

**STATE OF MISSISSIPPI
AND FEDERALLY ENFORCEABLE
AIR POLLUTION CONTROL
PERMIT**

TO OPERATE AIR EMISSIONS EQUIPMENT AT A
SYNTHETIC MINOR SOURCE

THIS CERTIFIES THAT

Magnolia Steel Company, Inc.
17 17th Avenue South
Meridian, Mississippi

has been granted permission to operate air emissions equipment in accordance with emission limitations, monitoring requirements and conditions set forth herein. This permit is issued in accordance with the Federal Clean Air Act and the provisions of the Mississippi Air and Water Pollution Control Law (Section 49-17-1 et. seq., Mississippi Code of 1972), the regulations and standards adopted and promulgated thereunder, and the State Implementation Plan for operating permits for synthetic minor sources.

MISSISSIPPI ENVIRONMENTAL QUALITY PERMIT BOARD



AUTHORIZED SIGNATURE

MISSISSIPPI DEPARTMENT OF ENVIRONMENTAL QUALITY

Issued: DEC 8 2004

Permit No.: 1460-00035

Expires: November 30, 2009

Part I
GENERAL CONDITIONS

1. Any activities not identified in the application are not authorized by this permit.
2. The permittee shall at all times maintain in good working order and operate as efficiently as possible all air pollution control facilities or systems installed or used by the permittee to achieve compliance with the terms and conditions of this permit.
3. Solids removed in the course of control of air emissions shall be disposed of in a manner such as to prevent the solids from becoming windborne and to prevent the materials from entering state waters without the proper environmental permits.
4. Any diversion from or bypass of collection and control facilities is prohibited except as provided for in Regulation APC-S-1, "Air Emission Regulations for the Prevention, Abatement, and Control of Air Contaminants", Section 10.
5. Should the Executive Director of the Mississippi Department of Environmental Quality declare an Air Pollution Emergency Episode, the permittee will be required to operate in accordance with the permittee's previously approved Emissions Reduction Schedule.
6. The permittee shall allow the Mississippi Department of Environmental Quality Office of Pollution Control and the Mississippi Environmental Quality Permit Board and/or their authorized representatives, upon the presentation of credentials:
 - a. To enter upon the permittee's premises where an air emission source is located or in which any records are required to be kept under the terms and conditions of this permit, and
 - b. At reasonable times to have access to and copy any records required to be kept under the terms and conditions of this permit; to inspect any monitoring equipment or monitoring method required in this permit; and to sample any air emission.
7. After notice and opportunity for a hearing, this permit may be modified, suspended, or revoked in whole or in part during its term for cause including, but not limited to:
 - a. Violation of any terms or conditions of this permit.
 - b. Obtaining this permit by misrepresentation or failure to disclose fully all relevant facts; or

- c. A change in any condition that required either a temporary or permanent reduction or elimination of authorized air emissions.
8. For renewal of this permit the applicant shall make application not less than one-hundred eighty (180) days prior to the expiration date of the permit substantiated with current emissions data, test results or reports or other data as deemed necessary by the Mississippi Environmental Quality Permit Board.
9. Except for data determined to be confidential under the Mississippi Air & Water Pollution Control Law, all reports prepared in accordance with the terms of this permit shall be available for public inspection at the offices of the Mississippi Department of Environmental Quality Office of Pollution Control.
10. The issuance of this permit does not convey any property rights in either real or personal property, or any exclusive privileges, nor does it authorize any injury to private property or any invasion of personal rights, nor any infringement of Federal, State, or local laws or regulations.
11. Nothing herein contained shall be construed as releasing the permittee from any liability for damage to persons or property by reason of the installation, maintenance, or operation of the air cleaning facility, or from compliance with the applicable statutes of the State, or with local laws, regulations, or ordinances.
12. This permit may only be transferred upon approval of the Mississippi Environmental Quality Permit Board.
13. This permit is for air pollution control purposes only.
14. This permit is a Federally-approved permit to operate a synthetic minor source as described in Regulation APC-S-2, Section IV.D.

Part II

II.A. EMISSION POINTS AND POLLUTION CONTROL DEVICES

Beginning **ISSUANCE DATE**, and lasting until **November 30, 2009**, the permittee is authorized to operate air emissions equipment and emit air contaminants from the entire facility, which includes the following emission points:

Emission Point	Description
AA-001	Wheelabrator Steel Shot Blaster (Wheelabrator 4 WA Straight Line Monorail, Model 1952) (equipped with a baghouse)
AA-002	Painting Operations
AA-003	Welding Operations

Such emissions shall be limited by the permittee as specified below:

II.B. EMISSION LIMITATIONS AND STANDARDS

FACILITY-WIDE EMISSION LIMITATIONS AND STANDARDS

- II.B.1 For the entire facility, the permittee shall limit Particulate Matter (PM/PM₁₀...combined) emissions to no more than 99.0 tons/year (TPY). PM shall be determined by EPA Test Methods 1-5, 40 CFR 60, Appendix A.
- II.B.2 For the entire facility, the permittee shall limit Volatile Organic Compound (VOC) emissions to no more than 99.0 TPY as determined for each consecutive (or rolling) 12-month period.
- II.B.3 For the entire facility, the permittee shall limit Hazardous Air Pollutant (HAP) emissions to no more than 9.9 TPY of any single HAP and no more than 24.9 TPY of total combined HAP's as determined for each consecutive (or rolling) 12-month period.
- II.B.4 The permittee shall limit Opacity to 40%, as determined by EPA Test Method 9, 40 CFR 60, Appendix A.
- II.B.5 The maximum permissible emission of ash and/or particulate matter from fossil fuel burning installations of less than 10 million BTU per hour heat input shall not exceed 0.6 pounds per million BTU per hour heat input. (Ref.: APC-S-1, Section 3.4(a)(1))

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EMISSION LIMITATIONS AND STANDARDS (Cont...from Page 4)

- II.B.6 The maximum discharge of sulfur oxides from any fuel burning installation in which the fuel is burned primarily to produce heat or power by indirect heat transfer shall not exceed 4.8 pounds (measured as sulfur dioxide) per million BTU heat input.
(Ref.: APC-S-1, Section 4.1(a))
- II.B.7 All test methods specified above shall be those versions, or their approved equivalents, which are in effect **ISSUANCE DATE**.

