

Facility DEC ID: 9140200987

PERMIT
Under the Environmental Conservation Law (ECL)

IDENTIFICATION INFORMATION

Permit Type: Air State Facility
Permit ID: 9-1402-00987/00001
Effective Date: 05/08/2007 Expiration Date: 05/07/2017

Permit Issued To: LAMA INNOVATION INC
5373 TRANSIT RD STE B
WILLIAMSVILLE, NY 14221

Contact: ANDREW RYAN
LAMA INNOVATION INC
5373 TRANSIT RD STE B
WILLIAMSVILLE, NY 14221
(716) 574-6773

Facility: LANCASTER TANK AND STEEL PRODUCTS
107 DOROTHY ST
BUFFALO, NY 14206

Description:

Lancaster Tank and Steel Products, Inc.
Permit Description
DEC ID No. 9140200987

Lancaster Tank and Steel Products, Inc. (Lancaster Tank), located in a marginal nonattainment area for ozone, fabricates double wall aboveground and underground steel storage tanks in sizes ranging from 25 to 25,000 gallons. Lancaster Tank operates a spray paint booth where 750 to 1000 fabricated tanks are coated with primer and enamel for aboveground storage and with other industrial coatings for underground storage, annually. In some cases, the interior of the above ground tanks are also coated with epoxy. The facility emits volatile organic compounds (VOCs), hazardous air pollutants and particulates, including fine particulate aerosols of the highly toxic contaminant, toluene diisocyanate (TDI) polymer. The Standard Industrial Classification code for this facility is 3443 - Fabricated Structural Metal Products: Fabricated Plate Work (Boiler Shops). This Air State Facility permit is issued to Lancaster Tank for a new facility.

Surface coating operations at Lancaster Tank, including the cleaning of spray equipment and parts with solvents, are contained in Emission Unit (EU) L-T0001. Process LT1 involves the surface coating of steel tanks with coatings that do not contain isocyanates or diisocyanate compounds. This process is conducted at Emission Source (ES)100LT, in a spray booth using an airless spray gun. Particulates emitted during Process 100LT are controlled via ES Control CT001, a fiberglass filter with 90% capture efficiency. Process LT2 consists of the spraying of steel tanks with coatings that contain a limited amount of TDI polymer and /or any other isocyanate/diisocyanate compounds. This process is carried out in a spray both with an airless spray gun, at a limited application rate, identified as ES 200LT. Fine particulate aerosol emissions of TDI polymer are controlled with a polyester filter, identified as ES Control CT002. Lancaster Tank also

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operates several heaters and paint storage cabinets, which are considered exempt from permitting under 6NYCRR201-3.2 (c). Trivial activities at the facility, described under 6NYCRR201-3.3 (c), include hand-held welding and manual surface coating operations and the operation of torches and air compressors.

Lancaster Tank applies coatings to miscellaneous metal parts and products listed in Table 1 of 6NYCRR228.7 and has a potential to emit (PTE) volatile organic compounds (VOCs) from all sources at the facility, including exempt and trivial activities, which is greater than the major source applicability threshold specified under 6NYCRR228.1(b)(4). A review of facility usage records for 2006, showed actual annual VOC emissions well below the applicability threshold of 10 tons per year (tpy) specified under 6NYCRR228. Lancaster Tank will avoid the requirements of 6NYCRR228 by limiting their PTE to 5 tpy, based on a rolling 12-month total, as specified under the Cap by Rule limit for Table 1 sources in 6NYCRR201-7.3(e). Annual emissions of individual and total hazardous air pollutants (HAPs) are also limited in accordance with 6NYCRR201-7.3(e) to avoid the requirements of NYCRR201-6. Particulate emissions from Process LT1 and Process LT2 are subject to the requirements of 6NYCRR212. Fine particulate aerosols of toluene diisocyanate polymer, an A-rated contaminant emitted from Process LT2 which is subject to the requirements of Table 2 of Subpart 212.9, requires a degree of cleaning that is 99% or best available control technology (BACT). Air quality and human exposure models showed an exceedance of the short-term guidance (SGC) concentration for TDI polymer in the surrounding neighborhood. Therefore, a limit of 5.2 lb/hr was placed on TDI polymer emissions, which is met by limiting the content of TDI polymer in any approved coating to 20% by weight, limiting the application rate of those coatings to an average of 12 gallons per hour and using Tri Dek 2-ply polyester panel filters manufactured by TriDim or equivalent to capture fine particulate aerosols of TDI polymer. This filter has a 31.3% removal efficiency for particulates with a diameter of 10 um and less and is considered BACT for TDI polymer emissions at Lancaster Tank. To meet the annual guidance concentration of 0.6 ug/m³ for TDI polymer, annual emissions of TDI polymer must be less than 650 lb, which will be controlled by limiting the usage of any authorized coatings containing 20 % TDI polymer or less to 1500 gallons per year. The B-rated contaminants emitted from Process LT1 shall comply with the requirements of Table 2 for 90% degree of cleaning through the use of ES Control CT001. Both Processes must comply with the grain loading and opacity limits specified under 6NYCRR212.

This ASF permit contains a complete listing of the applicable federal and state requirements for the facility, its emission units and processes and specifies the monitoring, recordkeeping and reporting required to verify compliance with all limits.

By acceptance of this permit, the permittee agrees that the permit is contingent upon strict compliance with the ECL, all applicable regulations, the General Conditions specified and any Special Conditions included as part of this permit.

