptanks are used to apply wood preservative to an array of different window and door parts and also serve as back-up equipment for in-line waterborne preservative processes. Andersen will attempt to cease operation of the oldest of the two process diptanks (west process diptank) within five years after the start of the project. This will result in a reduction of VOC emissions of approximately 180 tons per year, as well as a reduction in hazardous waste generation of 250 gallons per year.

If Andersen decides to remove the west process diptank or floodcoater tank from the ground, Andersen will evaluate options for removal of the epoxy coating.

c. Ground Water Remediation Enhancement.

In consultation with MPCA, Andersen will continue to seek ways to enhance its groundwater remediation system. For example, additional oxygen and nutrients may be added to the existing in-situ bioremediation system, to further accelerate decomposition of penta-molecules in the groundwater within the contaminated zone.

d. Stakeholder Involvement and Public Outreach

Stakeholder involvement and participation is vital to the success of the Andersen Project XL program. Andersen will continue to provide administrative support to the Andersen CAC that was established in December 1997. The CAC serves as the

primary contact with the community and other stakeholder groups, conveying concerns to the community and forging an accountability and communication link between the community and the company.

The work of the CAC is based on the Stakeholder Involvement Plan, which is included, as Attachment B. Andersen will continue outreach work with all stakeholders using the strategies and tactics contained in the plan. Andersen will continue to provide procedures to allow for ongoing discussion with the community on issues of odor, noise, traffic or other topics of community concern.

Andersen will include, as a regular part of each CAC meeting agenda, an opportunity for residents (whether or not they are members of the CAC) to raise concerns with Andersen. As a part of this regular CAC discussion, Andersen will report to the CAC the status of issues that have been previously raised and discussed.

e. Environmental Management System (EMS)

Andersen will operate pursuant to its existing environmental management system (EMS). The EMS establishes a continuous improvement process, protocol for implementing pollution prevention projects, and provides the means by which Andersen verifies compliance with applicable environmental requirements. Andersen will utilize the EMS as the mechanism to implement the commitments of this project and verify conformance with these commitments.

f. Specific Pollution Prevention Goals

Andersen has a number of pollution prevention goals in their Corporate Pollution Prevention Plan. This agreement will encourage and help facilitate the continued pursuit of these goals, which are:

- Eliminate the use of TRI chemicals (90% reduction since 1988)
- Reduce the use and emissions of VOCs (45% reduction since 1988)
- Minimize the generation of solid and hazardous waste (96% reduction in landfill since 1988)
- Minimize well water consumption (45% reduction since 1988)
- Improve health and safety in the workplace (pollution prevention projects have resulted in reductions in workplace exposures)
- Improve product quality, durability, and performance (pollution prevention projects have resulted in positive impacts on product quality, durability, and performance)

E. Regulatory Flexibility

This section is primarily intended to describe the enhanced regulatory flexibility provided under the Project XL pilot. This document discusses all Federal and State flexibility believed to be necessary to achieve the goals of this project. The parties do not anticipate the need to waive any additional State requirements, but if such action is necessary, it will be contained in the Minnesota XL permit which will be subject to public notice and comment.

1. Air

The installation or modification of large emission units at Andersen's Fourth Avenue Site is currently subject to PSD regulations. To avoid PSD review, a facility may accept a "synthetic minor limit", which restricts the new or modified unit's emissions below applicable major source or modification threshold levels. Andersen's Fourth Avenue Site is currently subject to 8 different VOC synthetic minor limits. Under this project Andersen has requested relief from specific current synthetic minor limits at the Fourth Avenue Site. As a result, EPA plans to propose and promulgate (subject to public review and comment) a site-specific regulation that would revise 40 CFR 52.21 (r)(4) and 40 CFR 52.21 (b)(3)(ii)(a) as to Andersen. This regulation would enable MPCA to issue a permit that eliminates specific synthetic minor air emission limits on VOCs that apply to the Fourth Avenue Site, so long as certain conditions described in the rule are satisfied.

In order to release Andersen from exiting synthetic minor limits on PM/PM_{10}, Andersen must receive a PSD permit as required by 40 CFR 52.21 (r)(4). The Minnesota XL permit must meet the applicable PSD requirements for all milling equipment, and the permit must be issued pursuant to the requirements in 40 CFR 52.21. The MPCA has been delegated the authority to issue PSD permits in the State of Minnesota subject to administrative review before the EPA's Environmental Appeals Board.

In order to streamline certain Title V and minor NSR permit modification requirements, the permit will pre-authorize certain types of changes. Generally, the permit will include sufficiently detailed descriptions of the preauthorized changes for compliance purposes and to give the public sufficient notice of the types of changes that will be authorized. The descriptions will also identify all applicable requirements that would apply to the proposed change, including requirements for periodic monitoring and recordkeeping.

The permit will also allow Andersen to modify or add VOC units and modify or add non-milling PM/PM_{10} units as long as the Bayport Facility VOC and PM/PM_{10} emissions remain below the caps established in the permit. The permit will allow Andersen to install additional milling equipment as long as that equipment is exhausted through baghouse filters, and emissions meet PSD requirements to the extent applicable. The PSD analysis will be completed assuming a specified future milling capacity based on airflow. Assumptions will need to be made about the distribution of the milling emissions for the ambient impact analysis. Andersen will then be able to add or modify milling equipment

up to the analyzed capacity as long as the assumptions used in the ambient analysis are met, and as long as baghouses continue to meet BACT. Bayport Facility additions or modifications involving emissions of criteria pollutants other then VOCs and PM/PM_{10} will be subject to any permitting conditions that would otherwise apply based solely on those other emissions.

During the course of this project, Andersen may decide to replace one or more of its sawdust-fired boilers with natural gas boilers or retrofit existing boilers to burn natural gas. Such replacement or retrofit should result in significant emission reductions. Because no replacement project has been defined at the present time, and any such activity is likely to occur sporadically during the term of the agreement, no advance authorization for any boiler replacement is being granted. If Andersen proposes a replacement or retrofit project during the term of the agreement, the agencies will seek to streamline, to the extent possible, approval of such project; will evaluate whether such project qualifies for the pollution control project exemption to new source review; and will consider requests for additional regulatory flexibility necessary to facilitate the boiler project.

2. Waste

As discussed in Section II.C.2.b., Andersen will obtain flexibility related to its wood-treating process equipment. Specifically, the Corrective Action Agreement dated May 4, 1995 between the MPCA Hazardous Waste Division and Andersen Corporation will be terminated, and all remediation activities related to the dismantling of Andersen's wood-treating equipment in Building 15 are to be managed and controlled through the commitments in this FPA, the Minnesota XL permit and the January 27, 1987 Consent Order between Andersen and the MPCA. Currently, the May 4, 1995 Corrective Action Agreement requires the shut down and removal of both diptanks and the floodcoater. However, the MPCA agrees with Andersen that the actual removal of the tanks is not warranted environmentally. Since that Agreement was entered into, it has been determined that the East diptank never used penta-based preservatives. The floodcoater has already been closed and cleaned, and the West diptank will be cleaned when it is no longer used. Based on groundwater monitoring data, the tanks do not now leak and will not likely add any contamination to the groundwater beyond that already present from soil contamination due to the rail car spill, which is being effectively remediated through Andersen's groundwater treatment system. Continued operation of this groundwater system will be required by the Superfund Consent Order, which will remain in effect.

Andersen will be allowed to keep the floodcoater tank filled and capped in place, and upon permanent shutdown, Andersen will be allowed to fill and cap in place the west process diptank.

In addition, Andersen will be allowed to manage the metal components of its dismantled wood-treating equipment originating from Building 15 by transporting the components to metal smelting operations.

F. Reward Limit Options

To provide additional incentives for Andersen to achieve superior environmental performance, MPCA and U.S. EPA have agreed to include rewards as part of the project. If Andersen's performance ratio decreases below the reward limit, as outlined in Attachment A, Andersen will qualify for one of several different rewards related to the project.

1. Recognition by U.S. EPA and MPCA

For each period in which Andersen's performance is below the reward limit, U.S. EPA and MPCA will provide a letter from high-ranking Agency officials describing Andersen's overall environmental performance. Andersen can publicly distribute the letters.

