NEIGHBORHOODS DEPARTMENT

Jacksonville
Where Florida Begins.

Permittee:
SAFT America Inc.
13575 Waterworks Street
Jacksonville, FL 32221 -8118

Final Permit Number: 0310572-003-AC
Facility ID Number: 0310572
SIC Number: 3691
Project: Lithium Ion Battery Manufacturing Facility

This permit authorizes the construction of a new coating line at the existing lithium ion battery manufacturing facility. The facility is located in Duval County at 13575 Waterworks Street, Jacksonville, Florida 32221-8118. The Universal Transverse Mercator coordinates of the facility are Zone 17, 421.05 km East, and 3350.83 km North. The latitude and longitude coordinates are: 30° 16' 25" North and 81° 53' 22" West.

This permit is issued under the provisions of Chapter 403, Florida Statutes (F.S.) and Chapters 62-4, 62-204, 62-210, 62-212, 62-296, and 62-297, Florida Administrative Code (F.A.C.). The above named permittee is hereby authorized to perform the work or operate the facility shown on the application and approved drawings, plans, and other documents, attached hereto or on file with the Neighborhoods Department, Environmental Quality Division (Permitting Authority) in accordance with the terms and conditions of this permit.

Appendix U-1, List of Unregulated or Exempt Emission Units, is part of this permit.

Operation Permit Application Due Date: **August 31, 2013**
Expiration Date: **November 30, 2013**

Neighborhoods Department
Environmental Quality Division

Robert Steven Pace, P.E., Manager
Air Quality Branch

RSP/CBJ

Section I. Facility Information

Subsection A. Facility/Project Description

The SAFT America Inc. facility is comprised of one (1) process line composed of one (1) cation coating line and one (1) anion coating line. All emissions associated with the coating lines are treated by passing through a shared wet scrubber prior to release to the atmosphere.

The facility plans to install one (1) new coating line that will perform both cathode and anode coating operations. All emissions associated with this coating line are processed through a condenser and the shared wet scrubber prior to release to the atmosphere. The installation of this coating line will not produce any increase in emissions from the wet scrubber.

There are two (2) natural gas fired, 7.2 MMBtu per hour, drying ovens which supply heated air to the dryers in each coating line. Emissions from each of the ovens are exhausted directly to the atmosphere.

The new coating line will include the installation of one (1) new, natural gas fired, 7.2 MMBtu per hour, drying oven which supplies heated air to the dryer in the coating line. Emissions from the oven are exhausted directly to the atmosphere. There will be a small increase in emissions caused by this drying oven.

This facility is classified as a minor source of air pollution because the potential emissions of regulated air pollutants are less than 100 tons per year pursuant to Chapter 62-210, F.A.C., and Rule 2.301, Jacksonville Environmental Protection Board (JEPB).

Subsection B. Summary of Emission Unit (EU) ID Numbers and Brief Descriptions

EU No.	EU Description	Control Device
001	Cathode and Anode coating lines	Wet Scrubber, Megtec Model PS1005
002	Cathode and Anode drying ovens	-- none –

Subsection C. Relevant documents

Air construction permit application received October 19, 2012

Section II. Facility Wide Conditions

Subsection A. General Conditions

1. The terms, conditions, requirements, limitations and restrictions set forth in this permit, are "permit conditions" and are binding and enforceable pursuant to Sections 403.141, 403.727, or 403.859 through 403.861, F.S. The permittee is placed on notice that the Permitting Authority will review this permit periodically and may initiate enforcement action for any violation of these conditions.

2. This permit is valid only for the specific processes and operations applied for and indicated in the approved drawings or exhibits. Any unauthorized deviation from the approved drawings, exhibits, specifications, or conditions of this permit may constitute grounds for revocation and enforcement action by the Permitting Authority.

