State of Ohio Environmental Protection Agency

RE: FINAL PERMIT TO INSTALL **CERTIFIED MAIL**
HARRISON COUNTY

Street Address:
122 S. Front Street

Lazarus Gov. Center **TELE:** (614) 644-3020 **FAX:** (614) 644-2329

Mailing Address:
Lazarus Gov. Center
P.O. Box 1049

Application No: 06-07664
Fac ID: 0634000093
DATE: 1/18/2005

Pendragon Energy Nelms No 10
Dave Elliott
4025 Cleveland Ave NW Suite D
Canton, OH 44709

Enclosed please find an Ohio EPA Permit to Install which will allow you to install the described source(s) in a manner indicated in the permit. Because this permit contains several conditions and restrictions, I urge you to read it carefully.

The Ohio EPA is urging companies to investigate pollution prevention and energy conservation. Not only will this reduce pollution and energy consumption, but it can also save you money. If you would like to learn ways you can save money while protecting the environment, please contact our Office of Pollution Prevention at (614) 644-3469.

You are hereby notified that this action by the Director is final and may be appealed to the Ohio Environmental Review Appeals Commission pursuant to Chapter 3745.04 of the Ohio Revised Code. The appeal must be in writing and set forth the action complained of and the grounds upon which the appeal is based. It must be filed within thirty (30) days after the notice of the Directors action. A copy of the appeal must be served on the Director of the Ohio Environmental Protection Agency within three (3) days of filing with the Commission. An appeal may be filed with the Environmental Review Appeals Commission at the following address:

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

Sincerely,

Michael W. Ahern

Michael W. Ahern, Manager
Permit Issuance and Data Management Section
Division of Air Pollution Control

CC: USEPA **SEDO**

STATE OF OHIO ENVIRONMENTAL PROTECTION AGENCY

Permit To Install	**Issue Date: 1/18/2005**
Terms and Conditions	**Effective Date: 1/18/2005**

FINAL PERMIT TO INSTALL 06-07664

Application Number:	06-07664
Facility ID:	0634000093
Permit Fee:	**$400**
Name of Facility:	Pendragon Energy Nelms No 10
Person to Contact:	Dave Elliott
Address:	4025 Cleveland Ave NW Suite D Canton, OH 44709

Location of proposed air contaminant source(s) [emissions unit(s)]:
US Rt 35 and CR 41
Cadiz, **Ohio**

Description of proposed emissions unit(s):
Stationary internal combustion engine.

The above named entity is hereby granted a Permit to Install for the above described emissions unit(s) 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 above described emissions unit(s) of environmental pollutants will operate in compliance with applicable State and Federal laws and regulations, and does not constitute expressed or implied assurance that if constructed or modified in accordance with those plans and specifications, the above described emissions unit(s) of pollutants will be granted the necessary permits to operate (air) or NPDES permits as applicable.

This permit is granted subject to the conditions attached hereto.

Ohio Environmental Protection Agency

Joseph P. Koncelik

Director

Part I - GENERAL TERMS AND CONDITIONS

A. Permit to Install General Terms and Conditions

1. Compliance Requirements

The emissions unit(s) identified in this Permit to Install shall remain in full compliance with all applicable State laws and regulations and the terms and conditions of this permit.

2. Reporting Requirements

The permittee shall submit required reports in the following manner:

a. Reports of any required monitoring and/or recordkeeping information shall be submitted to the appropriate Ohio EPA District Office or local air agency.

b. Except as otherwise may be provided in the terms and conditions for a specific emissions unit, quarterly written reports of (a) any deviations (excursions) from emission limitations, operational restrictions, and control device operating parameter limitations that have been detected by the testing, monitoring, and recordkeeping requirements specified in this permit, (b) the probable cause of such deviations, and (c) any corrective actions or preventive measures which have been or will be taken, shall be submitted to the appropriate Ohio EPA District Office or local air agency. If no deviations occurred during a calendar quarter, the permittee shall submit a quarterly report, which states that no deviations occurred during that quarter. The reports shall be submitted quarterly, i.e., by January 31, April 30, July 31, and October 31 of each year and shall cover the previous calendar quarters. (These quarterly reports shall exclude deviations resulting from malfunctions reported in accordance with OAC rule 3745-15-06.)

3. Records Retention Requirements

Each record of any monitoring data, testing data, and support information required pursuant to this permit shall be retained for a period of five years from the date the record was created. Support information shall include, but not be limited to, all calibration and maintenance records and all original strip-chart recordings for continuous monitoring instrumentation, and copies of all reports required by this permit. Such records may be maintained in computerized form.