2. Addition of Mini-Projects

For performance below the reward limit for more than 3 reporting tracking periods, Andersen may prepare and present to MPCA and U.S. EPA other innovative projects which Andersen would like to include as part of this XL project. To be approved any mini-project would have to be much smaller in scope than the current project. Incorporation of any such mini-project into this XL project shall be accomplished in accordance with the Section V amendment provision of this Agreement.

3. Extension of the Project Duration

For performance below the reward limit for 13 tracking periods or more, Andersen may request an extension of the duration of the current project. If Andersen chooses this reward, Andersen would have to demonstrate to U.S. EPA and MPCA that extension is not only consistent with the goals of the current project, but also that the extension is consistent with U.S. EPA rules and policy concerning the duration of plant-wide applicability limit permits. Any such extension would be treated as a modification of Andersen's Minnesota XL Permit and be subject to applicable public notice and comment requirements.

G. Compliance Verification

The parties and the CAC have agreed to a basic framework for monitoring, reporting, and recordkeeping under the Minnesota XL Permit. The framework for the VOC and PM/PM_{10} conditions is set forth in Attachment D. The final details of the VOC and PM/PM_{10} monitoring, recordkeeping, and reporting conditions will be contained in the Minnesota XL Permit. The Minnesota XL Permit will be subject to public notice and comment. Details of the State hazardous waste generator related monitoring, recordkeeping, and reporting conditions will be included in the Minnesota XL Permit.

With respect to VOC emissions, Andersen has agreed to report two unique parameters to confirm environmental performance. The first, a measure referred to as the performance ratio (Attachment A), is a measure based on VOC emissions per standard measure of production, as well as a VOC subcap at the Andersen West Site. The second measure, referred to as the facility-wide VOC cap, is a measure based on total VOC emissions from the Bayport Facility. Concerning PM/PM_{10} emissions Andersen will track compliance with a facility-wide cap for non-milling equipment and a total PM/PM_{10} cap (milling and non-milling) at the Andersen West Site. In addition, for all milling equipment, Andersen will satisfy all applicable PSD requirements, and track compliance in accordance with the PSD regulations and policy.

Compliance with the VOC performance ratio, the facility-wide VOC cap, the Andersen West Site VOC subcap, and the remaining VOC synthetic minor limit on the diptanks will be verified every tracking period. For the facility-wide VOC cap, the Andersen West Site subcap, and the VOC synthetic minor limit on the dip tanks, compliance will be determined by summing the 13 most recent tracking periods of data. For the performance ratio, compliance will be determined by averaging the most recent 13 tracking periods. These rolling limits will then be compared to the established, applicable permit limits to determine compliance.

Compliance with the non-milling PM/PM_{10} caps and the total PM/PM_{10} Andersen West Site limit will also be verified each tracking period by summing the 13 most recent tracking periods of data. For milling control equipment compliance may be determined through visual inspection of the baghouse filters to ensure that they are being properly operated and maintained and to ensure that the BACT limit is being met.

Performance with respect to these permit limits shall determine compliance for each day in the tracking period.

Andersen will report its compliance status to the CAC at least semi-annually. In addition, Andersen will be subject to routine inspections. However, the parties expect that, as Andersen maintains a consistent record of compliance with the conditions of the Minnesota XL permit and effective communication with the CAC, the frequency of inspections may decline.

III. PROJECT XL ACCEPTANCE CRITERIA

A. Environmental Results

As set forth in Section II.D. above, this agreement contains a series of enforceable commitments and project goals designed to enhance environmental performance throughout the duration of this project. Again, the core element of this proposal is the performance ratio, which is designed to promote continuous environmental improvement. In addition, Andersen has provided a number of other specific commitments also outlined in Section II.D.

B. Cost Savings/Paperwork Reductions

The project will result in cost savings to Andersen and the agencies by eliminating certain synthetic minor limits and allowing flexibility for most modifications under the facility-wide caps. In addition, flexibility from MPCA on the regulation of the diptanks will result in other savings. The parties believe that specific long term cost savings and paper work reduction will be realized in the following areas:

1. Air Permit Amendments

After the initial Minnesota XL Permit is issued, few or no air permit amendments will be required as a result of this project. This will result in administrative and paperwork savings for the Bayport Facility, EPA, and MPCA.

2. Streamlined Minnesota XL Permit Compliance

The parties will, to the extent possible, streamline the Minnesota XL Permit compliance requirements. Attachment D outlines the conditions that will be included in the Minnesota XL Permit.

In addition, the parties will look for opportunities to draft compliance conditions in the Minnesota XL Permit that are consistent with Andersen's existing EMS, to build on the company's existing practices and to avoid duplicative or inconsistent compliance requirements.

3. Combined Reporting and Recordkeeping

In the Minnesota XL permit, the parties intend to streamline Andersen's reporting and recordkeeping requirements to the extent allowed by applicable requirements and EPA guidance (e.g., the White Papers on Title V permits). The goal will be to reconcile duplicative and overlapping conditions, and to synchronize reporting and recordkeeping timelines. Methods to measure the cost savings and paperwork reductions will be tracked when implementing combined reporting and recordkeeping.

In the course of developing the Minnesota XL permit, MPCA and Andersen may identify streamlining opportunities not currently allowed by applicable requirements and EPA guidance. In that event, Andersen and MPCA may request regulatory flexibility from specific reporting and recordkeeping requirements. If the parties agree that flexibility from a specific applicable requirement would be consistent with Project XL criteria and enhance the Andersen XL project, and that such flexibility is not currently allowed by applicable requirements or EPA guidance, the parties may, through an appropriate legal mechanism, incorporate the regulatory flexibility into the Andersen XL project. For example, EPA may, in accordance with any applicable public notice and comment requirements, propose amendments to the site-specific rule, if necessary, for the Andersen XL project.

4. Emergency Response Planning and Training Integration

Current state and federal regulations require many different forms of emergency response planning and training. The parties intend to undertake a project to integrate the emergency response planning and training requirements. The goal will be to reconcile duplicative and overlapping conditions, and to develop a more common sense and useful approach to emergency response. As with streamlined tracking and reporting, such integration may be limited by applicable law.

C. Stakeholder Support

The Andersen CAC has been established and has functioned as the primary contact with the local community and other stakeholder groups. It is important to the success of the XL project that their role continues throughout the life of Project XL at Andersen. The CAC is guided by the Stakeholder Involvement Plan attached to the FPA.

Stakeholder support has been built through 12 meetings of the CAC held from December 1997 through September 1998. CAC meetings initially covered detailed briefings on all aspects of the Andersen Project XL proposal. CAC involvement evolved into active questioning, comments, and participation by CAC members in FPA negotiations, and in the work groups established to address specific FPA issues.

The individual members of the CAC represent the full spectrum of stakeholders affected by the Andersen Project XL program. Committee members and their affiliations are:

Wally Abrahamson
Washington County Commissioner

Ronald Fredkove
Baytown Township Board Member

Dr. Ian Greaves
University of Minnesota School of Public Health

Baytown Township Resident

Jim Kellison
Stillwater Area Chamber of Commerce

William Klein
Baytown Township Resident

Jim Menard
Bayport City Council Member

Kathy Rowland
Andersen Employee

Ron Van Zee
Bayport Resident

Susan Wallace
Andersen Bayport Resident Employee

Carol Wiessner
Minnesota Center for Environmental Advocacy

D. Innovation/MultiMedia

The pilot is designed to provide the Bayport Facility with enough flexibility to allow for innovation. Innovations that the project provides are as follows:

- This project represents an innovative approach to allowing changes in manufacturing processes that will result in reduced air emissions per standardized measure of production. The project also provides an opportunity to test whether a tiered air emission ratio system with both rewards and penalties can provide a better incentive for reducing air emissions per standardized measure of production. The project will result in a new, flexible, performance based approach designed to achieve superior environmental results and cost savings. This project does not attempt to regulate air emissions on an emissions unit by emissions unit basis, but is instead focused on the overall environmental impact of the Bayport Facility. In addition, to preserve the air quality in the area surrounding the facility, a facility-wide VOC cap is a component of the project. Thus, regardless of increases in production, the facility-wide VOC cap will ensure that VOC emissions from the facility do not exceed past actual levels.