3. As provided in subsections 403.987(6) and 403.722(5), F.S, the issuance of this permit does not convey any vested rights or any exclusive privileges. Neither does it authorize any injury to public or private property or any invasion of personal rights, nor any infringement of federal, state, or local laws or regulations. This permit is not a waiver of or approval of any other Permitting Authority permit that may be required for other aspects of the total project which are not addressed in this permit.

4. This permit conveys no title to land or water, does not constitute State recognition or acknowledgment of title, and not constitute authority for the use of submerged lands unless herein provided and the necessary title or leasehold interests have been obtained from the State. Only the Trustees of the Internal Improvement Trust Fund may express State opinion as to title.

5. This permit does not relieve the permittee from liability for harm or injury to human health or welfare, animal, or plant life, or property caused by the construction or operation of this permitted source, or from penalties therefore; nor does it allow the permittee to cause pollution in contravention of Florida Statutes and rules, unless specifically authorized by an order from the Permitting Authority.

6. The permittee shall properly operate and maintain the facility and systems of treatment and control (and related appurtenances) that are installed and used by the permittee to achieve compliance with the conditions of this permit, as required by Permitting Authority rules. This provision includes the operation of backup or auxiliary facilities or similar systems when necessary to achieve compliance with the conditions of the permit and when required by Permitting Authority rules.

7. The permittee, by accepting this permit, specifically agrees to allow authorized Permitting Authority personnel, upon presentation of credentials or other documents as may be required by law and at reasonable times, access to the premises where the permitted activity is located or conducted to:
   a. Have access to and copy any records that must be kept under conditions of the permit;
   b. Inspect the facility, equipment, practices, or operations regulated or required under this permit; and
   c. Sample or monitor any substances or parameters at any location reasonably necessary to assure compliance with this permit or Permitting Authority rules.

   Reasonable time may depend on the nature of the concern being investigated.

8. If, for any reason, the permittee does not comply with or will be unable to comply with any condition or limitation specified in this permit, the permittee shall immediately provide the Permitting Authority with the following information:
   a. A description of and cause of noncompliance; and
   b. The period of noncompliance, including dates and times; or, if not corrected, the anticipated time the noncompliance is expected to continue, and steps being taken to reduce, eliminate, and prevent recurrence of the noncompliance. The permittee shall be responsible for any and all damages which may result and may be subject to enforcement action by the Permitting Authority for penalties or for revocation of this permit.

9. In accepting this permit, the permittee understands and agrees that all records, notes, monitoring data and other information relating to the construction or operation of this permitted source which are submitted to the Permitting Authority may be used by the Permitting Authority as evidence in any enforcement case involving the permitted source arising under the Florida Statutes or Permitting Authority rules, except where such use is prescribed by Sections 403.111 and 403.73, F.S. Such evidence shall only be used to the extent it is consistent with the Florida Rules of Civil Procedure and appropriate evidentiary rules.

10. The permittee agrees to comply with changes in Permitting Authority rules and Florida Statutes after a reasonable time for compliance; provided, however, the permittee does not waive any other rights granted by Florida Statutes or Permitting Authority rules.

11. This permit is transferable only upon Permitting Authority approval in accordance with Rules 62-4.120 and 62-730.300, F.A.C., as applicable. The permittee shall be liable for any non-compliance of the permitted activity until the transfer is approved by the Permitting Authority.

12. This permit or a copy thereof shall be kept at the work site of the permitted activity.

13. This permit also constitutes:
    ( ) Determination of Best Available Control Technology (BACT)
    ( ) Compliance with New Source Performance Standards (NSPS)

14. The permittee shall comply with the following:
    a. Upon request, the permittee shall furnish all records and plans required under Permitting Authority rules. During enforcement actions, the retention period for all records will be extended automatically unless otherwise stipulated by the Permitting Authority.
    b. The permittee shall hold at the facility or other location designated by this permit records of all monitoring information (including all calibration and maintenance records and all original strip chart recordings for continuous monitoring instrumentation) required by the permit, copies of all reports required by this permit, and records of all data used to complete the application for this permit. These materials shall be retained at least three years from the date of the sample, measurement, report, or application unless otherwise specified by Permitting Authority rule.
    c. Records of monitoring information shall include:
        i. The date, exact place, and time of sampling or measurements;
        ii. The person responsible for performing the sampling or measurements;
        iii. The dates analyses were performed;
        iv. The person responsible for performing the analyses;
        v. The analytical techniques or methods used;
        vi. The results of such analyses.