4. Inspections and Information Requests

The Director of the Ohio EPA, or an authorized representative of the Director, may, subject to the safety requirements of the permittee and without undue delay, enter upon the premises of this source at any reasonable time for purposes of making inspections, conducting tests, examining records or reports pertaining to any emission of air contaminants, and determining compliance with any applicable State air pollution laws and regulations and the terms and conditions of this permit. The permittee shall furnish to the Director of the Ohio EPA, or an authorized

representative of the Director, upon receipt of a written request and within a reasonable time, any information that may be requested to determine whether cause exists for modifying, reopening or revoking this permit or to determine compliance with this permit. Upon verbal or written request, the permittee shall also furnish to the Director of the Ohio EPA, or an authorized representative of the Director, copies of records required to be kept by this permit.

5. Scheduled Maintenance/Malfunction Reporting

Any scheduled maintenance of air pollution control equipment shall be performed in accordance with paragraph (A) of OAC rule 3745-15-06. The malfunction of any emissions units or any associated air pollution control system(s) shall be reported to the appropriate Ohio EPA District Office or local air agency in accordance with paragraph (B) of OAC rule 3745-15-06. Except as provided in that rule, any scheduled maintenance or malfunction necessitating the shutdown or bypassing of any air pollution control system(s) shall be accompanied by the shutdown of the emissions unit(s) that is (are) served by such control system(s).

6. Permit Transfers

Any transferee of this permit shall assume the responsibilities of the prior permit holder. The appropriate Ohio EPA District Office or local air agency must be notified in writing of any transfer of this permit.

7. Air Pollution Nuisance

The air contaminants emitted by the emissions units covered by this permit shall not cause a public nuisance, in violation of OAC rule 3745-15-07.

8. Termination of Permit to Install

This Permit to Install shall terminate within eighteen months of the effective date of the Permit to Install if the owner or operator has not undertaken a continuing program of installation or modification or has not entered into a binding contractual obligation to undertake and complete within a reasonable time a continuing program of installation or modification. This deadline may be extended by up to 12 months if application is made to the Director within a reasonable time before the termination date and the party shows good cause for any such extension.

9. Construction of New Sources(s)

The proposed emissions unit(s) shall be constructed in strict accordance with the plans and application submitted for this permit to the Director of the Ohio Environmental Protection Agency. There may be no deviation from the approved plans without the express, written approval of the Agency. Any deviations from the approved plans or the above conditions may lead to such sanctions and penalties as provided under Ohio law. Approval of these plans does not constitute an assurance that the proposed facilities will operate in compliance with all Ohio laws and regulations. Additional facilities shall be installed upon orders of the Ohio

Environmental Protection Agency if the proposed sources cannot meet the requirements of this permit or cannot meet applicable standards.

If the construction of the proposed emissions unit(s) has already begun or has been completed prior to the date the Director of the Environmental Protection Agency approves the permit application and plans, the approval does not constitute expressed or implied assurance that the proposed facility has been constructed in accordance with the approved plans. The action of beginning and/or completing construction prior to obtaining the Director's approval constitutes a violation of OAC rule 3745-31-02. Furthermore, issuance of the Permit to Install does not constitute an assurance that the proposed source will operate in compliance with all Ohio laws and regulations. Approval of the plans in any case is not to be construed as an approval of the facility as constructed and/or completed. Moreover, issuance of the Permit to Install is not to be construed as a waiver of any rights that the Ohio Environmental Protection Agency (or other persons) may have against the applicant for starting construction prior to the effective date of the permit. Additional facilities shall be installed upon orders of the Ohio Environmental Protection Agency if the proposed facilities cannot meet the requirements of this permit or cannot meet applicable standards.

10. Public Disclosure

The facility is hereby notified that this permit, and all agency records concerning the operation of this permitted source, are subject to public disclosure in accordance with OAC rule 3745-49-03.

11. Applicability

This Permit To Install is applicable only to the emissions unit(s) identified in the Permit To Install. Separate Permit To Install for the installation or modification of any other emissions unit(s) are required for any emissions unit for which a Permit To Install is required.

12. Best Available Technology

As specified in OAC Rule 3745-31-05, all new sources must employ Best Available Technology (BAT). Compliance with the terms and conditions of this permit will fulfill this requirement.

