State of Ohio Environmental Protection Agency

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9/4/2008

David Elliot
Lahd Energy LLD
4025 Cleveland Ave., NW
Suite D
Canton, OH 44709

RE: FINAL AIR POLLUTION PERMIT-TO-INSTALL AND OPERATE
Facility ID: 1576941950
Permit Number: P0103818
Permit Type: Initial Installation
County: Stark

Dear Permit Holder:

Enclosed please find a final Air Pollution Permit-to-Install and Operate ("PTIO") which will allow you to install, modify, and/or operate the described emissions unit(s) in the manner indicated in the permit. Because this permit contains conditions and restrictions, please read it very carefully.

Ohio EPA maintains a document entitled "Frequently Asked Questions about the PTIO". The document can be downloaded from the DAPC Web page, www.epa.state.oh.us/dapc, from the "Permits" link. This document contains additional information related to your permit, such as what activities are covered under the PTIO, who has enforcement authority over the permit and Ohio EPA's authorization to inspect your facility and records. Please contact the Office of Compliance Assistance and Pollution Prevention at (614) 644-3469 if you need assistance.

The issuance of this PTIO is a final action of the Director and may be appealed to the Environmental Review Appeals Commission ("ERAC") under Section 3745.04 of the Ohio Revised Code. The appeal must be in writing and describe the action complained of and the grounds for the appeal. The appeal must be filed with the ERAC within thirty (30) days after notice of the Director's action. A filing fee of $70.00 must be submitted to the ERAC with the appeal, although the ERAC, has discretion to reduce the amount of the filing fee if you can demonstrate (by affidavit) that payment of the full amount of the fee would cause extreme hardship. If you file an appeal of this action, you must notify Ohio EPA of the filing of the appeal (by providing a copy to the Director) within three (3) days of filing your appeal with the ERAC. Ohio EPA requests that a copy of the appeal also be provided to the Ohio Attorney General's Office, Environmental Enforcement Section. An appeal may be filed with the ERAC at the following address:

Environmental Review Appeals Commission
309 South Fourth Street, Room 222
Columbus, OH 43215

If you have any questions regarding this permit, please contact the Canton City Health Department. This permit has been posted to the Division of Air Pollution Control (DAPC) Web page www.epa.state.oh.us/dapc.

Sincerely,

Michael W. Ahern

Michael W. Ahern, Manager
Permit Issuance and Data Management Section, DAPC

Cc: Canton

State of Ohio Environmental Protection Agency
Division of Air Pollution Control

FINAL

Air Pollution Permit-to-Install and Operate
for
Lahd Energy LLD

Facility ID: 1576941950
Permit Number: P0103818
Permit Type: Initial Installation
Issued: 9/4/2008
Effective: 9/4/2008
Expiration: 8/29/2018

State of Ohio Environmental Protection Agency
Division of Air Pollution Control

Air Pollution Permit-to-Install and Operate
for
Lahd Energy LLD

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Authorization

Facility ID: 1576941950
Application Number(s): A0035844
Permit Number: P0103818
Permit Description: Direct final PTIO for installation of a 400 bhp ICE, ng fired, at Lahd Energy's MCS.
Permit Type: Initial Installation
Permit Fee: $0.00
Issue Date: 9/4/2008
Effective Date: 9/4/2008
Expiration Date: 8/29/2018
Permit Evaluation Report (PER) Annual Date: July 1 - June 30, Due Aug 15

This document constitutes issuance to:

Lahd Energy LLD
4025 Cleveland Ave NW
Suite D
Canton, OH 44709

of a Permit-to-Install and Operate for the emissions unit(s) identified on the following page.

Ohio EPA District Office or local air agency responsible for processing and administering your permit:

Canton City Health Department
420 Market Avenue
Canton, OH 44702-1544
(330)489-3385

The above named entity is hereby granted this Permit-to-Install and Operate for the air contaminant source(s) (emissions unit(s)) listed in this section pursuant to Chapter 3745-31 of the Ohio Administrative Code. Issuance of this permit does not constitute expressed or implied approval or agreement that, if constructed or modified in accordance with the plans included in the application, the described emissions unit(s) will operate in compliance with applicable State and federal laws and regulations.

This permit is granted subject to the conditions attached hereto.

Ohio Environmental Protection Agency

Chris Korleski
Director

Authorization (continued)

Permit Number: P0103818
Permit Description: Direct final PTIO for installation of a 400 bhp ICE, ng fired, at Lahd Energy's MCS.