15. When requested by the Permitting Authority, the permittee shall within a reasonable time furnish any information required by law which is needed to determine compliance with the permit. If the permittee becomes aware the relevant facts were not submitted or were incorrect in the permit application or in any report to the Permitting Authority, such facts or information shall be corrected promptly.
    [Rule 62-4.160, F.A.C., and Rule 2.1401, JEPB]

Subsection B. Specific Conditions

1. The permittee shall not operate, maintain, perform construction, expand, or modify this facility without an appropriate and valid air permit issued by the Permitting Authority and may only be operated, maintained, constructed, expanded, or modified in a manner that is consistent with the terms of the permit.
   [Rule 62-4.030, F.A.C., and Rule 2.1401, JEPB]

2. The permittee shall obtain an appropriate air permit from the Permitting Authority by applying on the forms prescribed by the Permitting Authority, accompanied by the proper processing fee, and submitting such additional information as the Permitting Authority by law may require. All applications and supporting documents shall be filed in quadruplicate with the Permitting Authority. The requirement to file application forms in quadruplicate is waived per 62-210.900 if an air permit application is submitted using the Department of Environmental Protection (DEP) electronic application website.
   [Rule 62-4.050, F.A.C., and Rule 2.1401, JEPB]

3. The permittee shall ensure that the construction of a facility reasonably conforms to the plans and schedule submitted in the construction application. The permittee shall demonstrate compliance with the conditions of the air construction permit and submit a complete "Application for Air Permit – Non-Title V Source" (DEP Form 62-210.900(3)) along with the application fee, all compliance records, compliance test results, and such additional information as the Permitting Authority may by law require, at least ninety (90) days prior to the expiration date of the air construction permit but no later than 180 days after initial start-up, whichever occurs first. The permittee may continue to operate in compliance with all terms of the air construction permit until its expiration date. Operation beyond the air construction permit expiration date requires a valid air operation permit.
   [Rule 62-4.070(3), F.A.C., and Rule 2.1401, JEPB]

4. The permittee shall apply to the Permitting Authority for a desired modification to an air permit or application, accompanied by the proper processing fee, and receive the approval of the Permitting Authority prior to implementation of the modification.
   [Rule 62-4.080(2), F.A.C., and Rule 2.1401, JEPB]

5. The permittee shall request an air construction permit expiration date be extended as a modification to the permit if construction is unable to be completed prior to the expiration date of the permit. The request must be submitted to the Permitting Authority in writing prior to the expiration date of the air construction permit.
   [Rule 62-4.080(3), F.A.C., and Rule 2.1401, JEPB]

6. The permittee shall submit an "Application for Transfer of Air Permit" (DEP Form 62-210.900(7)) to the Permitting Authority within 30 days after the sale or legal transfer of a permitted facility. The application must be completed with the notarized signatures of both the permittee and the proposed new permittee.
   [Rule 62-4.120, F.A.C., and Rule 2.1401, JEPB]

7. The permittee shall immediately notify the Permitting Authority if the permittee is unable to comply with any of the conditions of an air permit. Notification shall include pertinent information as to the cause of the problem, and what steps are being taken to correct the problem and to prevent its recurrence. Such notification does not release the permittee from any liability for failure to comply with Permitting Authority rules.
   [Rule 62-4.130, F.A.C., and Rule 2.1401, JEPB]

8. The owner or operator of any proposed new, reconstructed, or modified facility, emissions unit, or pollution control equipment shall obtain an air construction permit prior to the beginning of construction, reconstruction or modification of the facility, emissions unit or the addition of air pollution control equipment.
   [Rule 62-210.300(1)(a), F.A.C., and Rule 2.301, JEPB]