13. Source Operation and Operating Permit Requirements After Completion of Construction

This facility is permitted to operate each source described by this Permit to Install for a period of up to one year from the date the source commenced operation. This permission to operate is granted only if the facility complies with all requirements contained in this permit and all applicable air pollution laws, regulations, and policies. Pursuant to OAC Chapter 3745-35, the permittee shall submit a complete operating permit application within ninety (90) days after commencing operation of the emissions unit(s) covered by this permit.

14. Construction Compliance Certification

The applicant shall provide Ohio EPA with a written certification (see enclosed form) that the facility has been constructed in accordance with the Permit to Install application and the terms and conditions of the Permit to Install. The certification shall be provided to Ohio EPA upon completion of construction but prior to startup of the source.

15. Fees

The permittee shall pay fees to the Director of the Ohio EPA in accordance with ORC section 3745.11 and OAC Chapter 3745-78. The permittee shall pay all applicable Permit to Install fees within 30 days after the issuance of this Permit to Install.

B. Permit to Install Summary of Allowable Emissions

The following information summarizes the total allowable emissions, by pollutant, based on the individual allowable emissions of each air contaminant source identified in this permit.

SUMMARY (for informational purposes only)
TOTAL PERMIT TO INSTALL ALLOWABLE EMISSIONS

Pollutant	Tons Per Year
PE	2.2
NO_x	3.8
CO	3.8
OC	1.9

Emissions Unit ID: **P002**

PART II - SPECIAL TERMS AND CONDITIONS FOR SPECIFIC EMISSIONS UNIT(S)

A. Applicable Emissions Limitations and/or Control Requirements

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

Operations, Property, and/or Equipment	Applicable Rules/Requirements	
		OAC rule 3745-17-11(B)(5)(a)
P002 - 195 BHP (1.55 MMBTU) Natural Gas Fired Internal Combustion Engine w/NSCR	OAC rule 3745-31-05(A)(3)	
		OAC rule 3745-18-06(B)
		OAC rule 3745-17-07(A)(1)

Applicable Emissions Limitations/Control Measures	
The requirements of this rule also include compliance with the requirements of OAC rule 3745-17-11(B)(5)(a).	The emission limitation specified by this rule is less stringent than the emission limitation established pursuant to OAC rule 3745-31-05(A)(3).
Particulate emissions (PE) from the stack shall not exceed 0.48 lb/hr, 2.2 TPY.	
Nitrogen Oxides (NO_x) emissions from the stack shall not exceed 0.86 lb/hour, 3.8 TPY.	
Carbon Monoxide (CO) emissions from the stack shall not exceed 0.86 lb/hour, 3.8 TPY.	
Organic Compounds (OC) emissions from the stack shall not exceed 0.43 lb/hour, 1.9 TPY.	
No visible particulate emissions shall be exhausted from the stack.	
PE from the stack shall not exceed 0.310 lb/MMBTU of actual heat input. See A.2.b below	
PE from the stack shall not exceed 0.25 lb/MMBTU actual heat input. See A.I.2.c below.	
This emissions unit is exempt from the requirements of OAC rule 3745-18-06 pursuant to OAC rule 3745-18-06(B).	

2. Additional Terms and Conditions

2.a The permittee shall burn only methane in this emissions unit.

2.b This particulate emission limitation shall be effective and federally enforceable on the date the U.S. EPA approves this particulate emission limitation as a revision to the Ohio SIP for particulate matter.

2.c The requirement to comply with this particulate emission limitation shall terminate on the date the U.S. EPA approves the 0.310 lb/MMBTU actual heat input emission limitation as a revision to the Ohio SIP for particulate matter.

B. Operational Restrictions

1. The permittee shall operate the catalytic convertor whenever this emissions unit is in operation.

C. Monitoring and/or Recordkeeping Requirements

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

2. The permittee shall maintain daily records that document any time periods when the catalytic convertor was not in service when the emissions unit was in operation.

D. Reporting Requirements

1. The permittee shall submit deviation (excursion) reports that identify each day when a fuel other than methane gas was burned in this emissions unit. Each report shall be submitted within 30 days after the deviation occurs.

2. The permittee shall submit deviation (excursion) reports that identify each day that the catalytic convertor was not in service when the emissions unit was in operation. Each report shall be submitted within 30 days after the deviation occurs.