- The main measure of VOC efficiency is a comparison of the performance ratio to the CAC Limit. This community-driven limit, set below the Enforcement Limit, provides a means to encourage Andersen to go beyond compliance without exposing them to penalties if

they should fail, and establishes the important role of a stakeholder group in ensuring Bayport Facility performance.

- The Internet will be used to provide the Bayport community and other interested parties the actual performance information demonstrating the Bayport Facility's environmental performance under the pilot.

- The Minnesota XL Permit is intended to facilitate multi-media permitting approaches to environmental protection. The performance-based nature of the pilot allows the Bayport Facility to undertake cost effective pollution reduction programs that encourage pollution prevention.

Under this project, Andersen will continue to use its EMS as a tool to promote compliance and encourage pollution prevention. As the project continues, the parties, in consultation with the CAC, intend to evaluate the role of the EMS in Andersen's improved performance and as a supplement to traditional enforcement tools. Certain elements of the EMS may be incorporated into the multi-media Minnesota XL Permit.

E. Transferability

This project offers many opportunities for transferability to other programs or industries. The specific components that are transferable are as follows:

- Using a performance based permitting approach that includes rewards as well as penalties
- Using the Internet to provide Bayport Facility compliance information to the public
- Developing an integrated emergency response program
- Consolidating reporting and recordkeeping
- Developing an enhanced stakeholder participation process

F. Feasibility

The regulatory flexibility requested and the environmental benefits promised are feasible, and Andersen Corporation has the financial capability to implement the project. MPCA and EPA have assigned staff to work on implementing and evaluating this project. An additional incentive for implementing this XL project is the belief that over the life of this project administrative costs and permit actions will be reduced while superior environmental performance is achieved.

G. Monitoring, Recording and Reporting

To track environmental performance, Andersen has agreed to monitor, record, and report VOC and PM/PM_{10} emissions from all sources at the Bayport Facility. Based on the reports compiled and submitted by Andersen, EPA and MPCA will be able to determine Andersen's compliance status with respect to the various permit limits. In addition, this data will form the basis for semi-annual reports prepared by Andersen and submitted to the parties and the CAC concerning the status of the project.

For VOC emissions, Andersen has agreed to monitor all VOC emissions from processes in the Bayport Facility (e.g., outflow from the paint vaults and bulk tanks, vinyl throughput, and fuel usage). Similarly for PM/PM_{10} emissions, Andersen will monitor all non-milling PM/PM_{10} emissions from the Bayport Facility. In addition, monitoring of milling PM/PM_{10} emissions will be required at the Andersen West Site.

Andersen will record the VOC monitoring information for nine different categories. These categories are wood preserving, paints, vinyl, Fibrex, storage tanks, combustion, adhesives, fugitive, and miscellaneous. The monitoring information will be recorded each operating day for the wood preserving, vinyl and paint categories. Andersen is planning to demonstrate that longer tracking periods are appropriate for the Fibrex, storage tanks, combustion, adhesives, fugitive, and miscellaneous categories. These latter categories account for less than fifteen percent of VOC emissions from Andersen's Bayport Facility. These records will be used as the basis for the semi-annual reports Andersen will submit to MPCA, EPA, and CAC. In addition, these records will be available for inspection by MPCA, EPA, and CAC.

For milling PM/PM_{10} emissions, Andersen has existing stack test data. The timing, frequency, and scope of additional tests will be based on a review of the current data and the yet to be proposed BACT limits. The permit will require Andersen to develop and maintain operation and maintenance plans for all control equipment using guidelines provided by the MPCA.

For non-milling equipment, Andersen will record PM/PM_{10} monitoring information for five different categories. Those categories are vinyl, paint, Fibrex, combustion, and miscellaneous. The PM/PM_{10} monitoring information will be recorded each operating day for the paint and vinyl categories. Similar to the recording of VOC emissions, Andersen plans to demonstrate that longer tracking periods are appropriate for the Fibrex, combustion and miscellaneous categories. These records will be used as the basis for the semi-annual reports Andersen will submit to MPCA, EPA, and CAC. In addition, these records will be available for inspection by MPCA, EPA, and CAC.

The Minnesota XL permit will require Andersen to report deviations from the permit requirements as described in Attachment D. If a notification of noncompliance or environmental incident (i.e., spill notification, other environmental emergency) is made to the regulatory agencies, Andersen agrees to also notify the CAC.

Andersen will also prepare and submit a status report at least annually to the parties and the CAC. At a minimum, Andersen will report the following:

- VOC performance ratio
- Non-milling PM/PM_{10} emissions
- Total VOC emissions
- Status of compliance with other applicable Minnesota XL permit limits
- Baghouse usage
- Status of catalytic oxidizer usage
- Diptank removal, if applicable
- Installation of new equipment, including new or reconstructed paintlines and preservative processes
- Health risk evaluation
- Environmental improvements resulting from the EMS
- Progress toward the specific pollution prevention goals set forth in II.D.2, including general cost information.

The Project XL Annual Report will include a summary of Andersen's activities under the project for the year.

H. Shifting the Risk Burden

The environmental impacts resulting from this agreement will only be positive, and the project should not result in an impact shift on any community groups.

IV. IMPLEMENTATION

To implement the project, the parties intend to take the following steps:

- Andersen plans to undertake the commitments set forth in section II.D. above.

- Concurrent with public notice for this FPA, EPA will propose for public comment a site-specific rule which would amend 40 C.F.R. Part 52 by adding Section 52.1254 and defer application of the requirements of Parts 52.21(r)(4) and 52.21(b)(2)(iii)(f) to specific units at Andersen's Fourth Avenue site and amend 52.21(b)(3)(ii)(a) with respect to VOC and non-milling PM/PM^{10} sources at Andersen's Bayport facility. The rule will modify the applicable federally promulgated state plan for Minnesota so that MPCA may issue Andersen a PSD (as EPA's delegatee), minor NSR, and Title V permit relaxing certain existing synthetic minor VOC limits without requiring PSD review, within the context of the Andersen Windows XL project. All other elements of this project, including allowing Andersen to modify and add VOC and milling and non-milling PM/PM_{10} sources without additional PSD approvals, will be incorporated in Andersen's Minnesota XL permit without needing any change in applicable requirements. The deferral of Parts 52.21(r)(4) and 52.21(b)(3)(ii)(a) will terminate upon termination of the Andersen XL project.

- MPCA expects to propose for public comment and issue (subject to review of public comment and applicable approval procedures) a Minnesota XL permit under Minnesota Statutes Chapter 114C which shall contain Federally enforceable PSD, minor NSR, and Title V permits and will adopt and implement the site-specific requirements contained in the EPA rule under this Section, and this FPA. Specifically, the Minnesota XL permit will include:

1. As an enforceable requirement of the minor NSR and Title V permits, new overall VOC and non-milling PM/PM10 emission caps on the Bayport Facility, a VOC subcap on the Andersen West Site, a PM/PM10 subcap for milling and non-milling equipment on the Andersen West Site, and a limit on VOC emissions per standardized measure of production. When issuing permits to implement the VOC and non-milling PM/PM10 caps, MPCA will set the cap limits so that any changes during the project term do not result in a significant net emissions increase. Consequently, complying with the cap would demonstrate that no significant net emissions increase is occurring at the facility. In addition, existing VOC synthetic minor limits on the diptanks will be combined into one limit of 1573.9 tons of VOCs per year rolled every tracking period (13 periods per year), and Andersen will continue to operate a catalytic oxidizer to control VOC emissions until such time that the conditions listed in Section II.D.1 of this FPA are satisfied.

2. As an enforceable requirement of the minor NSR and Title V permits, requirements that new preservative and paintline operations perform as well as or better than existing systems as outlined in Section II.D.1.d.

3. Require Andersen to conduct a health risk analysis for toxic air emissions, and monitor changes in chemical usage to ensure that they remain below risk-based levels.

4. Meet the PSD requirements (40 CFR 52.21) for all milling equipment.

5. Remove the FO32 Penta waste designation for diptank residues consistent with the pentachloropheol threshold for land disposal as demonstrated by analytical results showing penta levels less than 1.2 ppb. Provide relief regarding the disposal of diptank components as per part II.D.1.g. (ii) above. Establish closure conditions for the diptank area as per part II.D.1.g. (v) above. Management of the diptank residues will be consistent with the method Andersen currently uses and will be included in the Minnesota XL permit.