9. The permittee shall obtain a renewal air operation permit, an initial air operation permit, or a revision of an existing air operation permit, whichever is appropriate, prior to the expiration of the air operation permit for an existing facility or emissions unit or subsequent to construction, reconstruction or modification of a facility or emissions unit authorized by an air construction permit and demonstration of compliance with the conditions of such air construction permit.
   [Rule 62-210.300(2), F.A.C., and Rule 2.301, JEPB]

10. The permittee shall notify the Permitting Authority in writing of minor corrections or amendments to information contained in an air permit. Such minor corrections or amendments shall include:
    a. Typographical errors noted in the permit
    b. Name, address or phone number change from that in the permit
    c. A change requiring more frequent monitoring or reporting by the permittee
    d. A change in ownership or operational control of a facility

    [Rule 62-210.360, F.A.C., and Rule 2.301, JEPB]

11. The permittee shall not circumvent any air pollution control device, or allow the emission of air pollutants without the applicable air pollution control device operating properly.
[Rule 62-210.650, F.A.C., and Rule 2.301, JEPB]

12. Excess emissions resulting from startup, shutdown or malfunction of any emissions unit shall be permitted providing:
    a. best operational practices to minimize emissions are adhered to and
    b. the duration of excess emissions shall be minimized but in no case exceed two hours in any 24 hour period unless specifically authorized by the Permitting Authority for longer duration.

    [Rule 62-210.700(1), F.A.C., and Rule 2.301, JEPB]

13. The permittee shall not allow any excess emissions which are caused entirely or in part by poor maintenance, poor operation, or any other equipment or process failure which may reasonably be prevented.
[Rule 62-210.700(4), F.A.C., and Rule 2.301, JEPB]

14. The permittee shall immediately notify the Permitting Authority of any excess emissions resulting from malfunctions in accordance with 62-4.130, F.A.C. A full written report on the malfunctions shall be submitted if requested by the Permitting Authority.
[Rule 62-210.700(6), F.A.C., and Rule 2.301, JEPB]

15. The permittee shall not store, pump, handle, process, load, unload or use in any process or installation, volatile organic compounds or organic solvents without applying known and existing vapor emission control devices or systems deemed necessary and ordered by the Permitting Authority.
[Rule 62-296.320(1), F.A.C., and Rule 2.1101, JEPB]

16. The permittee shall not cause, let, permit, suffer, or allow the emission of air pollutants which cause or contribute to an objectionable odor.
[Rule 62-296.320(2), F.A.C., and Rule 2.1101, JEPB]

17. The permittee shall not cause, let, permit, suffer, or allow the emission of air pollutants from any activity, the density of which is equal to or greater than 20 percent opacity.
[Rule 62-296.320(4)(b)1, F.A.C., and Rule 2.1101, JEPB]

18. The permittee shall not cause, let, permit, suffer or allow the emission of unconfined particulate matter from any activity, including vehicular movement; transportation of materials; construction, alteration, demolition or wrecking; or industrially related activities such as loading, unloading, storing or handling; without taking reasonable precautions to prevent such emissions. Reasonable precautions include but are not limited to the following:
    a. Paving and maintenance of roads, parking areas and yards.
    b. Application of water or chemicals to control emissions from such activities as demolition of buildings, grading roads, construction, and land clearing.
    c. Application of asphalt, water, oil, chemicals or other dust suppressants to unpaved roads, yards, open stock piles and similar activities.
    d. Removal of particulate matter from roads and other paved areas under the control of the owner or operator of the facility to prevent reentrainment, and from buildings or work areas to prevent particulate from becoming airborne.
    e. Landscaping or planting of vegetation.
    f. Use of hoods, fans, filters, and similar equipment to contain, capture and/or vent particulate matter.
    g. Confining abrasive blasting where possible.
    h. Enclosure or covering of conveyor systems.