Permit Administrator: DOUGLAS E BORSCHEL
270 MICHIGAN AVE
BUFFALO, NY 14203-2915

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Authorized Signature: _____ Date: ___ / ___ / _____

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Notification of Other State Permittee Obligations

Item A: Permittee Accepts Legal Responsibility and Agrees to Indemnification

The permittee expressly agrees to indemnify and hold harmless the Department of Environmental Conservation of the State of New York, its representatives, employees and agents ("DEC") for all claims, suits, actions, and damages, to the extent attributable to the permittee's acts or omissions in connection with the compliance permittee's undertaking of activities in connection with, or operation and maintenance of, the facility or facilities authorized by the permit whether in compliance or not in any compliance with the terms and conditions of the permit. This indemnification does not extend to any claims, suits, actions, or damages to the extent attributable to DEC's own negligent or intentional acts or omissions, or to any claims, suits, or actions naming the DEC and arising under article 78 of the New York Civil Practice Laws and Rules or any citizen suit or civil rights provision under federal or state laws.

Item B: Permittee's Contractors to Comply with Permit

The permittee is responsible for informing its independent contractors, employees, agents and assigns of their responsibility to comply with this permit, including all special conditions while acting as the permittee's agent with respect to the permitted activities, and such persons shall be subject to the same sanctions for violations of the Environmental Conservation Law as those prescribed for the permittee.

Item C: Permittee Responsible for Obtaining Other Required Permits

The permittee is responsible for obtaining any other permits, approvals, lands, easements and rights-of-way that may be required to carry out the activities that are authorized by this permit.

Item D: No Right to Trespass or Interfere with Riparian Rights

This permit does not convey to the permittee any right to trespass upon the lands or interfere with the riparian rights of others in order to perform the permitted work nor does it authorize the impairment of any rights, title, or interest in real or personal property held or vested in a person not a party to the permit.

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Facility Level

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DEC GENERAL CONDITIONS
****** General Provisions ******
GENERAL CONDITIONS - Apply to ALL Authorized Permits.

Condition 1: Facility Inspection by the Department
Applicable State Requirement: ECL 19-0305

Item 1.1:

The permitted site or facility, including relevant records, is subject to inspection at reasonable hours and intervals by an authorized representative of the Department of Environmental Conservation (the Department) to determine whether the permittee is complying with this permit and the ECL. Such representative may order the work suspended pursuant to ECL 71-0301 and SAPA 401(3).

Item 1.2:

The permittee shall provide a person to accompany the Department's representative during an inspection to the permit area when requested by the Department.

Item 1.3:

A copy of this permit, including all referenced maps, drawings and special conditions, must be available for inspection by the Department at all times at the project site or facility. Failure to produce a copy of the permit upon request by a Department representative is a violation of this permit.

Condition 2: Relationship of this Permit to Other Department Orders and Determinations
Applicable State Requirement: ECL 3-0301 (2) (m)

Item 2.1:

Unless expressly provided for by the Department, issuance of this permit does not modify, supersede or rescind any order or determination previously issued by the Department or any of the terms, conditions or requirements contained in such order or determination.

Condition 3: Applications for permit renewals, modifications and transfers
Applicable State Requirement: 6 NYCRR 621.11

Item 3.1:

The permittee must submit a separate written application to the Department for renewal, modification or transfer of this permit. Such application must include any forms or supplemental information the Department requires. Any renewal, modification or transfer granted by the Department must be in writing.

Item 3.2:

The permittee must submit a renewal application at least 180 days before expiration of permits for Title V Facility Permits, or at least 30 days before expiration of permits for State Facility Permits.

Item 3.3:

Permits are transferrable with the approval of the department unless specifically prohibited by the statute, regulation or another permit condition. Applications for permit transfer should be submitted prior to actual transfer of ownership.

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Condition 4: Permit modifications, suspensions or revocations by the Department

Applicable State Requirement: 6 NYCRR 621.13

Item 4.1:

The Department reserves the right to modify, suspend, or revoke this permit in accordance with 6NYCRR Part 621. The grounds for modification, suspension or revocation include:

- a) materially false or inaccurate statements in the permit application or supporting papers;
- b) failure by the permittee to comply with any terms or conditions of the permit;
- c) exceeding the scope of the project as described in the permit application;
- d) newly discovered material information or a material change in environmental conditions, relevant technology or applicable law or regulations since the issuance of the existing permit;
- e) noncompliance with previously issued permit conditions, orders of the commissioner, any provisions of the Environmental Conservation Law or regulations of the Department related to the permitted activity.

****** Facility Level ******

Condition 5: Submission of application for permit modification or renewal-REGION 9

HEADQUARTERS

Applicable State Requirement: 6 NYCRR 621.6 (a)

Item 5.1:

Submission of applications for permit modification or renewal are to be submitted to:

NYSDEC Regional Permit Administrator
Region 9 Headquarters
Division of Environmental Permits
270 Michigan Avenue
Buffalo, NY 14203-2999
(716) 851-7165

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ARTICLE 19: AIR POLLUTION CONTROL - AIR STATE FACILITY PERMIT

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Permit Issued To: LAMA INNOVATION INC
5373 TRANSIT RD STE B
WILLIAMSVILLE, NY 14221

Facility: LANCASTER TANK AND STEEL PRODUCTS
107 DOROTHY ST
BUFFALO, NY 14206

Authorized Activity By Standard Industrial Classification Code:
3443 - FABRICATED PLATE WORK (BOILER SHOPS)

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- 6 13 6 NYCRR 211.2: Air pollution prohibited

Emission Unit Level

EU=L-T0001,EP=LT001

- 6 2 6 NYCRR 212.4 (c): Compliance Demonstration
- 7 3 6 NYCRR 212.4 (c): Compliance Demonstration
- 8 4 6 NYCRR 212.6 (a): Compliance Demonstration

EU=L-T0001,EP=LT001,Proc=LT2,ES=200LT

- 9 5 6 NYCRR 212.9: Compliance Demonstration
- 11 6 6 NYCRR 212.9: Compliance Demonstration
- 12 7 6 NYCRR 212.9: Compliance Demonstration

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- 16 8 ECL 19-0301: Contaminant List
- 17 9 6 NYCRR 201-1.4: Unavoidable noncompliance and violations
- 18 10 6 NYCRR Subpart 201-5: Emission Unit Definition
- 18 12 6 NYCRR 201-7.3 (e): Facility Permissible Emissions
- 18 *11 6 NYCRR 201-7.3 (e): Capping Monitoring Condition

Emission Unit Level

- 20 14 6 NYCRR Subpart 201-5: Emission Point Definition By Emission Unit
- 21 15 6 NYCRR Subpart 201-5: Process Definition By Emission Unit

NOTE: * preceding the condition number indicates capping.