6. Meet the requirements of Title V of the Clean Air Act.

7. Monitoring, recordkeeping, and reporting requirements as preliminarily outlined in Attachment D to the FPA.

8. Termination, duration, and transfer provisions and a post-Project compliance tracking period consistent with Sections VI, VII, and X of the FPA.

9. A description of all changes as well as all applicable requirements and Title V requirements that would apply to such changes (including monitoring, recordkeeping, and reporting requirements) , for which Andersen wants to receive advance approval and thereby avoid Title V permit revision procedures.

Washington County will propose, subject to public hearing or comment, to amend its hazardous waste management ordinance or take administrative action, whichever is appropriate in the view of the County, to allow this project to proceed. If the County determines that the hazardous waste management Ordinance must be amended, a public hearing will be set to consider the amendment. The Ordinance will only be amended to the extent necessary to implement the two hazardous waste related elements of the proposal as described in section II.C.2. Any amendment to the Ordinance made for this project will be limited in applicability to the Andersen Corporation and limited in duration to the 10-year period of this project or earlier if the project is terminated, for any reason, before the end of the 10-year period.

Except as provided in the rules, permit provisions, or other implementation mechanisms that may be adopted to implement the project, the parties do not intend that this FPA will modify or otherwise alter the applicability of existing or future laws or regulations to the facilities.

By signing this FPA, EPA, MPCA, Washington County, and Andersen acknowledge and agree that they have the respective authorities and discretion to enter into this FPA and to implement the provisions of this Project, to the extent appropriate.

V. AMENDMENTS AND REISSUANCE

A. Amendments.

This FPA may be amended by mutual agreement of all parties at any time during the duration of the project. The parties recognize that certain modifications to the project may necessitate modification of any existing implementation mechanisms or may require development of new implementation mechanisms. In that case, EPA, MPCA, and Washington County expect to work together with Andersen and the CAC to identify and pursue any modifications or additions to the implementation mechanisms required in accordance with applicable procedures. If the parties agree to make a material modification of the project, notice of the modification and an opportunity to participate in the process will be provided to the general public.

In recognition that the Project is an experiment designed to test new approaches to environmental protection, and of the uncertain nature of the environmental benefits and costs associated with the activities to be undertaken in this Project, the parties to this FPA agree to evaluate the appropriateness of a modification or "reopener" to the FPA according to the provisions set forth below.

1. During the minimum Project term, Andersen may seek to reopen and modify this FPA in order to address matters covered in the FPA, including enactment or promulgation of

any environmental, health or safety law or regulation after execution of this FPA which renders the Project legally, technically, or economically impractical. To do so, Andersen will submit a proposal for a reopener under this Section to EPA, MPCA, and Washington County for their consideration. EPA, MPCA and Washington County will review and evaluate the appropriateness of such proposal submitted by Andersen. EPA, MPCA or and Washington County may also elect to initiate termination under Section VII of this FPA, which shall supersede application of this Section.

2. In determining whether to reopen and modify the FPA in accordance with any reopener proposal(s) submitted by Andersen under this Section, EPA, MPCA, and Washington County will base their decision upon the following: (a) whether the proposal meets the Project XL criteria in effect at the time of the proposal, (b) the environmental benefits expected to be achieved by the proposal, (c) the level of emissions or effluent included in the proposal, (d) other environmental benefits achieved as a result of other activities under the proposal, and (e) any net adverse environmental impacts expected to occur as a result of the proposal.

3. All parties to the FPA will meet within ninety (90) days following submission of any reopener proposal by Andersen to EPA, MPCA, and Washington County (or within such shorter or longer period as the parties may agree) to discuss the Agencies' evaluation of the reopener proposal. If, after appropriate stakeholder involvement, the Agencies support reopening of this FPA to incorporate the proposal, the parties will (subject to any required public comment) take steps necessary to amend the FPA. Concurrent with the amendment of this FPA, EPA, MPCA, and Washington County will take steps consistent with Section IV (Implementation) to implement the proposal.

B. Permit Reissuance.

Eighteen months prior to the five-year point of the Minnesota XL permit Andersen shall submit a timely and complete application for renewal of the permit. The reissuance of the Minnesota XL permit will be subject to the same public notice and comment, and opportunity for EPA objection and public petition as the initial Title V permit. However, unless one of the events listed below occurs or new issues are raised by the public or any party, the parties anticipate that the Minnesota XL permit will be reissued at the five-year point. The MPCA expects to expeditiously reissue the Minnesota XL permit unless it finds good cause not to reissue. Examples of good cause not to reissue include but are not limited to, the following:

1. Failure (considering the nature and duration of the failure) of Andersen to meet any requirement of the Minnesota XL permit, or a stipulation agreement or schedule of compliance designed to bring Andersen into compliance with the Minnesota XL permit.

2. The MPCA, as a result of an action or failure to act of Andersen, has been unable to take final action on the request on or before the permit expiration date.

3. Andersen has failed to submit, by the deadline specified in writing by the MPCA, any additional information identified as being needed to process the request for reissuance.

VI. DURATION

While this FPA is expected to remain in effect for a maximum of 10 years from the effective date of the Minnesota XL permit, this FPA is not intended to create legal rights or obligations and is not an enforceable contract or a regulatory action such as a permit or rule. This applies to both the substantive and the procedural provisions of the FPA. Thus, for example, the FPA establishes procedures that the parties intend to follow with respect to termination under the FPA. However, while the parties fully intend to follow these procedures, they are not legally obligated to do so. The parties intend that such provisions will be contained in the legally enforceable elements of the Minnesota XL permit. Because this FPA is not legally enforceable, it is not an agency "action" that could be reviewable; in addition, no action or omission by any party to the FPA could give rise to any claim against the party for penalties, damages or other compensation based solely on the claim that the action or omission was at variance with a provision or provisions of the FPA.

The EPA rule, Minnesota XL permit, Washington County ordinance(s), and any other legal mechanisms or documents to implement this project shall all contain "sunset" provisions ending authorization for this project 10 years after the effective date of the Minnesota XL permit, and also providing for Termination as provided in Section VII. This project shall not extend past this date, and Andersen shall comply with all then applicable requirements following this date, unless all parties agree to an amendment to the project term pursuant to Sections II.F., V, and/or VII.

VII. TERMINATION

A. Expectations Concerning Termination

This FPA is not a legally binding document and any party may withdraw from the FPA at any time. However, it is the desire of the parties that this FPA should remain in effect through the expected duration, and be implemented as fully as possible. Accordingly, each of the parties do not intend to unilaterally terminate this project during its expected duration of 10 years unless one of the conditions set forth below occurs:

1. Failure (considering the nature and duration of the failure) by any party to (a) comply with the provisions of the implementation mechanisms for this project, or (b) act in accordance with the provisions of this FPA.

2. Discovery of the failure of any party to disclose material facts during development of the FPA.

3. Failure of the project to provide superior environmental performance consistent with the expectations of this FPA, including exceedance of the emissions cap or extended static performance on a per unit basis.

4. Enactment or promulgation of any environmental, health or safety law or regulation after execution of the FPA which renders the project legally, technically or economically impracticable.

5. Decision by an agency to reject the proposed assumption of Andersen's rights and obligations under the project by a future owner or operator of the facility.

In addition, EPA, MPCA, and Washington County do not intend to withdraw from the FPA based on Andersen's failure to comply with this FPA or the implementation mechanisms, unless such non-compliance constitutes a significant failure to comply with the implementation mechanisms, taking into account its nature and duration. EPA, MPCA and Washington County retain their discretion to address non-compliance through existing enforcement authorities available to EPA, MPCA, and Washington County, including termination of this project, as appropriate. As set forth in Section IX, Andersen Corporation retains all rights to defend against enforcement actions.

B. Procedures for Early Termination

1. Any party desiring to terminate prior to completion of the project term is expected to provide written notice of its intent to terminate to the other parties at least sixty (60) days prior to termination.

2. If requested by any party during the sixty (60) day period noted above, the dispute resolution proceedings provided in Section VIII may be initiated to resolve any dispute relating to the intent to terminate. If, following any dispute resolution or informal discussion, the party still desires to terminate, the terminating party will provide written notice of final termination to all other parties to the FPA.