    [Rule 62-296.320(4)(c), F.A.C., and Rule 2.1101, JEPB]

19. The permittee shall conduct emission testing with the EU operating at permitted capacity. Permitted capacity is defined as 90-100 percent of the maximum operating rate allowed by the air permit. If it is impractical to test at permitted capacity, then the EU may be tested at less than capacity; in this case subsequent EU operation is limited to 110 percent of the test load until a new test is conducted. Once the EU is so limited, operation at higher capacities is allowed for no more than 15 consecutive days solely for the purposes of additional compliance testing to regain the permitted capacity in the air permit.
[Rule 62-297.310(2), F.A.C., and Rule 2.1201, JEPB]

20. The permittee shall provide stack sampling facilities, upon Permitting Authority request, with a method of access that is safe and readily accessible in accordance with OSHA standards (29CFR1910, Subparts D and E). Permanent sampling facilities are not required.
[Rule 62-297.310(6), F.A.C., and Rule 2.1201, JEPB]

21. The permittee shall notify the Permitting Authority at least fifteen (15) days prior to EU compliance testing.
[Rule 62-297.310(7)(a)9, F.A.C., and Rule 2.1201, JEPB]

22. The permittee shall file a report with the Permitting Authority on the results of each compliance test as soon as practical but no later than forty-five (45) days after completion of testing.
[Rule 62-297.310(8), F.A.C., and Rule 2.1201, JEPB]

23. The facility is subject to the City of Jacksonville Ordinance Code, Title X, Chapter 360 [Environmental Regulation], Chapter 362 [Air and Water Pollution], Chapter 365 [Hazardous Regulated Substance Program], and Chapter 376 [Odor Control], and JEPB Rule 1 [Final Rules with Respect to Organization, Procedure, and Practice], and JEPB Rule 2, Part Nos. I through III, and Part Nos. X through XIV.

24. The permittee shall submit all compliance related notifications and reports required of this permit to:

Neighborhoods Department
Environmental Quality Division
214 North Hogan Street, Suite 500
Jacksonville, FL 32202
Telephone: (904) 255-7100
Fax: (904) 588-0518

Section III. Emission Units and Conditions

Emission Unit 001 - Cathode and Anode Coating Lines

Emission Unit Description – This EU is comprised of two (2) process lines composed of one (1) cation coating line and one (1) anion coating line in the first process line and one (1) combination cation and anion coating line in the second process line. All emissions associated with the coating lines are treated by passing through a shared wet scrubber prior to release to the atmosphere.

Control Device – One (1) Wet Scrubber, Megtec Model PS1005

Essential Potential to Emit (PTE) Parameters

1. The process input rate for this emission unit is limited to 1600 pounds per hour total and 800 pounds per hour per coating line of N-Methyl-2-Pyrrolidone (NMP) [fourteen (14) million pounds per year].
[Rule 62-210.200(PTE), F.A.C., and Rule 2.301, JEPB]

2. This emissions unit is permitted to operate continuously, i.e., 8,760 hours/year.
[Rule 62-210.200(PTE), F.A.C., and Rule 2.301, JEPB]

Emission Limitations and Standards

3. The wet scrubber maximum exhaust rate is limited to 2703 scfm and 10 ppmv VOC's.
[Rule 62-4.070(3), F.A.C., and Rule 2.1401, JEPB]

4. The VOC emissions from this EU shall not exceed ten (10) tons per year.
[Rule 62-4.070(3), F.A.C., and Rule 2.1401, JEPB]

Test Methods and Procedures

5. Testing for the demonstration of compliance shall be performed in accordance with EPA Reference Method (RM) 25A for the determination of VOC.
[Rule 62-4.070(3), F.A.C., and Rule 2.1401, JEPB]