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FEDERALLY ENFORCEABLE CONDITIONS

FINAL

**** Facility Level ****

NOTIFICATION OF GENERAL PERMITTEE OBLIGATIONS

This section contains terms and conditions which are federally enforceable. Permittees may also have other obligations under regulations of general applicability

Item A: Sealing - 6 NYCRR 200.5

The Commissioner may seal an air contamination source to prevent its operation if compliance with 6 NYCRR Chapter III is not met within the time provided by an order of the Commissioner issued in the case of the violation. Sealing means labeling or tagging a source to notify any person that operation of the source is prohibited, and also includes physical means of preventing the operation of an air contamination source without resulting in destruction of any equipment associated with such source, and includes, but is not limited to, bolting, chaining or wiring shut control panels, apertures or conduits associated with such source.

No person shall operate any air contamination source sealed by the Commissioner in accordance with this section unless a modification has been made which enables such source to comply with all requirements applicable to such modification.

Unless authorized by the Commissioner, no person shall remove or alter any seal affixed to any contamination source in accordance with this section.

Item B: Acceptable Ambient Air Quality - 6 NYCRR 200.6

Notwithstanding the provisions of 6 NYCRR Chapter III, Subchapter A, no person shall allow or permit any air contamination source to emit air contaminants in quantities which alone or in combination with emissions from other air contamination sources would contravene any applicable ambient air quality standard and/or cause air pollution. In such cases where contravention occurs or may occur, the Commissioner shall specify the degree and/or method of emission control required.

Item C: Maintenance of Equipment - 6 NYCRR 200.7

Any person who owns or operates an air contamination source which is equipped with an emission control device shall operate such device and keep it in a satisfactory state of maintenance and repair in accordance with ordinary and necessary practices, standards and procedures, inclusive of manufacturer's specifications,

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required to operate such device effectively.

Item D: Unpermitted Emission Sources - 6 NYCRR 201-1.2

(a) Except as otherwise provided by this Part, construction or operation of a new, modified or existing air contamination source without a registration or permit issued pursuant to this Part is prohibited.

(b) If an existing facility or emission source was subject to the permitting requirements of this Part at the time of construction or modification, and the owner or operator failed to apply for a permit or registration as described in this Part, the owner or operator must apply for a permit or registration in accordance with the provisions of this Part. The facility or emission source is subject to all regulations that were applicable to it at the time of construction or modification and any subsequent requirements applicable to existing emission sources.

Item E: Recycling and Salvage - 6 NYCRR 201-1.7

Where practical, any person who owns or operates an air contamination source shall recycle or salvage air contaminants collected in an air cleaning device according to the requirements of 6 NYCRR.

Item F: Prohibition of Reintroduction of Collected Contaminants to the Air - 6 NYCRR 201-1.8

No person shall unnecessarily remove, handle, or cause to be handled, collected air contaminants from an air cleaning device for recycling, salvage or disposal in a manner that would reintroduce them to the outdoor atmosphere.

Item G: Proof of Eligibility for Sources Defined as Exempt Activities - 6 NYCRR 201-3.2 (a)

The owner and/or operator of an emission source or unit that is eligible to be exempt, may be required to certify that it operates within the specific criteria described in 6 NYCRR Subpart 201-3. The owner or operator of any such emission source must maintain all required records on-site for a period of five years and make them available to representatives of the Department upon request.

Department representatives must be granted access to any facility which contains emission sources or units subject to 6 NYCRR Subpart 201-3, during normal operating hours, for the purpose of determining compliance with this and any other state and federal air pollution control requirements, regulations, or law.

Item H: Proof of Eligibility for Sources Defined as Trivial

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Activities - 6 NYCRR 201-3.3 (a)

The owner and/or operator of an emission source or unit that is listed as being trivial in 6 NYCRR Part 201 may be required to certify that it operates within the specific criteria described in 6 NYCRR Subpart 201-3. The owner or operator of any such emission source must maintain all required records on-site for a period of five years and make them available to representatives of the Department upon request. Department representatives must be granted access to any facility which contains emission sources or units subject to 6 NYCRR Subpart 201-3, during normal operating hours, for the purpose of determining compliance with this and any other state and federal air pollution control requirements, regulations, or law.

Item I: Required Emission Tests - 6 NYCRR 202-1.1

An acceptable report of measured emissions shall be submitted, as may be required by the Commissioner, to ascertain compliance or noncompliance with any air pollution code, rule, or regulation. Failure to submit a report acceptable to the Commissioner within the time stated shall be sufficient reason for the Commissioner to suspend or deny an operating permit. Notification and acceptable procedures are specified in 6 NYCRR Subpart 202-1.

Item J: Open Fires Prohibitions - 6 NYCRR 215.2

Except as allowed by section 215.3 of 6 NYCRR Part 215, no person shall burn, cause, suffer, allow or permit the burning of any materials in an open fire.

Item K: Permit Exclusion - ECL 19-0305

The issuance of this permit by the Department and the receipt thereof by the Applicant does not and shall not be construed as barring, diminishing, adjudicating or in any way affecting any legal, administrative or equitable rights or claims, actions, suits, causes of action or demands whatsoever that the Department may have against the Applicant for violations based on facts and circumstances alleged to have occurred or existed prior to the effective date of this permit, including, but not limited to, any enforcement action authorized pursuant to the provisions of applicable federal law, the Environmental Conservation Law of the State of New York (ECL) and Chapter III of the Official Compilation of the Codes, Rules and Regulations of the State of New York (NYCRR). The issuance of this permit also shall not in any way affect pending or future enforcement actions under the Clean Air Act brought by the United States or any person.