E. Testing Requirements

1. Emission Limitation:
   Particulate emissions (PE) from the stack shall not exceed 0.48 lb/hr, 2.2 TPY.

   Compliance Method:

Compliance with the particulate matter emission limit of 0.48 lb/hr and 2.2 TPY shall be demonstrated by the use of the AP-42, Table 3.2-3 (7/00) emission factor for Natural Gas Fired Pipeline Compressor Engines ($9.5x10^{-3}$ lb of particulate matter/MMBTU of actual heat input). Emission tests also may be required in accordance with 40 CFR Part 60, Appendix A, Methods 1-5 and the procedures specified in OAC rule 3745-17-03. No emission testing is specifically required to demonstrate compliance with this limit but, if appropriate, may be requested pursuant to OAC rule 3745-15-04 (A).Calculations are shown below.

(0.0095 lb MMBTU)(1.55 MMBTU/hr) = 0.015 lb/hr
(0.48 lb/hr)(8760 hr/yr)(0.0005 ton/lb) = 2.2 ton/yr

2. Emissions Limitation:
Nitrogen Oxides (NO_x) emissions from the stack shall not exceed 0.86 lb/hour, 3.8 TPY.

Compliance Method:
Compliance with the 0.86 lb/hour and 3.8 TPY NO_x emissions limitation shall be demonstrated by the use of manufacturer's emissions data or most recent emissions testing data. Calculations are shown below.

(2.0 g/bhp-hr)(195 bhp)(1 lb/454 g) = 0.86 lb/hr
(0.86 lb/hr)(8760 hr/yr)(0.0005 ton/lb) = 3.8 ton/yr

Emissions testing, if required, shall be conducted using the following test method: 40 CFR Part 60, Appendix A, Method 7. Alternative U.S. EPA approved test methods may be used with prior approval from the Ohio EPA Southeast District Office.

3. Emissions Limitation:
Carbon Monoxide (CO) emissions from the stack shall not exceed 0.86 lb/hour, 3.8 TPY.

Compliance Method:
Compliance with the 0.86 lb/hour and 3.8 TPY CO emissions limitation shall be demonstrated by the use of manufacturer's emissions data or most recent emissions testing data. Calculations are shown below.

(2.0 g/bhp-hr)(195 bhp)(1 lb/454 g) = 0.86 lb/hr
(0.86 lb/hr)(8760 hr/yr)(0.0005 ton/lb) = 3.8 ton/yr

Emissions testing, if required, shall be conducted using the following test method: 40 CFR Part 60, Appendix A, Method 10. Alternative U.S. EPA approved test methods may be used with prior approval from the Ohio EPA Southeast District Office.

4. Emission Limitation:
Organic Compounds (OC) emissions from the stack shall not exceed 0.43 lb/hour, 1.9 TPY.

Compliance Method:
Compliance with the 0.43 lb/hour and 1.9 TPY OC emissions limitation shall be demonstrated by the use of manufacturer's emissions data or most recent emissions testing data. Calculations are shown below.

(1.0 g/bhp-hr)(195 bhp)(1 lb/454 g) = 0.43 lb/hr
(0.43 lb/hr)(8760 hr/yr)(0.0005 ton/lb) = 1.9 ton/yr

Emissions testing, if required, shall be conducted using the following test method: 40 CFR Part 60, Appendix A, Method 25A. Alternative U.S. EPA approved test methods may be used with prior approval from the Ohio EPA Southeast District Office.

5. Emission Limitation:
No visible particulate emissions shall be exhausted from the stack.

Compliance Method:
Compliance with the visible emissions limitations shall be determined in accordance with Test Method 22 as set forth in "Appendix on Test Methods" in 40 CFR, Part 60 ("Standards of Performance for New Stationary Sources,") as such Appendix existed on July 1, 2002.

6. Emission Limitation:
Particulate emissions from the stack shall not exceed 0.310 lb/MMBTU of actual heat input.
Particulate emissions from the stack shall not exceed 0.25 lb/MMBTU actual heat input.

Compliance Method:
Compliance shall be demonstrated by the use of the AP-42, Table 3.2-3 (7/00) emission factor for Natural Gas Fired Pipeline Compressor Engines (9.5×10^{-3} lb of particulate matter/MMBTU of actual heat input). Emission tests also may be required in accordance with 40 CFR Part 60, Appendix A, Methods 1-5 and the procedures specified in OAC rule 3745-17-03. No emission testing is specifically required to demonstrate compliance with this limit but, if appropriate, may be requested pursuant to OAC rule 3745-15-04 (A). Calculations are shown below.

(0.0095 lb MMBTU)(1.55 MMBTU/hr) = 0.015 lb/hr

Note: When the SIP revision is approved by the U.S. EPA, the 0.25 lb/MMBTU actual heat input emission limitation will no longer be applicable.

F. Miscellaneous Requirements

None