3. If any agency terminates its participation in the FPA, the remaining agencies will consult with Andersen to determine whether the FPA should remain in effect in a modified form or terminated.

4. The termination procedures set forth in this Section apply to the decision to terminate participation in the FPA. Procedures to be used in modifying or rescinding the legal mechanisms used to implement the Project will be governed by the terms of those legal mechanisms and applicable law.

5. Prior to establishing a termination date, the parties will take into account then existing circumstances and applicable requirements and establish the duration of an Interim Compliance Period. If the parties cannot agree on the duration of the Interim Compliance Period, EPA in consultation with MPCA and the County will specify the duration of the Interim Compliance Period, which in the event substantial physical construction is required, shall not be less than 12 months. By the end of the Interim Compliance Period, Andersen will comply with all then applicable standards. During the Interim Compliance

Period, EPA or MPCA (or both, if necessary) will issue an order, permit, or other legally enforceable mechanism establishing an implementation schedule for Andersen's orderly transition to compliance with the then applicable requirements as soon as practicable. It is Andersen's intent to be in full compliance with all applicable requirements as soon as is practicable, as will be set forth in the implementation schedule. In no event will the implementation schedule extend beyond the end of the project term.

C. Termination in the Event of Completion of Project Term

At least two years prior to the project's expected conclusion, Andersen, MPCA, and EPA will initiate a process to evaluate the project. The goal of the evaluation will be to establish a process to evaluate the project and to determine the terms of the final permit for the facility at the end of the 10-year project term. This evaluation shall conclude by no later than 18 months prior to the project's expected conclusion. The evaluation will review the project's environmental results and impact, Andersen's performance, and other relevant factors, as determined by all parties. If the evaluation proves the project a success, Andersen may propose to MPCA, EPA and the CAC to extend the project term and the XL permit conditions described in this FPA through issuance of a final permit. The final permit may incorporate limits similar to the limits applicable during the project. If the parties do not agree to extend the project, Andersen will submit an implementation schedule (as discussed below) to achieve compliance with all requirements applicable at the end of the 10-year project term.

If, based on the evaluation, the project should not be extended, Andersen will submit to EPA and MPCA an implementation schedule specifying how Andersen will transition into compliance with all then applicable requirements at the end of the 10-year project term. No later than 12- months prior to the expiration of the project term, the parties will agree to a 12-month implementation schedule. The implementation schedule is intended to reflect Andersen's best efforts to transition into compliance with all then applicable requirements as quickly as practicable within the 12-month transitional period. In no event will the implementation schedule extend beyond the end of the 10-year project term. The implementation schedule submitted by Andersen must contain interim calendar, or milestone, dates for the purchase and installation of any necessary equipment, performance testing, and other necessary measures.

The enforceable limits established as part of the project (i.e., the VOC and PM/PM10 emissions caps, as well as the per unit of production limit) will continue to be enforceable during the project evaluation process and any transitional period as described above.

In any event, a final permit will be issued to either 1) extend the project through the issuance of a final permit, or 2) transition Andersen to compliance with all requirements applicable at the end of the 10-year project term. The final permit will be based on the permitting requirements which are applicable at the conclusion of the project. The applicable requirements that will govern the facility at the end of the project's 10-year term will be included in the final permit.

VIII. DISPUTE RESOLUTION

Any dispute that arises with respect to the meaning, application, implementation, interpretation, amendment, termination or modification of the FPA will in the first instance be the subject of informal discussions. To initiate informal discussions, any party that believes it has a dispute with any other party will simultaneously notify all of the parties in writing, of the matter(s) in dispute.

If the dispute cannot be resolved by the parties within thirty-five (35) days of receipt of such notice (or such longer time as agreed to by the parties to the dispute), then one or both of the parties may invoke non-binding mediation by setting forth the nature of the dispute with a proposal for its resolution in a letter to the EPA Region 5 Administrator, with a copy to all parties. The EPA Regional Administrator or the disputants may request an informal mediation meeting. The disputants may request an opinion from the Regional Administrator in lieu of or in addition to the mediation meeting. Any opinion expressed by the Regional Administrator will be non-binding. Any party may request a written opinion from the Regional Administrator.

Nothing in this Section alters the parties' expectations regarding the ability to terminate or withdraw from the FPA set forth in Section VII above.

This dispute resolution process does not apply to disagreements arising from enforcement actions.

IX. RIGHT TO OTHER LEGAL REMEDIES RETAINED

Except as expressly provided in the legal implementation mechanisms described in Section II.E., nothing in the FPA shall be construed to affect or limit either Andersen's legal rights or MPCA, EPA, or the County's rights to seek legal, equitable, civil, criminal or administrative relief regarding the enforcement of present or future applicable federal and state codes, rules, or regulations with respect to the facility.

Although Andersen does not intend to challenge agency actions implementing the project (including any rule amendments or adoptions, permit actions, or other action) that are consistent with this FPA, Andersen nonetheless reserves its right to appeal or otherwise challenge any and all agency actions implementing the project. Nothing in this FPA is intended to limit Andersen's right to administrative or judicial appeal or review of any modification or termination of those legal mechanisms in accordance with the applicable procedures for such review.

X. TRANSFER OF PROJECT BENEFITS AND RESPONSIBILITIES

The implementation mechanisms are expected to allow for the transfer of Andersen's rights and obligations under the project to any future owner or operator upon request of Andersen and such owner/operator, provided that the following conditions are met:

A. Andersen will provide written notice of any such proposed transfer to the EPA, MPCA, and Washington County at least forty-five (45) days prior to the effective date of the transfer. The notice is expected to include identification of the proposed transferee, a description of the

proposed transferee's financial and technical capability to assume the obligations associated with the project, and a statement of the transferee's intention to sign the FPA as an additional party.

B. Within thirty (30) days of receipt of the written notice, the EPA, MPCA, and Washington County in consultation with the CAC expect to determine whether the transferee has demonstrated adequate financial and technical capability to carry out the project and a willingness to sign the FPA. The implementation mechanisms are expected to allow the proposed transferee to assume the rights and obligations of Andersen. So long as the demonstration has been made to the satisfaction of the EPA, the County, and MPCA, and upon consideration of other relevant factors, including the transfer's record of compliance with Federal, State and local environmental requirements.

C. Upon approval of transfer under this section, EPA, MPCA and Washington County will amend the rule, permit and other implementing mechanism(s) (subject to public notice and comment) to legally transfer the rights and obligations of Andersen under this project to the proposed transferee. The rights and obligations of this project remain with Andersen prior to their final, legal transfer to the proposed transferee.

XI. FPA CONTACTS

Each party has designated a representative to serve as its contact person for inquiries concerning the project. These representatives are as follows:

1. For Andersen Corporation: Kirk Hogberg Andersen Corporation 100 4th Avenue North Bayport, MN 55003-1096 Ph: (651)430-7437 fax: (651)430-5089 Email: khogberg@andersencorp.com	**3. For MPCA:** Andrew Ronchak Minnesota Pollution Control Agency 520 Lafayette Road St. Paul, MN 55155-4194 ph: (651)296-3107 fax: (651)297-8676 email: andrew.ronchak@pca.state.mn.us
2. For EPA: Rachel Rineheart EPA Region 5 77 West Jackson Boulevard Chicago, IL 60604-3590 Ph: (312)886-7017 fax: (312)886-5824 Email: rineheart.rachel@epa.gov	**4. For Washington County:** Jeffrey Travis Washington Cty Dept of Health & Environment 14949 62nd Street North PO Box 3803 Stillwater, MN 55082-3803 ph: (651)430-6732 fax: (651)430-6730 email: travis@co.washington.mn.us

If any party desires to change the contact person designated above, the party will provide notice of such change and the name of the new designee to all other parties, stakeholders and interested persons.

ATTACHMENT A

THE PERFORMANCE RATIO APPROACH

The cornerstone of this project is the creation of a novel performance ratio approach to the regulation of VOCs. This approach, which could not be imposed under existing law, is intended to "lock–in" existing efficient manufacturing methods and processes while encouraging continued improvement.