Item L: Federally Enforceable Requirements - 40 CFR 70.6 (b)

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All terms and conditions in this permit required by the Act or any applicable requirement, including any provisions designed to limit a facility's potential to emit, are enforceable by the Administrator and citizens under the Act. The Department has, in this permit, specifically designated any terms and conditions that are not required under the Act or under any of its applicable requirements as being enforceable under only state regulations.

FEDERAL APPLICABLE REQUIREMENTS
The following conditions are federally enforceable.

Condition 1: False statement
Effective between the dates of 05/08/2007 and 05/07/2017

Applicable Federal Requirement:6 NYCRR 200.3

Item 1.1:
 No person shall make a false statement in connection with applications, plans, specifications and/or reports submitted pursuant to this Subchapter.

Condition 13: Air pollution prohibited
Effective between the dates of 05/08/2007 and 05/07/2017

Applicable Federal Requirement:6 NYCRR 211.2

Item 13.1:
 No person shall cause or allow emissions of air contaminants to the outdoor atmosphere of such quantity, characteristic or duration which are injurious to human, plant or animal life or to property, or which unreasonably interfere with the comfortable enjoyment of life or property. Notwithstanding the existence of specific air quality standards or emission limits, this prohibition applies, but is not limited to, any particulate, fume, gas, mist, odor, smoke, vapor, pollen, toxic or deleterious emission, either alone or in combination with others.

****** Emission Unit Level ******

Condition 2: Compliance Demonstration
Effective between the dates of 05/08/2007 and 05/07/2017

Applicable Federal Requirement:6 NYCRR 212.4 (c)

Item 2.1:
 The Compliance Demonstration activity will be performed for:

Emission Unit: L-T0001

Emission Point: LT001

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Regulated Contaminant(s):
CAS No: 0NY075-00-0 PARTICULATES

Item 2.2:

Compliance Demonstration shall include the following monitoring:

Monitoring Type: INTERMITTENT EMISSION TESTING

Monitoring Description:

Emissions of solid particulates are limited to less than 0.050 grains of particulates per cubic foot of exhaust gas, expressed at standard conditions on a dry gas basis. Compliance testing will be conducted at the discretion of the Department.

Parameter Monitored: PARTICULATES

Upper Permit Limit: 0.050 grains per dscf

Reference Test Method: EPA Method 5

Averaging Method: AVERAGING METHOD AS PER REFERENCE TEST METHOD INDICATED

Reporting Requirements: UPON REQUEST BY REGULATORY AGENCY

Condition 3: Compliance Demonstration
Effective between the dates of 05/08/2007 and 05/07/2017

Applicable Federal Requirement: 6 NYCRR 212.4 (c)

Item 3.1:

The Compliance Demonstration activity will be performed for:

Emission Unit: L-T0001 Emission Point: LT001

Regulated Contaminant(s):
CAS No: 0NY075-00-0 PARTICULATES

Item 3.2:

Compliance Demonstration shall include the following monitoring:

Monitoring Type: RECORD KEEPING/MAINTENANCE PROCEDURES

Monitoring Description:

Lancaster Tank operates a spray booth for the coating of steel tanks and other steel products using an airless spray gun. Particulate control devices are required to comply with the degree of cleaning specified under 6NYCRR212.9(b) for A-rated and B-rated particulates and the 0.050 grains/dscf particulate limit under 6NYCRR212.4(c). Lancaster Tank shall use and maintain the spray booth, the application equipment and control equipment in accordance with manufacturer's specifications and shall fulfill the monitoring requirements specified below. The particulate filter shall cover the entire exhaust opening and shall be maintained to ensure maximum capture efficiency at all times.

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Operators of the paint spray booth must periodically monitor the booth and the accompanying particulate control device(s) by completing the following tasks on a weekly basis:

- 1) Inspect the spray booth emission point for evidence of paint fallout and for the presence of visible emissions during the spraying process. The presence of visible emissions indicates that the emission sources may not be operating properly and may need servicing.
- 2) Inspect the spray booth's particulate control device for evidence that maintenance or replacement is needed.
- 3) Record in an inspection log the following information: Date, time, name of staff person performing inspection/maintenance and the results for each inspection/maintenance procedure; and, whenever a problem is discovered, a description of the problem, cause and corrective action taken. Regardless of when a problem is noted, i.e., at a time other than during the weekly inspection, it must be remedied immediately. To verify maintenance practices all purchase orders and invoices related to maintaining the spray booth, the airless spray gun, the control equipment and the maintenance and repair logbook shall be kept onsite and be readily available for review by representatives from NYSDEC upon request. All records shall be kept onsite for a minimum of five years.

Monitoring Frequency: AS REQUIRED - SEE PERMIT MONITORING DESCRIPTION

Reporting Requirements: UPON REQUEST BY REGULATORY AGENCY

Condition 4: Compliance Demonstration
Effective between the dates of 05/08/2007 and 05/07/2017

Applicable Federal Requirement: 6 NYCRR 212.6 (a)

Item 4.1:

The Compliance Demonstration activity will be performed for:

Emission Unit: L-T0001

Emission Point: LT001

Item 4.2:

Compliance Demonstration shall include the following monitoring:

Monitoring Type: MONITORING OF PROCESS OR CONTROL

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DEVICE PARAMETERS AS SURROGATE

Monitoring Description:

No person shall cause or allow emissions having an average opacity during any six consecutive minutes of 20 percent or greater from any process emission source, except only the emission of uncombined water. Compliance with this requirement shall be determined by the facility owner/operator conducting a daily survey of visible emissions when the process is in operation. If any visible emissions are identified, corrective action is required. The Department reserves the right to perform or require the performance of a Method 9 opacity evaluation