II.C. MONITORING REQUIREMENTS

- II.C.1 For the entire facility, the permittee shall determine for each coating, adhesive, solvent or other VOC or HAP containing material used, utilizing data supplied by the manufacturer or by analysis of each coating and/or solvent using EPA Reference Method 24, 40 CFR 60, Appendix A, the following:
- a) Quantity used (gal)
 - b) The percentage of Volatile Organic Compounds (VOC) by weight
 - c) The percentage of each Hazardous Air Pollutants (HAP) by weight
 - d) The density (lbs/gal)
 - e) The quantity used, in weight percentage, of VOC's and itemized HAP's
- II.C.2 The permittee shall determine the quantity of blasting material used, in pounds per month.
- II.C.3 The permittee shall determine the pressure drop across the filter emission control system such that a reasonable assurance of compliance is achieved. Initially, the permittee shall provide to the MDEQ a range for pressure drop data that will indicate compliance with the aforementioned facility-wide emission limitation on particulate matter.
- II.C.4 The permittee shall maintain on hand at all times sufficient equipment and/or measuring devices as is necessary for monitoring and/or measurement of the pressure drop across the filter emission control system.

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II.D. RECORDKEEPING REQUIREMENTS

II.D.1 The permittee shall maintain sufficient records to document:

- a) The identification of each coating, adhesive, solvent or other VOC or HAP containing material and the total gallons of each coating, adhesive, solvent or other VOC or HAP containing material used on a monthly basis and in any consecutive (or rolling) 12-month period.
- b) The VOC and HAP content(s) of each coating, adhesive, solvent or other VOC or HAP containing material used. A description of the method used to determine the VOC and HAP content shall accompany this data.
- c) The density of each coating, adhesive, solvent or other VOC or HAP containing material used.
- d) The quantity of blasting material used on a monthly basis and in any consecutive (or rolling) 12-month period.
- e) The pressure drop across the filter emission control system during the maintenance inspections performed after every 100 hours of equipment operation.

II.D.2 The permittee shall maintain copies of all records and reports on site for at least five (5) years and shall make them available upon request by Mississippi Department of Environmental Quality (MDEQ) personnel.

II.E. REPORTING REQUIREMENTS

II.E.1 The permittee shall submit semi-annual reports providing:

- a) The identification of each coating, adhesive, solvent or other VOC or HAP containing material used.
- b) The VOC and HAP content(s) of each coating, adhesive, solvent, or other VOC or HAP containing material used.
- c) The total gallons of each coating, adhesive, solvent or other VOC or HAP containing material used in any consecutive (or rolling) 12-month period.

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REPORTING REQUIREMENTS (Cont...from Page 6)

- d) The total VOC emission rate, the emission rate of each individual HAP and the total HAP emission rate in tons/month and tons/year for any consecutive (or rolling) 12-month period.
 - e) The total pounds of blasting material used in any consecutive (or rolling) 12-month period.
 - f) The pressure drop across the filter emission control system.
- II.E.2 The reports shall be submitted no later than 30 days from the semi-annual periods ending June 30 and December 31.
- II.E.3 The permittee shall report any exceedance of limitations outlined in this permit to the Mississippi Department of Environmental Quality (MDEQ) no later than ten (10) days following the end of the month in which the exceedance occurred and shall report the cause of the exceedance and the action(s) taken and/or to be taken to correct it.

Part III
OTHER REQUIREMENTS

1. This permit does not authorize a modification as defined in Regulation APC-S-2, "Permit Regulations for the Construction and/or Operation of Air Emissions Equipment". A modification requires a Permit to Construct and a modification of this permit. Modification is defined as "Any physical change in or change in the method of operation of a facility which increases the actual emissions or the potential uncontrolled emissions of any air pollutant subject to regulation under the Federal Act emitted into the atmosphere by that facility or which results in the emission of any air pollutant subject to regulation under the Federal Act into the atmosphere not previously emitted. A physical change or change in the method of operation shall not include:
 - a. routine maintenance, repair, and replacement;
 - b. use of an alternative fuel or raw material by reason of an order under Sections 2 (a) and (b) of the Federal Energy Supply and Environmental Coordination Act of 1974 (or any superseding legislation) or by reason of a natural gas curtailment plan pursuant to the Federal Power Act;
 - c. use of an alternative fuel by reason of an order or rule under Section 125 of the Federal Act;
 - d. use of an alternative fuel or raw material by a stationary source which:
 - i) the source was capable of accommodating before January 6, 1975, unless such change would be prohibited under any federally enforceable permit condition which was established after January 6, 1975, pursuant to 40 CFR 52.21 or under regulations approved pursuant to 40 CFR 51.166; or
 - ii) the source is approved to use under any permit issued under 40 CFR 52.21 or under regulations approved pursuant to 40 CFR 51.166;
 - e. an increase in the hours of operation or in the production rate unless such change would be prohibited under any federally enforceable permit condition which was established after January 6, 1975, pursuant to 40 CFR 52.21 or under regulations approved pursuant to 40 CFR Subpart I or 40 CFR 51.166; or
 - f. any change in ownership of the stationary source."

Part III
OTHER REQUIREMENTS (Cont...from Page 8)

2. None.