On a per tracking period basis Andersen Corporation will calculate the ratio of pounds of VOCs emitted per cubic feet of product shipped (performance ratio) for the preceding 13 tracking periods. This calculation establishes the annual performance ratio. The annual performance ratio will be compared to the following series of tiered limits established as part of this project:

- CAC Limit – The CAC limit will serve as the main limit for evaluating Andersen's ongoing environmental performance. The CAC limit is the average of the prior five years' performance ratios. The CAC limit will be recalculated once every three years, will decline if appropriate, but will increase only if the CAC approves the change, with the concurrence of EPA and MPCA. In addition, the CAC limit could not decline below the Reward Limit (see below). If Andersen's annual performance ratio exceeds the CAC limit, Andersen will be required to provide a specific explanation of the exceedance to the CAC as well as establish a CAC – approved corrective action plan to bring the performance ratio back below the limit.

- Enforcement Limit – A static enforcement limit for the ten-year duration of the project will be established utilizing the initial CAC limit plus two standard deviations. Two standard deviations allow for fluctuations in VOC emission performance due to normal and routine operating events. If the facility's annual performance ratio exceeds the enforcement limit, the company could be subject to the enforcement actions that are available under current law.

- Project Limit – The adjusting project limit will be set at two standard deviations above the CAC limit. It will be the same as the enforcement limit for the initial three-year period, but will be adjusted at the same time as the CAC limit. The project limit will never exceed the enforcement limit. If Andersen's performance ratio exceeds the project limit, the project will end unless Andersen demonstrates to the satisfaction of the CAC, EPA, and MPCA, each acting in its independent capacity, why the project should continue.

- Reward Limit – The reward limit will be set at two standard deviations below the CAC limit. The reward limit will not increase and will only decline if Andersen remains below it for three consecutive years. If the facility operates below the reward limit, it will potentially receive rewards as discussed in Section II.F. of the FPA.

Evaluation of Production Measure

The performance ratio described above uses cubic feet of product shipped as the unit to measure factory production. This number is derived based on Andersen's method of tracking "factory loads" of product shipped and is believed to be the most reliable measure for tracking factory output over time. The parties recognize that the use of this measure should be evaluated and that the performance ratio may need to be refined during the course of the project.

As part of that evaluation process Andersen will develop and implement a system for tracking wood and Fibrex composite usage (in board feet or equivalent) for three years, unless the parties agree to terminate the data tracking sooner. This data will be evaluated in three years or sooner to determine if that method provides a better measure of production than the cubic foot measure set forth above.

ATTACHMENT B

STAKEHOLDER INVOLVEMENT PLAN

Andersen Corporation

Project XL

Stakeholder Involvement Plan

November, 1997
Revision, March 31, 1999

Table of Contents

I. Introduction

Andersen Corporation is a market-leading manufacturer of high quality windows and patio doors. Andersen products are among the most energy and environmentally efficient in the industry. Product development, manufacturing and environmental programs at Andersen meet the objective stated in the corporate mission "to engage in responsible stewardship of the environment." The Andersen decision to pursue a Project XL initiative is an extension of that objective.

Environmental protection is more than a catch phrase at Andersen --- it is a standard operating procedure. The magnificent St. Croix River Valley has been the home of the Andersen family and manufacturing plant since the company's founding in 1903, long before the St. Croix was designated as a Wild and Scenic River. Care for this great resource is part of the Andersen ethic.

The term "Project XL" stands for Excellence and Leadership. Project XL is a U.S. Environmental Protection Agency (EPA) initiative to enable companies to achieve greater environmental progress by implementing innovative and more cost effective alternatives to existing regulations in the operation and expansion of existing and new facilities.

Andersen's Project XL initiative carries the company's respect for the environment into new directions of regulatory innovation by achieving greater environmental benefits while affording the company more flexibility in developing and manufacturing its products.

An important requirement of Project XL is the involvement of stakeholders throughout the process of developing the technical and legal framework for a Final Project Agreement or FPA. Andersen has established a Community Advisory Committee representing and involving stakeholders with a direct interest in the project.

The Andersen Stakeholder Involvement Plan establishes a process for informing and involving a variety of people and organizations interested in the company's development of a Project XL initiative. The Stakeholder Involvement Plan is designed to be modified to respond to and meet changing conditions throughout the Project XL process.

II. Goal and Objectives

The goal and objectives of the Andersen Stakeholder Involvement Plan are directed to facilitating communications among the people and organizations -- the stakeholders -- involved in Andersen's Project XL initiative.

Goal

The goal of the Andersen Stakeholder Involvement Plan is to obtain substantial consensus on the development and implementation of a Project XL permit and Final Project Agreement that provides enhanced protection to the environment and human health while at the same time

"Commentors have an interest in the project, but not the desire to participate as intensively in its development. The project development process should inform and be informed by commentors on a periodic basis. The views of informed commentors are a strong indicator of the broad potential for wider applicability of the innovation being tested in a project."

"Members of the general public should have easy access both to the project development process and to information about the environmental results of the project once it is implemented, and should have the ability to participate more actively if they so choose."

Andersen's stakeholders are many and varied and certainly cut across all three EPA categories. The Andersen stakeholder group begins with Andersen employees. Andersen stakeholders extend into those living in the immediate Bayport and St. Croix Valley communities. Stakeholders also extend beyond the immediate geographic area and include those interested and/or involved in Andersen Corporation in a variety of ways. These broader stakeholders include government officials and regulators, the news media, environmental groups and other businesses throughout the region.

Direct Participants

Success for the Andersen project development process will be measured by obtaining a substantial consensus on a Final Project Agreement. The direct participants involved in the project development process are those with interests likely to be affected by the project. The following stakeholders are direct participants in Andersen's Project XL initiative.

- Andersen Corporation as the project sponsor
- Andersen employees
- Minnesota Pollution Control Agency and EPA
- Bayport residents
- Local public officials
- St. Croix Valley area residents
- Local environmental groups
- Local business groups
- Washington County public officials

Commentors

There are a variety of people and organizations who are not direct participants in the Andersen Project XL development process but who have an interest in and wish to be informed about progress on the project. As an important part of the Stakeholder Involvement Plan, Andersen will share information about Project XL and seek input from a number of interested parties.

-
- St. Croix County public officials
- St. Croix Valley municipal officials
- Legislators
- Members of Congress
- Environmental community
- St. Croix River management agencies

General Public

The broader category made up of people and organizations who do not have as much ongoing interest in Andersen's Project XL initiative deserve to be kept informed of progress on the project. The news media as noted above and listed in this section is the primary conduit to the general public. An increasingly important means of reaching the public is through Internet access. Information about Andersen's Project XL initiative will be posted on EPA/MPCA Websites to facilitate access by the general public and those more directly interested in the project. Communications outlets to be used in the process include:

- Stillwater Gazette
- Washington County Bulletin

- St. Paul Pioneer Press
- Hudson Star-Observer
- Minneapolis Star Tribune
- EPA/MPCA Websites

IV. Community Advisory Committee

The Andersen Community Advisory Committee is the foundation of the Andersen Stakeholder Involvement Plan. Made up of representatives of stakeholders, the Community Advisory Committee is intended to include Direct Participants as noted in the Stakeholder Involvement section of the USEPA guidance dated April 23, 1997.

In order to be effective in representing stakeholders and working with the sponsor of a project, a community advisory committee must have its tasks and responsibilities clearly spelled out. To that end, the Andersen Community Advisory Committee is governed by a Charter, Members Roles and Responsibilities and Operating Guidelines.

Charter

Andersen Community Advisory Committee

Andersen Corporation values our community and the views and concerns of community members. The Andersen Community Advisory Committee is organized to provide a forum for the exchange of views and information about existing and new Andersen operations in the community of Bayport. The Committee is formed initially to provide comments on the implementation of Project XL and other environmental issues.

The Community Advisory Committee is organized to broadly represents the Bayport area and broader community. Mutual communication among Andersen people and community members will build trust and a sense of community through accurate, timely information exchange and discussion.

Members of the Andersen Community Advisory Committee serve as contacts for community members to convey points-of-view and information to the Committee and Andersen people. Information and advice from the Group is valuable for Andersen to use in making decisions about current and future operations in the Bayport Community.

Member Roles and Responsibilities

Andersen Community Advisory Committee

Members of the Andersen Community Advisory Committee represent various segments of the Bayport community and surrounding community. Committee member responsibilities include relaying information from the meetings of the Group to the community. In turn, members are expected to convey and represent the viewpoints of the community to the Community Advisory Committee.