Permits for the following emissions unit(s) or groups of emissions units are in this document as indicated below:

Emissions Unit ID:	**P009**
Company Equipment ID:	400 bhp ICE
Superseded Permit Number:	
General Permit Category and Type:	Not Applicable

A. Standard Terms and Conditions

1. **What does this permit-to-install and operate ("PTIO") allow me to do?**

   This permit allows you to install and operate the emissions unit(s) identified in this PTIO. You must install and operate the unit(s) in accordance with the application you submitted and all the terms and conditions contained in this PTIO, including emission limits and those terms that ensure compliance with the emission limits (for example, operating, recordkeeping and monitoring requirements).

2. **Who is responsible for complying with this permit?**

   The person identified on the "Authorization" page, above, is responsible for complying with this permit until the permit is revoked, terminated, or transferred. "Person" means a person, firm, corporation, association, or partnership. The words "you," "your," or "permittee" refer to the "person" identified on the "Authorization" page above.

   The permit applies only to the emissions unit(s) identified in the permit. If you install or modify any other equipment that requires an air permit, you must apply for an additional PTIO(s) for these sources.

3. **What records must I keep under this permit?**

   You must keep all records required by this permit, including monitoring data, test results, strip-chart recordings, calibration data, maintenance records, and any other record required by this permit for five years from the date the record was created. You can keep these records electronically, provided they can be made available to Ohio EPA during an inspection at the facility. Failure to make requested records available to Ohio EPA upon request is a violation of this permit requirement.

4. **What are my permit fees and when do I pay them?**

   There are two fees associated with permitted air contaminant sources in Ohio:

   - PTIO fee. This one-time fee is based on a fee schedule in accordance with Ohio Revised Code (ORC) section 3745.11, or based on a time and materials charge for permit application review and permit processing if required by the Director.

     You will be sent an invoice for this fee after you receive this PTIO and payment is due within 30 days of the invoice date. You are required to pay the fee for this PTIO even if you do not install or modify your operations as authorized by this permit.

   - Annual emissions fee. Ohio EPA will assess a separate fee based on the total annual emissions from your facility. You self-report your emissions in accordance with Ohio Administrative Code (OAC) Chapter 3745-78. This fee assessed is based on a fee schedule in ORC section 3745.11 and funds Ohio EPA's permit compliance oversight activities. For facilities that are permitted as synthetic minor sources, the fee schedule is adjusted annually for inflation. Ohio EPA will notify you when it is time to report your emissions and to pay your annual emission fees.

5. **When does my PTIO expire, and when do I need to submit my renewal application?**

   This permit expires on the date identified at the beginning of this permit document (see "Authorization" page above) and you must submit a renewal application to renew the permit. Ohio EPA will send a renewal notice to you approximately six months prior to the expiration date of this permit. However, it is very important that you submit a complete renewal permit application (postmarked prior to expiration of this permit) even if you do not receive the renewal notice.

If a complete renewal application is submitted before the expiration date, Ohio EPA considers this a timely application for purposes of ORC section 119.06, and you are authorized to continue operating the emissions unit(s) covered by this permit beyond the expiration date of this permit until final action is taken by Ohio EPA on the renewal application.

6. What happens to this permit if my project is delayed or I do not install or modify my source?

This PTIO expires 18 months after the issue date identified on the "Authorization" page above unless otherwise specified if you have not (1) started constructing the new or modified emission sources identified in this permit, or (2) entered into a binding contract to undertake such construction. This deadline can be extended by up to 12 months, provided you apply to Ohio EPA for this extension within a reasonable time before the 18-month period has ended and you can show good cause for any such extension.

7. What reports must I submit under this permit?

An annual permit evaluation report (PER) is required in addition to any malfunction reporting required by OAC rule 3745-15-06 or other specific rule-based reporting requirement identified in this permit. Your PER due date is identified in the Authorization section of this permit.

8. If I am required to obtain a Title V operating permit in the future, what happens to the operating provisions and PER obligations under this permit?

If you are required to obtain a Title V permit under OAC Chapter 3745-77 in the future, the permit-to-operate portion of this permit will be superseded by the issued Title V permit. From the effective date of the Title V permit forward, this PTIO will effectively become a PTI (permit-to-install) in accordance with OAC rule 3745-31-02(B). The following terms and conditions will no longer be applicable after issuance of the Title V permit: Section B, Term 1.b) and Section C, for each emissions unit, Term a)(2).