Parameter Monitored: OPACITY

Upper Permit Limit: 20 percent

Reference Test Method: EPA Method 9

Monitoring Frequency: DAILY

Averaging Method: 6-MINUTE AVERAGE (METHOD 9)

Reporting Requirements: UPON REQUEST BY REGULATORY AGENCY

Condition 5: Compliance Demonstration
Effective between the dates of 05/08/2007 and 05/07/2017

Applicable Federal Requirement:6 NYCRR 212.9

Item 5.1:

The Compliance Demonstration activity will be performed for:

Emission Unit: L-T0001	Emission Point: LT001
Process: LT2	Emission Source: 200LT

Regulated Contaminant(s):
 CAS No: 009017-01-0 TDI POLYMER

Item 5.2:

Compliance Demonstration shall include the following monitoring:

Monitoring Type: MONITORING OF PROCESS OR CONTROL
 DEVICE PARAMETERS AS SURROGATE

Monitoring Description:

Several of the primers, enamels and rust proofing products that Lancaster Tank uses to coat the exterior and/or interior of steel storage tanks contain toluene diisocyanate (TDI) polymer. Fine particulate aerosols of TDI polymer, generated during the spraying process and emitted to the ambient air through Emission Point LT001, have been issued an environmental rating of A. A contaminant receives this rating when its discharge results, or may result in serious adverse effects on receptors or the environment. These effects may be of a health, economic or aesthetic nature or a combination of these.

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A short-term human exposure analysis of the fine particulate aerosols of TDI polymer emitted from Lancaster Tank was conducted via HEM-3 model. Results showed that at the maximum application rate of 14.4 gallons per hour for coatings that contain 20% TDI polymer, the short-term guidance concentration (SGC) of 73 ug/m³ for TDI polymer is exceeded. Further analysis showed that to maintain emissions at a level that does not exceed the SGC, Lancaster Tank must not exceed a maximum emission rate of 5.2 lb of TDI polymer per hour. The emission rate of 5.2 lb/hr for TDI polymer, modeled using HEM-3, showed concentrations of TDI polymer present in the surrounding area, including residential neighborhoods, ranging from 14 ug/m³ to 69 ug/m³.

To ensure that the SGC is not exceeded, Lancaster Tank shall do the following:

1. Application Rate limited to 12 gal/hour:

Lancaster Tank shall apply coatings that contain a maximum of 20% TDI polymer at a rate of 12 gallons per hour or less, based on a 1-hour average. This application rate results in a maximum emission rate potential (ERP) of 7.6 lb/hr of fine particulate aerosols of TDI polymer.

To verify compliance with this limit, each time a steel tank is sprayed with a coating that contains TDI polymer (or any other isocyanate or diisocyanate), Lancaster Tank shall record the date, applicator's name, name and product number of the coating applied, the start and end times of the application process being recorded, the quantity of coating used in gallons and the calculation of the 1-hour average application rate in gallons per hour. This information shall be recorded in a permanently bound logbook.

2. Minimum Filter Efficiency of 31.3% for Fine Particulate Aerosols:

A-rated contaminants with an Emission Rate Potential (ERP) equal to or greater than one pound per hour require air cleaning at a degree of 99% or greater or Best Available Control Technology (BACT). With a maximum ERP of 7.6 lb/hr, Lancaster Tank must control emissions to 99% or BACT. To comply with this requirement Lancaster Tank shall utilize TriDek 2-ply 24x24 polyester panel filters manufactured by TriDim Corporation or equivalent. This filter was determined to be BACT for TDI polymer based on the results of the human exposure analysis and an air cleaner performance test conducted by Intertek Testing

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Services on September 4, 2000 in accordance with ASHRAE Standard 52.2-1999, "Method of Testing General Ventilation Air Cleaning Devices for Removal Efficiency by Particle Size" for the filter. The filter test showed an overall control efficiency of 31.3% for particles equal to and less than 10 micrometers in diameter.

In accordance with the above findings, Lancaster Tank shall not coat steel tanks or any other steel products with any coatings that contain TDI polymer (or any other isocyanate or diisocyanate), without using TriDek 2-ply 24x24 polyester panel filters or equivalent to capture fine particulates aerosols generated during the coating process at a minimum removal efficiency of 31.3%. Filter inspections, maintenance and recordkeeping shall be conducted as specified under the monitoring condition in this Air State Facility permit under 6NYCRR212.4(c). Proper spray application techniques shall be utilized to minimize overspray and the production of polymeric TDI fine particulate aerosols. Prior to making a change in the current filtration system, Lancaster Tank shall submit appropriate documentation for the proposed filter, including performance test results, to the NYSDEC for review and approval.

A responsible official from Lancaster Tank shall verify annually through a review of the application rate, inspection and maintenance/repair records that the facility has operated in accordance with these requirements and shall submit a certified statement to NYSDEC, including, any failure of or failure to use the required control equipment during the spraying process and any exceedance of the maximum allowable application rate limit. All records shall be maintained onsite for a minimum of five years and shall be readily available for review by NYSDEC representatives upon request.

Parameter Monitored: TDI POLYMER

Upper Permit Limit: 5.2 pounds per hour

Monitoring Frequency: AS REQUIRED - SEE PERMIT MONITORING DESCRIPTION

Averaging Method: MAXIMUM - NOT TO BE EXCEEDED AT ANY TIME (INSTANTANEOUS/DISCRETE OR GRAB)

Reporting Requirements: ANNUALLY (CALENDAR)

Reports due 30 days after the reporting period.

The initial report is due 1/30/2008.

Subsequent reports are due every 12 calendar month(s).