If unable to attend a Committee meeting, each member of the Community Advisory Committee will notify Andersen and, if they have an alternate, arrange for that alternate to attend. To ensure community representation, members will be expected to attend scheduled meetings on a regular basis.

Members of the Advisory Committee will decide on agendas with the advice of Andersen representatives who will prepare agendas and meeting summaries. Each Committee member will be sent draft summaries of meetings and will bring any comments to the following Committee meeting.

Guidelines

Andersen Community Advisory Committee

The operating guidelines for the Andersen Community Advisory Committee are designed to facilitate the formation and functioning of the Group as a key conduit between the Bayport area community and Andersen Corporation. CAC members, local community members and other stakeholders must be informed about Project XL through the provision of easily accessible, understandable, verifiable and timely information.

Membership

The membership of the Community Advisory Committee will total up to 15 regular members. Alternate members may be appointed at the discretion of members or the bodies' members represent. Members will serve staggered three-year terms. The chair and vice-chair of the committee will be elected by the full Community Advisory Committee.

On September 17, 1998 the Community Advisory Committee decided on the following categories of stakeholders for membership in the 15-member Andersen Community Advisory Committee. At that time, the CAC also decided that the committee as composed on September 17, 1998, would make decisions on the Final Project Agreement approval. The Community Advisory Committee will be composed of members representing:

Bayport residents -- two representatives
Bayport City Council representative
Baytown Township residents -- two representatives
Baytown Township board
Bayport business
Andersen Bayport resident employee
Andersen employee
Washington County Commissioner or appointed representative
Environmental group representative
Stillwater Area Chamber of Commerce representative
Stillwater Area School District representative
At-large members (two representatives, optional unfilled seats)

Members will be selected by a two-thirds vote of CAC members (present in person or by proxy). At-large members shall be nominated by the CAC. Members representing a specific organization shall be nominated by that organization.

Duration of Membership

Members shall serve three-year terms. The initial CAC shall divide in half and designate members to serve two- and three-year terms so that only half the terms end at any given time. There shall be no limit on the terms a member can serve. A member may resign his or her membership at any time. A member may be replaced for missing four consecutive meetings without a valid excuse.

Removal and replacement shall require a two s vote of the CAC (present or voting by proxy).

Officers

The CAC shall elect annually a chair and vice chair upon a majority vote. The election shall take place at the first meeting after January

chair shall preside in the chair's absence and may not serve three consecutive terms. If both the chair and vice chair are unable to attend a meeting, a chair *pro tempore*
majority of the CAC members present.

Meetings

all members are fully briefed and that all community interests are heard. Eventually, both the

quarterly.

Meetings will take place at the Bayport Public Library in order to ensure adequate rooms, facilities and parking. To facilitate participation, meetings will begin promptly at 7:00 p.m. and

advance to help ensure attendance. Meetings will be open to members of the public, should they wish to attend.

Two
designated otherwise, a majority of votes present shall be sufficient to transact business.

Management and Staffing

with the chair, Andersen representatives will: prepare and distribute meeting announcements, agendas and materials; and facilitate the CAC meetings. Andersen representatives will make

Andersen representatives to Committee members for review and comment to ensure an accurate record of Committee proceedings is kept.

Substantial Consensus on Final Project Agreement

While it may not be possible to achieve full consensus on all matters that come before the Community Advisory Committee, it is the intent to achieve substantial consensus on the Final

advisory body to the project, most members of the Community Advisory Committee agree on a particular position.

V. Strategies and Tactics

The Andersen Community Involvement Plan is designed to ensure every stakeholder category -- direct participant, commentor and member of the general public - will be appropriately informed about and involved in the Andersen Project XL process. This design is accomplished through a set of strategies and tactics designed to compliment and reinforce one another.

For example, the Community Advisory Committee will meet regularly, giving Committee members the opportunity to consider and provide input about Project XL progress. Residents, the news media and other interested parties will have the opportunity to attend meetings. News reporters attending meetings will write articles for their newspapers. Residents and others on the Andersen mailing list will receive The Andersen Community Update (described later). Taken together, the combination of communications is designed to provide meaningful information and an opportunity for involvement for all parties.

The strategies and tactics to be employed in the Andersen Stakeholder Involvement Plan are as follows.

Community Advisory Committee Meetings

As the foundation for the Andersen Project XL process, the Community Advisory Committee will meet on a regularly scheduled basis following the Charter, Rules and Responsibilities and Operating Guidelines noted earlier. Committee meetings will be open to the public. Committee members are a direct communications and stakeholder involvement conduit to and from the community. It is their job to present and reflect community views and convey information about Project XL and the work of the Committee to their constituencies. Meeting times and schedules for Community Advisory Committee meetings will be publicized throughout the community.

Community Information Meetings

Periodic community information meetings will be held to brief the general public about Project XL progress, announce the achievement of key benchmarks and receive input and answer questions from those in attendance. It is likely the community information meetings will be convened by the Community Advisory Committee. The Bayport Public Library is an ideal location for such meetings.

Displays, Exhibits and Open Houses

Andersen has the capability to produce displays or exhibits about Project XL. It is likely that the Bayport Public Library is an excellent location for a small display about project progress to be placed when there is information to convey. For example, the display might be developed and placed at the library at the beginning of the formal stakeholder involvement process, perhaps to coincide with the first regular meeting of the Community Advisory Committee. Andersen will also hold periodic open houses at which CAC members, Andersen and regulatory agency representatives will be present along with Project XL exhibits and materials.

The Andersen Community Update

Andersen will create and publish The Andersen Community Update on an as-needed basis as

newsletter format of two-to-four pages containing articles, graphics and/or photos to clearly and concisely describe progress on Project XL. The Update will be published on a timely basis when

coincide with the inaugural meeting of the Community Advisory Committee. A mailing list of

posted on company bulletin boards and EPA/MPCA Internet Websites.

Responding to Community Inquiries

Andersen Corporation is committed to open communication with the community. Andersen formed the Community Advisory Committee and established Standard Procedures for Communications in the Andersen Environmental Management System (EMS) to facilitate communication with stakeholders/community members.

Andersen Corporation wants to hear about any issues or concerns that our stakeholders have with our operations. All community members should feel free to contact the company. It is Andersen's obligation to provide accurate answers to all inquiries on a timely basis. Stakeholders are encouraged to contact the Andersen Public Affairs Department at 651-439-5150.

If community members prefer to not contact Andersen directly, they are encouraged to contact

the Public Affairs Department and the answer back to the community member. The anonymity of community members will be maintained, if desired.

The Public Affairs Department will follow the communications procedures set forth in the

The news media outlets listed in the Commentors section will be kept informed about work on

by being placed on the mailing list for The Andersen Community Update. When warranted, news releases, interviews, and other media relations techniques will be used. Additional matters will be brought to the media's attention by Andersen, just as it does in its regular media relations program.

ATTACHMENT C

ENVIRONMENTAL MANAGEMENT SYSTEM OUTLINE

The Andersen Corporation Environmental Management System (EMS) is a management system based on ISO 14001. The EMS supports the corporation's mission, vision, values, and environmental policy.

Andersen Corporation Mission vision Values Statement

"We believe that we have a direct and compelling responsibility to our communities to conduct our business ethically, to engage in responsible stewardship of the environment, and to concern ourselves with the welfare of the people in the community in which we work."

Andersen Corporation Environmental Policy

Andersen Corporation, an environmentally responsible citizen of the global community, recognizes its perpetual duty to:

- Support the environmental goal to eliminate pollution at the source.
- Conserve natural resources through reduction, reclamation, reuse and recycling of materials.
- Develop long-lasting products that have a minimal effect on the environment.
- Assure that its facilities, processes and products meet or exceed all applicable governmental standards and regulations relating to the environment.

The EMS was developed in 1993 based on the structure of British Standard 7750. In 1995, the EMS was completed and approved by executive management. As ISO 14001 was developed, the Andersen EMS was revised to conform to this standard. A number of unique concepts have been incorporated into the EMS to address Andersen's mission, vision, values, and environmental policy. The EMS is reviewed at least semi-annually to ensure that it addresses all of the company's actions and environmental aspects.

The EMS consists of an Environmental Manual, 19 Standard Procedures, and numerous Department Procedures. The EMS becomes more detailed as one goes from the high level manual to the department procedures.