6. Testing for the demonstration of compliance shall be performed upon initial operation of a coating line, a minimum of 120 days but no more than one (1) year prior to operation permit expiration, and upon Permitting Authority request.
[Rule 62-297.310(7), F.A.C., and Rule 2.1201, JEPB]

Recordkeeping and Reporting

7. Records of process input rates shall be maintained on a monthly basis. Records shall be maintained for a minimum of three (3) years and made available to the Permitting Authority upon request.
[Rule 62-4.070(3), F.A.C., and Rule 2.1401, JEPB]

Emission Unit 002 - Drying Ovens

Emission Unit Description – This EU is comprised of three (3) natural gas fired, 7.2 MMBtu drying ovens

Control Device – There is no control device associated with this EU.

Essential Potential to Emit (PTE) Parameters

1. The maximum combined heat input rate is limited to 21.6 MMBtu per hour (0.021 million cubic feet per hour of natural gas).
[Rule 62-210.200(PTE), F.A.C., and Rule 2.301, JEPB]

2. This emissions unit is permitted to operate continuously, i.e., 8,760 hours/year.
[Rule 62-210.200(PTE), F.A.C., and Rule 2.301, JEPB]

Emission Limitations and Standards

3. The drying ovens' exhaust Visible Emissions (VE) shall not exceed 5% opacity.
   [Rule 62-4.070(3), F.A.C., and Rule 2.1401, JEPB]

4. The drying ovens' exhaust Particulate Matter (PM) emissions shall not exceed fifteen (15) tons per year and five (5) pounds per hour.
   [Rule 62-296.700(2)(a), F.A.C., and Rule 2.1101, JEPB]

Test Methods and Procedures

5. Testing for the demonstration of compliance for VE shall be performed in accordance with EPA Reference Method (RM) 9 for the visual determination of opacity.
   [Rule 62-296.320(4)(b)4, F.A.C., and Rule 2.1101, JEPB]

6. The required minimum period of observation for the VE compliance test shall be thirty (30) minutes.
   [Rule 62-297.310(4)(a)2, F.A.C., and Rule 2.1201, JEPB]

7. Testing for the demonstration of compliance for VE shall be performed upon initial drying oven operation, a minimum of 120 days but no more than one (1) year prior to operation permit expiration, and upon Permitting Authority request.
   [Rule 62-297.310(7), F.A.C., and Rule 2.1201, JEPB]

Recordkeeping and Reporting

8. Records of process input rates shall be maintained on a monthly basis. Records shall be maintained for a minimum of three (3) years and made available to the Permitting Authority upon request.
   [Rule 62-4.070(3), FAC, and Rule 2.1401, JEPB]

Appendix U-1, List of Unregulated or Exempt Emission Units

SAFT America Inc.

FINAL Permit Number: 0310572-003-AC
Facility ID Number: 0310572

Unregulated Emission Unit: An emission unit (EU) which emits no "emissions-limited pollutant" and which is subject to no unit-specific work practice standard, though it may be subject to regulations applied on a facility-wide basis (e.g., unconfined emissions, odor, general opacity) or to regulations that require only that it be able to prove exemption from unit-specific emissions or work practice standards.

Exempt Emission Unit: An emission unit not required to be permitted in accordance with 62-210.300(3)(a) or (b), Florida Administrative Code (F.A.C.). Exemption from the requirement to obtain an air permit does not relieve the owner or operator of a facility or emissions unit from complying with any limitation or requirement applicable to such facility or emissions unit.

The below listed emission units and/or activities are either "unregulated" emission units or "exempt" emission units.

EU Description	Explanation
Emergency Generator	These units are exempt from permitting as long as they meet the requirements of Rule 62-210.300(3)(a)35, F.A.C. These units are subject to both 40CFR63 Subpart ZZZZ in accordance with 40CFR63.6590(b)(3)(vii) and 40CFR60 Subpart IIII in accordance with 40CFR60.4200(a)(2)(i).
Corona Treatment of aluminum substrate	Ozone is a regulated pollutant but there is no emission limiting standard for this process.