Condition 6: Compliance Demonstration
Effective between the dates of 05/08/2007 and 05/07/2017

Applicable Federal Requirement: 6 NYCRR 212.9

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Item 6.1:

The Compliance Demonstration activity will be performed for:

Emission Unit: L-T0001 Emission Point: LT001
Process: LT2 Emission Source: 200LT

Regulated Contaminant(s):
CAS No: 009017-01-0 TDI POLYMER

Item 6.2:

Compliance Demonstration shall include the following monitoring:

Monitoring Type: WORK PRACTICE INVOLVING SPECIFIC
OPERATIONS

Monitoring Description:

Based on the current usage rate of coatings with 20% TDI polymer, the maximum allowable average application rate of 12 gallons of coating per hour and the use of required filters, it was determined that Lancaster Tank emits 180 lb/yr of TDI polymer. An air quality analysis conducted with DAR-1 software showed that this annual emission rate does not exceed the annual guidance concentration (AGC) of 0.6 ug/m³ established for TDI polymer.

To meet the AGC, annual emissions of TDI polymer must be less than 650 lb, which shall be controlled by limiting the usage of any authorized coatings containing 20 % TDI polymer or less to 1500 gallons per year. This shall be verified through purchase, usage and production records. A statement shall be submitted to NYSDEC annually certifying compliance with this limit, including a list of the products that contain isocyanates/diisocyanates and quantity used during the year. These records shall be maintained on-site for five years in a form suitable and readily available for expeditious inspection and review.

Work Practice Type: PROCESS MATERIAL THRUPUT

Process Material: COATING

Upper Permit Limit: 1500 gallons per year

Monitoring Frequency: AS REQUIRED - SEE PERMIT MONITORING
DESCRIPTIONAveraging Method: MAXIMUM - NOT TO BE EXCEEDED AT ANY
TIME (INSTANTANEOUS/DISCRETE OR GRAB)

Reporting Requirements: ANNUALLY (CALENDAR)

Reports due 30 days after the reporting period.

The initial report is due 1/30/2008.

Subsequent reports are due every 12 calendar month(s).

Condition 7: Compliance Demonstration
Effective between the dates of 05/08/2007 and 05/07/2017

Permit ID: 9-1402-00987/00001

Facility DEC ID: 9140200987

Applicable Federal Requirement: 6 NYCRR 212.9

Item 7.1:

The Compliance Demonstration activity will be performed for:

Emission Unit: L-T0001	Emission Point: LT001
Process: LT2	Emission Source: 200LT

Regulated Contaminant(s):
 CAS No: 009017-01-0 TDI POLYMER

Item 7.2:

Compliance Demonstration shall include the following monitoring:

Monitoring Type: WORK PRACTICE INVOLVING SPECIFIC OPERATIONS

Monitoring Description:

Based on the results of air quality and human exposure analyses, Lancaster Tank shall not use any coatings that contain more than 20% TDI polymer. Lancaster Tank shall not purchase or use any coatings containing any form of isocyanates or diisocyanates, besides the coatings evaluated and accepted to date, without prior written approval by the NYSDEC. If Lancaster Tank wants to change coatings, a certified statement from the manufacturer shall be submitted to NYSDEC identifying any isocyanates/diisocyanates (compound(s) containing one or more isocyanate functional groups (-N=C=O) including monomers, polymers, compounds, etc - reacted and unreacted, blocked and unblocked) and the amount used in the preparation of the ingredients. If a coating contains any form of isocyanates or diisocyanates, Lancaster Tank shall submit that information to the Department for review and approval prior to use. If isocyanate/diisocyanate containing compounds are not used to manufacture any ingredients in the new coating(s), a certified statement from the manufacturer must still be obtained verifying that information. If the same ingredient is used in several products, one statement may be submitted for that ingredient with a listing of all of the products that contain that ingredient.

A statement shall be submitted to NYSDEC by January 30 each year certifying compliance with this requirement.

Work Practice Type: PARAMETER OF PROCESS MATERIAL
 Process Material: COATING
 Parameter Monitored: TDI POLYMER
 Upper Permit Limit: 20 percent by weight
 Monitoring Frequency: AS REQUIRED - SEE PERMIT MONITORING DESCRIPTION
 Averaging Method: MAXIMUM - NOT TO BE EXCEEDED AT ANY

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TIME (INSTANTANEOUS/DISCRETE OR GRAB)
Reporting Requirements: AS REQUIRED - SEE MONITORING DESCRIPTION

Permit ID: 9-1402-00987/00001

Facility DEC ID: 9140200987

STATE ONLY ENFORCEABLE CONDITIONS

**** Facility Level ****

NOTIFICATION OF GENERAL PERMITTEE OBLIGATIONS

This section contains terms and conditions which are not federally enforceable. Permittees may also have other obligations under regulations of general applicability

Item A: Emergency Defense - 6 NYCRR 201-1.5

An emergency constitutes an affirmative defense to an action brought for noncompliance with emissions limitations or permit conditions for all facilities in New York State.

(a) The affirmative defense of emergency shall be demonstrated through properly signed, contemporaneous operating logs, or other relevant evidence that:

(1) An emergency occurred and that the facility owner and/or operator can identify the cause(s) of the emergency;

(2) The equipment at the permitted facility causing the emergency was at the time being properly operated;

(3) During the period of the emergency the facility owner and/or operator took all reasonable steps to minimize levels of emissions that exceeded the emission standards, or other requirements in the permit; and

(4) The facility owner and/or operator notified the Department within two working days after the event occurred. This notice must contain a description of the emergency, any steps taken to mitigate emissions, and corrective actions taken.

(b) In any enforcement proceeding, the facility owner and/or operator seeking to establish the occurrence of an emergency has the burden of proof.

(c) This provision is in addition to any emergency or upset provision contained in any applicable requirement.