In the EMS, a system is created that recognizes the invention and design of products as the primary area to address negative environmental impacts. The Technology and Business Development group is a critical element in conforming to the company's environmental policy. In

the development of new products, materials, and processes, environmental issues are considered

impacts of these projects are evaluated and resources are prioritized to complete projects that have the greatest impact. This process creates a competitive system that includes rewards and

generation, storm water run-off, storage tank compliance, material review/approval, air permit compliance, by-product/waste management, toxic substance usage and asbestos abatement. The

routinely go beyond existing regulatory requirements and create information mechanisms to continually improve the system.

Emergency planning provisions are incorporated into the EMS to ensure a consistent mechanism

company meets the requirements of the EMS. The results of the audits are reported to executive management.

The EMS also includes a mechanism to communicate environmental issues internally to the

ATTACHMENT D

COMPLIANCE PLAN

The monitoring, recordkeeping, and reporting conditions described below are the best estimate of these conditions at this time by the parties and the CAC. However, the parties and the CAC believe that additional monitoring, recordkeeping, and reporting conditions may be added to this estimate during permit development, including any additional needs indicated by the outcome of the PM_{10} and HAP modeling and air toxics review to be completed by Andersen prior to obtaining the Minnesota XL Permit or pursuant to a schedule contained in the Minnesota XL Permit and agreed upon by the parties and the CAC.

Volatile Organic Compounds (VOC)

Monitoring

Andersen will monitor the outflow of preservatives and paints from the paint vault and bulk tanks using flow meters or daily logs. In order to determine emissions from vinyl, Andersen will track machine throughput using daily logs. For Fibrex, combustors, adhesives, silicones, and other miscellaneous sources, the parties and the CAC will identify the remaining VOC monitoring conditions in the Minnesota XL Permit. These conditions will be consistent with Andersen's routine business practices to the extent practicable.

Recordkeeping

On a weekly basis, Andersen will calculate and record VOC emissions from the wood preserving and paint source categories using flow meters or daily logs. As discussed above, Andersen plans to demonstrate that longer recording periods are appropriate for the Fibrex, storage tanks, combustion, adhesives, fugitive, and miscellaneous categories. The appropriate recording frequency will be determined based on current policy, and will be established in the Minnesota XL Permit. Andersen also will track cubic feet of product shipped per tracking period.

Reporting

Andersen will provide MPCA reports semi-annually showing the most recent 13tracking period rolling sum of total VOC and diptank VOC emissions and the most recent 13 period rolling average of VOC emissions per standardized production limit since the last report.

Compliance Tracking

For the facility-wide cap, any subcaps and the remaining VOC synthetic minor limit on the diptanks, compliance will be determined every tracking period, based on a 13 period rolling sum.

For the performance ratio, compliance will be determined every tracking period based on a 13 tracking period rolling average.

For the first year after permit issuance because there may not be data for the 13 periods of the rolling limit, alternative limits or calculations will be established in the permit. If data is available for the 13 tracking periods prior to issuance, the facility will use this pre-permit data in the calculations. If no pre-permit data exists, alternative tracking period specific limits will be established for the first 13 tracking periods.

Particulate Matter (PM/PM_{10})

Monitoring

Andersen will verify that all milling equipment is exhausted to the baghouse filters. In addition, Andersen will perform weekly visual inspections of the baghouse filters to determine that the filters are properly operated and maintained. Andersen will use representative stack test data to ensure the BACT emission limitation is being met. Based on existing data, MPCA will determine the need for additional testing. Further monitoring of emissions from the Andersen West Site milling operations will be established in the permit.

For the non-milling equipment, Andersen will monitor the outflow of paints from the paint vault and bulk tanks using flow meters or daily logs. Monitoring requirements will be developed for the paint booth control equipment that ensures that the equipment is being operated properly. In order to determine PM/PM_{10} emissions from vinyl, Andersen will track machine throughput using daily logs. For Fibrex, combustors and other miscellaneous sources, the parties and the CAC will identify the remaining PM/PM_{10} monitoring conditions in the Minnesota XL Permit. These conditions will be consistent with Andersen's routine business practices to the extent practicable.

Recordkeeping

Andersen will record the results of its visual inspections of the baghouse filters on a weekly basis, and will record any corrective actions taken. The permit will specify what records are necessary for the paint booth control equipment.

Andersen will calculate and record non-milling PM/PM_{10} emissions and the Andersen West Site milling emissions on a weekly basis using the daily logs. As discussed above, Andersen plans to demonstrate that longer recording periods are appropriate for the Fibrex, combustion and miscellaneous categories. The appropriate recording frequency will be determined based on current policy, and will be established in the Minnesota XL Permit.

Reporting

Andersen will provide MPCA reports semi-annually showing the most recent 13 tracking period calculations since the last report.

Compliance Tracking

For the caps on PM/PM_{10} emissions from non-milling and milling equipment, Andersen will show compliance based on a 13 tracking period rolling sum.

For the first year after permit issuance, alternative limits or calculations will be established in the permit. If data is available for the 13 tracking periods prior to issuance, the facility will use this pre-permit data in the calculations. If no pre-permit data exists, alternative tracking period specific limits will be established for the first 13 tracking periods.

Deviation Reporting

Andersen will report deviations, which could endanger human health or the environment as soon as possible after discovery of the deviation in accordance with MN Rule § 7019.1000. Andersen shall report all other deviations within 7 days after discovery of the deviation.

For purpose of this requirement, deviation shall be defined pursuant to MN Rule § 7007.0100, subpart 8, as any noncompliance with an applicable requirement or permit condition.

Pre-Authorized Changes

In order for the permit to truly pre-authorize any change, the permit must contain several things:

- Some type of description of what types of changes are pre-authorized. The description needs to be in sufficient detail for the parties to be able to determine how a proposed change would "fit" into the permit and to give the public sufficient notice of the types of changes that will be authorized;
- All applicable requirements that would apply to the proposed change;
- Any necessary periodic monitoring for the applicable requirements; and
- Monitoring and recordkeeping procedures for the proposed change for any tracked pollutant. For this permit, this would include monitoring and recordkeeping requirements for the VOC caps, PM/PM10 caps (or BACT if it is a milling change), and any other limits (e.g., HAPs).

(ILTS). As and example the permit would need to (final permit language may differ):

- Have a description of what changes are pre-authorized which clearly included these operations. Such a description might be -- A process that applies coatings to door or window components via a continuous conveyorized feed system.
- Include the industrial process equipment rule (IPE), currently the only applicable requirement for these operations (assuming there are no NESHAP issues). This involves grain loading and an opacity limit.
- Include any periodic monitoring that might be necessary for the IPE rule. This rule regulates particulate and opacity. For ILTS, there are no potential particulate or opacity emissions, so it

is physically impossible for these operations to violate this rule. No periodic monitoring would be necessary for this applicable requirement.

- Specify how VOC, PM/PM10 and HAP emissions are tracked from ILTS operations so that it is clear how these units will be included in the emissions calculations. For ILTS, there are no PM emissions, so only VOC and HAP would need to be in the permit. The following is an example of possible permit language for VOC tracking:

On each day of operation, the Permittee shall: 1). Measure and record the amount of VOC containing material dispensed using a flowmeter, for each material.
2). Record the name of each material, the quantity dispensed in pounds, and over what time period the record covers.
On a weekly basis, the Permittee shall calculate and record the total VOC dispensed for the previous week using the daily records and the certification of materials.
On a tracking period basis, the Permittee shall, using the weekly records, calculate and record: 1). The total VOC dispensed during the tracking period. 2). The rolling sum of total VOC dispensed for the previous 13 tracking periods. This calculation and written record shall be complete by the 14th day of the tracking period for the previous tracking period.
A certification of material contents shall be maintained on site for all materials that contain VOC. <MPCA has standard permit language for this type of requirement regarding if the MPCA requests testing of contents, etc.>

Similar requirements can be in place for any HAP tracking that is found to be necessary.

- Specify QA/QC requirements for any monitoring equipment. For example, annual calibration requirements for all flowmeters. This is standard permit language that goes in all MPCA permits.

If any of these items were missing (e.g., an applicable requirement was triggered that was not in the permit), some type of permit revision would be necessary in order to make the proposed change.