The PER requirements in this permit remain effective until the date the Title V permit is issued and is effective, and cease to apply after the effective date of the Title V permit. The final PER obligation will cover operations up to the effective date of the Title V permit and must be submitted on or before the submission deadline identified in this permit on the last day prior to the effective date of the Title V permit.

9. What are my obligations when I perform scheduled maintenance on air pollution control equipment?

You must perform scheduled maintenance of air pollution control equipment in accordance with OAC rule 3745-15-06(A). If scheduled maintenance requires shutting down or bypassing any air pollution control equipment, you must also shut down the emissions unit(s) served by the air pollution control equipment during maintenance, unless the conditions of OAC rule 3745-15-06(A)(3) are met. Any emissions that exceed permitted amount(s) under this permit (unless specifically exempted by rule) must be reported as deviations in the annual permit evaluation report (PER), including nonexempt excess emissions that occur during approved scheduled maintenance.

10. Do I have to report malfunctions of emissions units or air pollution control equipment? If so, how must I report?

If you have a reportable malfunction of any emissions unit(s) or any associated air pollution control system, you must report this to the Canton City Health Department in accordance with OAC rule 3745-15-06(B). Malfunctions that must be reported are those that result in emissions that exceed permitted emission levels. It is your responsibility to evaluate control equipment breakdowns and operational upsets to determine if a reportable malfunction has occurred.

If you have a malfunction, but determine that it is not a reportable malfunction under OAC rule 3745-15-06(B), it is recommended that you maintain records associated with control equipment breakdown or process upsets. Although it is not a requirement of this permit, Ohio EPA recommends that you maintain records for non-reportable malfunctions.

11. Can Ohio EPA or my local air agency inspect the facility where the emission unit(s) is/are located?

Yes. Under Ohio law, the Director or his authorized representative may inspect the facility, conduct tests, examine records or reports to determine compliance with air pollution laws and regulations and the terms and conditions of this permit. You must provide, within a reasonable time, any information Ohio EPA requests either verbally or in writing.

12. What happens if one or more emissions units operated under this permit is/are shut down permanently?

Ohio EPA can terminate the permit terms associated with any permanently shut down emissions unit. "Shut down" means the emissions unit has been physically removed from service or has been altered in such a way that it can no longer operate without a subsequent "modification" or "installation" as defined in OAC Chapter 3745-31.

You should notify Ohio EPA of any emissions unit that is permanently shut down by submitting a certification that identifies the date on which the emissions unit was permanently shut down. The certification must be submitted by an authorized official from the facility. You cannot continue to operate an emission unit once the certification has been submitted to Ohio EPA by the authorized official.

You must comply with all recordkeeping and reporting for any permanently shut down emissions unit in accordance with the provisions of the permit, regulations or laws that were enforceable during the period of operation, such as the requirement to submit a PER, air fee emission report, or malfunction report. You must also keep all records relating to any permanently shutdown emissions unit, generated while the emissions unit was in operation, for at least five years from the date the record was generated.

Again, you cannot resume operation of any emissions unit certified by the authorized official as being permanently shut down without first applying for and obtaining a permit pursuant to OAC Chapter 3745-31.

13. Can I transfer this permit to a new owner or operator?

You can transfer this permit to a new owner or operator. If you transfer the permit, you must follow the procedures in OAC Chapter 3745-31, including notifying Ohio EPA or the local air agency of the

change in ownership or operator. Any transferee of this permit must assume the responsibilities of the transferor permit holder.

14. Does compliance with this permit constitute compliance with OAC rule 3745-15-07, "air pollution nuisance"?

This permit and OAC rule 3745-15-07 prohibit operation of the air contaminant source(s) regulated under this permit in a manner that causes a nuisance. Ohio EPA can require additional controls or modification of the requirements of this permit through enforcement orders or judicial enforcement action if, upon investigation, Ohio EPA determines existing operations are causing a nuisance.

15. What happens if a portion of this permit is determined to be invalid?

If a portion of this permit is determined to be invalid, the remainder of the terms and conditions remain valid and enforceable. The exception is where the enforceability of terms and conditions are dependent on the term or condition that was declared invalid.

B. Facility-Wide Terms and Conditions

1. This permit document constitutes a permit-to-install issued in accordance with ORC 3704.03(F) and a permit-to-operate issued in accordance with ORC 3704.03(G).

   a) For the purpose of a permit-to-install document, the facility-wide terms and conditions identified below are federally enforceable with the exception of those listed below which are enforceable under state law only.

      (1) None.

   b) For the purpose of a permit-to-operate document, the facility-wide terms and conditions identified below are enforceable under state law only with the exception of those listed below which are federally enforceable.