Item B: Public Access to Recordkeeping for Facilities With State Facility Permits - 6 NYCRR 201-1.10 (a)

Where emission source owners and/or operators keep records pursuant to compliance with the operational flexibility requirements of 6 NYCRR Subpart 201-5.4(b)(1), and/or the emission capping requirements of 6 NYCRR Subparts 201-7.2(d), 201-7.3(f), 201-7.3(g), 201-7.3(h)(5), 201-7.3(i) and 201-7.3(j), the Department

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will make such records available to the public upon request in accordance with 6 NYCRR Part 616 - Public Access to Records. Emission source owners and/or operators must submit the records required to comply with the request within sixty working days of written notification by the Department of receipt of the request.

Item C: **General Provisions for State Enforceable Permit Terms and Condition - 6 NYCRR Part 201-5**

Any person who owns and/or operates stationary sources shall operate and maintain all emission units and any required emission control devices in compliance with all applicable Parts of this Chapter and existing laws, and shall operate the facility in accordance with all criteria, emission limits, terms, conditions, and standards in this permit. Failure of such person to properly operate and maintain the effectiveness of such emission units and emission control devices may be sufficient reason for the Department to revoke or deny a permit.

The owner or operator of the permitted facility must maintain all required records on-site for a period of five years and make them available to representatives of the Department upon request. Department representatives must be granted access to any facility regulated by this Subpart, during normal operating hours, for the purpose of determining compliance with this and any other state and federal air pollution control requirements, regulations or law.

STATE ONLY APPLICABLE REQUIREMENTS

The following conditions are state only enforceable.

Condition 8: Contaminant List
Effective between the dates of 05/08/2007 and 05/07/2017

Applicable State Requirement:ECL 19-0301

Item 8.1:

Emissions of the following contaminants are subject to contaminant specific requirements in this permit(emission limits, control requirements or compliance monitoring conditions).

CAS No: 009017-01-0
Name: TDI POLYMER

CAS No: 0NY075-00-0
Name: PARTICULATES

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CAS No: 0NY998-00-0

Name: VOC

Condition 9: Unavoidable noncompliance and violations
Effective between the dates of 05/08/2007 and 05/07/2017

Applicable State Requirement: 6 NYCRR 201-1.4

Item 9.1:

At the discretion of the commissioner a violation of any applicable emission standard for necessary scheduled equipment maintenance, start-up/shutdown conditions and malfunctions or upsets may be excused if such violations are unavoidable. The following actions and recordkeeping and reporting requirements must be adhered to in such circumstances.

- (a) The facility owner and/or operator shall compile and maintain records of all equipment maintenance or start-up/shutdown activities when they can be expected to result in an exceedance of any applicable emission standard, and shall submit a report of such activities to the commissioner's representative when requested to do so in writing or when so required by a condition of a permit issued for the corresponding air contamination source except where conditions elsewhere in this permit which contain more stringent reporting and notification provisions for an applicable requirement, in which case they supercede those stated here. Such reports shall describe why the violation was unavoidable and shall include the time, frequency and duration of the maintenance and/or start-up/shutdown activities and the identification of air contaminants, and the estimated emission rates. If a facility owner and/or operator is subject to continuous stack monitoring and quarterly reporting requirements, he need not submit reports for equipment maintenance or start-up/shutdown for the facility to the commissioner's representative.
- (b) In the event that emissions of air contaminants in excess of any emission standard in 6 NYCRR Chapter III Subchapter A occur due to a malfunction, the facility owner and/or operator shall report such malfunction by telephone to the commissioner's representative as soon as possible during normal working hours, but in any event not later than two working days after becoming aware that the malfunction occurred. Within 30 days thereafter, when requested in writing by the commissioner's representative, the facility owner and/or operator shall submit a written report to the commissioner's representative describing the malfunction, the corrective action taken, identification of air contaminants, and an estimate of the emission rates. These reporting requirements are superceded by conditions elsewhere in this permit which contain reporting and notification provisions for applicable requirements more stringent than those above.
- (c) The Department may also require the owner and/or operator to include in reports described under (a) and (b) above an estimate of the maximum ground level concentration of each air contaminant emitted and the effect of such emissions depending on the deviation of the malfunction and the air contaminants emitted.
- (d) In the event of maintenance, start-up/shutdown or malfunction conditions which result in emissions exceeding any applicable emission standard, the facility owner and/or operator shall take appropriate action to prevent emissions which will result in contravention of any applicable ambient air quality standard. Reasonably available control technology, as determined by the commissioner, shall be applied during any maintenance, start-up/shutdown or malfunction condition subject to this paragraph.

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(e) In order to have a violation of a federal regulation (such as a new source performance standard or national emissions standard for hazardous air pollutants) excused, the specific federal regulation must provide for an affirmative defense during start-up, shutdowns, malfunctions or upsets.

Condition 10: Emission Unit Definition
Effective between the dates of 05/08/2007 and 05/07/2017

Applicable State Requirement:6 NYCRR Subpart 201-5

Item 10.1:

The facility is authorized to perform regulated processes under this permit for:

Emission Unit: L-T0001

Emission Unit Description:

This emission unit consists of an open face industrial spray booth, where Processes LT1 and LT2, the spray coating of above ground and underground double wall steel storage tanks and products, as well as, the cleaning of associated spray equipment with solvents takes place. The application of coatings that contains polymeric toluene diisocyanate (TDI) using an airless spray gun at a maximum application rate of 12 gal/hr is identified as Emission Source (ES) 200LT. The application of all other coatings using an airless spray gun is ES 100LT. The pollutants generated in EU L-T0001 include volatile organic compounds (VOCs), hazardous air pollutants (HAPs) and particulates, including fine particulate aerosols of polymeric diisocyanates. Particulate emissions are controlled via disposable fiberglass roll filters and polyester panel filters, identified as Emission Source/Control CT001 and CT002, respectively. There is no control in place for volatile organic compounds. This emission unit contains one emission point, identified as LT001.