      (1) None.

C. Emissions Unit Terms and Conditions

1. P009, 400 bhp ICE

Operations, Property and/or Equipment Description:

Portable 400 bhp ICE ng fired - Main Compressor station

a) This permit document constitutes a permit-to-install issued in accordance with ORC 3704.03(F) and a permit-to-operate issued in accordance with ORC 3704.03(G).

(1) For the purpose of a permit-to-install document, the emissions unit terms and conditions identified below are federally enforceable with the exception of those listed below which are enforceable under state law only.

a. None.

(2) For the purpose of a permit-to-operate document, the emissions unit terms and conditions identified below are enforceable under state law only with the exception of those listed below which are federally enforceable.

a. None.

b) Applicable Emissions Limitations and/or Control Requirements

(1) The specific operations(s), property, and/or equipment that constitute each emissions unit along with the applicable rules and/or requirements and with the applicable emissions limitations and/or control measures. Emissions from each unit shall not exceed the listed limitations, and the listed control measures shall be specified in narrative form following the table.

	Applicable Rules/Requirements	Applicable Emissions Limitations/Control Measures
a.	OAC rule 3745-31-05(A)(3)(a)(ii)	The Best Available Technology (BAT) requirements under OAC rule 3745-31-05(A)(3) do not apply to CO, VOC, PE and SO2 from this air contaminant source since the uncontrolled potential to emit for these pollutants is less than ten tons per year.
	OAC rule 3745-31-05(D)	Permit to Install P0103818 for this air contaminant source takes into account the following voluntary restrictions (including the use of any applicable control equipment) as proposed by the permittee for the purpose of avoiding BAT requirements under OAC rule 3745-31-05(A)(3): 7.72 tons NOx/year. Acceptance of a manufacturer's certification of 2.0 g/bhp-hr. emission factor.
b.	OAC rule 3745-17-11(B)(5)(a)	PE shall not exceed 0.310 lb/million Btu

	Applicable Rules/Requirements	Applicable Emissions Limitations/Control Measures
		of actual heat input.
c.	OAC rule 3745-18-06(B)	Exempt. See C.1.b.(2).a
d.	OAC rule 3745-21-07(B)	See C1.b.(2).b
e.	OAC rule 3745-21-08(B)	See C1.b.(2).c

(2) Additional Terms and Conditions

a. OAC rule 3745-18-06(B) exempts stationary internal combustion engines which have rated heat input capacities equal to, or less than, 10 million BTU/hr from the sulfur dioxide emission limit in OAC rule 3745-18-06(G).

b. The permittee has satisfied the "latest available control techniques and operating practices" required pursuant to OAC rule 3745-21-07(B) by committing to comply with the best available technology requirements established pursuant to OAC rule 3745-31-05(A)(3) in this Permit to Install.

c. The permittee has satisfied the "latest available control techniques and operating practices" required pursuant to OAC rule 3745-21-08(B) by committing to comply with the best available technology requirements established pursuant to OAC rule 3745-31-05(A)(3) in this Permit to Install.

On November 5, 2002, OAC rule 3745-21-08 was revised to delete paragraph (B); therefore paragraph (B) is no longer part of the State regulations. However, that rule revision has not yet been submitted to the U.S. EPA as a revision to Ohio's State Implementation Plan (SIP). Therefore, until the SIP revision occurs and the U.S. EPA approves the revisions to OAC rule 3745-21-08, the requirement to satisfy the "best available control techniques and operating practices" still exists as part of the federally approved SIP for Ohio.

c) Operational Restrictions

(1) The permittee shall use only natural gas to run this emissions unit.

d) Monitoring and/or Recordkeeping Requirements

(1) For each day during which the permittee burns a fuel other than natural gas, the permittee shall maintain a record of the type and quantity of fuel burned in this emissions unit.

e) Reporting Requirements

(1) Annual Permit Evaluation Report (PER) forms will be mailed to the permittee at the end of the reporting period specified in the Authorization section of this permit. The permittee shall submit the PER in the form and manner provided by the director by the due date identified in the Authorization section of this permit. The permit evaluation report shall cover a reporting period of no more than twelve months for each air contaminant source identified in this permit.

[OAC rule 3745-15-03(B)(2)] and [OAC rule 3745-15-03(D)]

f) Testing Requirements

(1) Compliance with the emission limitations in section A.1 of these terms and conditions shall be determined in accordance with the following methods:

a. Emissions Limitation
PE shall not exceed 0.310 lb/million BTU of actual heat input.