Building(s): 1

Condition 12: Facility Permissible Emissions
Effective between the dates of 05/08/2007 and 05/07/2017

Applicable State Requirement:6 NYCRR 201-7.3 (e)

Item 12.1:

The sum of emissions from the emission units specified in this permit shall not equal or exceed the following

Potential To Emit (PTE) rate for each regulated contaminant:

CAS No: 0NY998-00-0

PTE: 10,000 pounds per year

Name: VOC

Condition 11: Capping Monitoring Condition
Effective between the dates of 05/08/2007 and 05/07/2017

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Applicable State Requirement: 6 NYCRR 201-7.3 (e)**Item 11.1:**

Under the authority of 6 NYCRR Part 201-7, this condition contains an emission cap for the purpose of limiting emissions from the facility, emission unit or process to avoid being subject to the following applicable requirement(s) that the facility, emission unit or process would otherwise be subject to:

6 NYCRR 201-1.6
6 NYCRR Subpart 228-1

Item 11.2:

Operation of this facility shall take place in accordance with the approved criteria, emission limits, terms, conditions and standards in this permit.

Item 11.3:

The owner or operator of the permitted facility must maintain all required records on-site for a period of five years and make them available to representatives of the Department upon request. Department representatives must be granted access to any facility regulated by this Subpart, during normal operating hours, for the purpose of determining compliance with this and any other state and federal air pollution control requirements, regulations or law.

Item 11.4:

On an annual basis, unless otherwise specified below, beginning one year after the granting of an emissions cap, the responsible official shall provide a certification to the Department that the facility has operated all emission units within the limits imposed by the emission cap. This certification shall include a brief summary of the emissions subject to the cap for that time period and a comparison to the threshold levels that would require compliance with an applicable requirement.

Item 11.5:

The emission of pollutants that exceed the applicability thresholds for an applicable requirement, for which the facility has obtained an emissions cap, constitutes a violation of Part 201 and of the Act.

Item 11.6:

The Compliance Demonstration activity will be performed for the Facility.

Regulated Contaminant(s):
CAS No: 0NY998-00-0 VOC

Item 11.7:

Compliance Demonstration shall include the following monitoring:

Capping: Yes

Monitoring Type: RECORD KEEPING/MAINTENANCE PROCEDURES

Monitoring Description:

Lancaster Tank has an annual potential to emit (PTE) volatile organic compounds (VOCs) from all sources at the facility, that exceeds the 10 ton/year applicability threshold specified in 6NYCRR228 for Table 1 sources. In

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addition, Lancaster Tank has the potential to emit hazardous air pollutants (HAPs) in excess of the major source thresholds of 10 tpy and 25 tpy specified in 6NYCRR201-6 for individual HAPs and total HAPs, respectively. Since actual annual emissions of VOCs, individual HAPs and total HAPs throughout the facility are less than 50% of the applicability thresholds during any consecutive 12-month period, Lancaster Tank may cap emissions by rule as described under 6NYCRR201-7.3(e) at 5 tpy VOCs, 5 tpy individual HAPs and 12.5 total HAPs, determined by summing the monthly emissions during any consecutive 12-month period.

The Facility shall keep and maintain records of all pertinent information needed to determine actual VOC, individual HAPs and total HAPs including, but not limited to, purchase, usage and production records, manufacturer's product specifications, material safety data sheets, information on application and control equipment, etc. This information shall be used each month to calculate monthly and 12-month rolling total emissions of VOCs, individual HAPs and total HAPs, which shall be recorded in a logbook or in another form acceptable to NYSDEC and reported to NYSDEC each calendar year.

In any situation where the provisions of this section have or are not expected to be achieved the source owner or operator shall notify NYSDEC immediately.

Monitoring Frequency: MONTHLY
 Averaging Method: ANNUAL TOTAL ROLLED MONTHLY
 Reporting Requirements: ANNUALLY (CALENDAR)
 Reports due 30 days after the reporting period.
 The initial report is due 1/30/2008.
 Subsequent reports are due every 12 calendar month(s).

****** Emission Unit Level ******

Condition 14: Emission Point Definition By Emission Unit
 Effective between the dates of 05/08/2007 and 05/07/2017

Applicable State Requirement: 6 NYCRR Subpart 201-5

Item 14.1:

The following emission points are included in this permit for the cited Emission Unit:

Emission Unit: L-T0001

Emission Point: LT001

Height (ft.): 50

Diameter (in.): 36

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NYTMN (km.): 4753.761 NYTME (km.): 187.537 Building: 1

Condition 15: Process Definition By Emission Unit
Effective between the dates of 05/08/2007 and 05/07/2017

Applicable State Requirement: 6 NYCRR Subpart 201-5

Item 15.1:

This permit authorizes the following regulated processes for the cited Emission Unit:

Emission Unit: L-T0001

Process: LT1

Source Classification Code: 4-02-025-01

Process Description:

This process consists of the spray coating of above ground and underground double wall steel storage tanks and other steel products with primers, enamels and/or industrial coatings that do not contain isocyanates or diisocyanates. This process also includes the cleaning of the spray equipment used in the coating process with various solvents.

Emission Source/Control: CT001 - Control

Control Type: FIBERGLASS FILTER

Emission Source/Control: 100LT - Process

Design Capacity: 14.4 gallons per hour

Item 15.2:

This permit authorizes the following regulated processes for the cited Emission Unit:

Emission Unit: L-T0001

Process: LT2

Source Classification Code: 4-02-025-01

Process Description:

This process consists of the spray coating of above ground and underground double wall steel storage tanks with coatings that contain toluene diisocyanate polymer and/or other isocyanate/diisocyanate compounds. This process also includes the cleaning of the applicator and associated equipment used in the coating process with various solvents.

Emission Source/Control: CT002 - Control

Control Type: POLYESTER FILTER

Emission Source/Control: 200LT - Process

Design Capacity: 12 gallons per hour

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