Applicable Compliance Method:
Compliance with the lb/million BTU PE emissions limitation shall be demonstrated by the use of AP-42, Chapter 3.2, Table 3.2-3 (7/00) PE emission factor (0.0095 lb/million BTU).

If required, the permittee shall conduct stack testing using the following test method: 40 CFR Part 60, Appendix A, Methods 1-5 and the procedures in OAC rule 3745-17-03 (B)(10). Alternative U.S. EPA approved test methods may be used with prior approval from the Canton local air agency.

b. Emissions Limitation:
Visible emissions shall not exceed 20% opacity as a six-minute average except as provided by rule.

Applicable Compliance Method:
If required, compliance with the visible emissions limitations shall be demonstrated using Test Method 9 as set forth in 40 CFR, Part 60, Appendix A.

c. Emissions Limitation:
7.72 tons NOx/year.

Applicable Compliance Method:
Compliance with the annual NOx emission limitation consists of multiplying the 400 bhp rating for the compressor engine by the certified emission factor of 2.0 g NOx/bhp-hr., dividing by 454 gram/lb, and multiplying by 8760/2000.

If required, the permittee shall confirm the accuracy of the 2.0 g NOx/bhp-hr. by utilizing an emissions stack test in accordance the following methods and procedures in 40 CFR Part 60, Appendix A:

NOx: US EPA Method 7 or a US EPA approved alternative.

g) Miscellaneous Requirements

(1) Notice to Relocate a Portable or Mobile Source

a. Pursuant to OAC rule 3745-31-03 (A)(1)(p), the permittee of a portable source may relocate within the State of Ohio without first obtaining a permit to install and operate (PTIO) providing certain criteria are met. The portable source shall meet one of the two following scenarios in order to qualify for this PTIO exemption for the new location:

i. The following determinations have been documented, pursuant to OAC rule 3745-31-03(A)(1)(p)(i):

(a). the portable source is equipped with the best available technology for such portable source;

(b). the portable source is operating pursuant to a currently effective permit to install and operate (PTIO), or registration status;

(c). the applicant has provided proper notice of the intent to relocate the portable source to the (1.) Ohio EPA District Office or local air agency responsible for the permit(s) for the source and (2.) the appropriate Ohio EPA District Office or local air agency having jurisdiction over the new site within a minimum of 30 days prior to the scheduled relocation; and

(d). in the judgment of the Ohio EPA District Office or local air agency having jurisdiction over the new site, the proposed site is acceptable under OAC rule 3745-15-07.

ii. In the alternative, pursuant to OAC rule 3745-31-03(A)(1)(p)(ii), the permittee of a portable source may relocate within the State of Ohio without first obtaining a PTI, providing the following criteria of OAC rule 3745-31-05(E) are met:

(a). the portable source permittee possesses an Ohio EPA PTIO, PTI, or PTO or registration status;

(b). the portable source is equipped with best available technology;

(c). portable source owner has identified the proposed site to Ohio EPA;

(d). Ohio EPA has determined that the portable source, at the proposed site, will have an acceptable environmental impact;

(e). a public notice, consistent with OAC Chapter 3745-47, is published in the county where the proposed site is located;

(f). the owner of the proposed site has provided the portable source owner with approval or equivalent declaration that it is acceptable to the site owner to move the portable source to this proposed site; and

(g). the portable source owner has provided Ohio EPA with 15 days written notice of the relocation.

b. Any site approvals issued by the Ohio EPA, pursuant to OAC rule 3745-31-03(A)(1)(p)(ii), shall be valid for no longer than 3 years and are subject to renewal.

c. In order for the permitting Ohio EPA District Office or local air agency and the appropriate field office having jurisdiction over the new site to determine compliance with all of the above criteria, the permittee of the portable source

must file a " Notice of Intent to Relocate" within the specified time frame (30 or 15 days), prior to the relocation of the portable source with the Ohio EPA District Office or local air agency responsible for the permits for the source and the appropriate Ohio EPA District Office or local air agency having jurisdiction over the new site. Upon receipt of the notice, the Ohio EPA District Office or local air agency responsible for the permits for the portable source, and/or appropriate Ohio EPA District Office or local air agency having jurisdiction over the new site, will evaluate the request in accordance with the above criteria.

Failure to submit said notification and to receive Ohio EPA approval prior to relocation of the portable source may result in fines and civil penalties. Pursuant to OAC rule 3745-31-05(F), the Director may modify the site approval to add or delete certain portable sources or add or delete certain terms and conditions as appropriate.