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

Draft Permit Number: 0310572-001-AC
Facility ID Number: 0310572
SIC Number: 3691
Project: Lithium Ion Battery Manufacturing Facility

This permit is for the construction of a lithium ion battery manufacturing facility. The facility will be located in Duval County at 13575 Waterworks Street in Jacksonville, Florida 32221. The UTM coordinates of the new facility are Zone 17, 421.05 km East, and 3350.83 km North. Latitude: 30° 17' 12" North and Longitude: 81° 49' 15" 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 Environmental and Compliance Department, Environmental Quality Division (Department) in accordance with the terms and conditions of this permit.

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

Operation Permit Application Due Date: **September 30, 2012**
Expiration Date: **December 31, 2012**

Environmental and Compliance Department
Environmental Quality Division

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

RSP/CBJ

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Section I. Facility Information

Subsection A. Facility/Project Description

The SAFT America Inc. facility to be located at 13575 Waterworks Street at the Cecil Commerce Center in Duval County, Jacksonville, FL will be a lithium ion battery manufacturing plant. This 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.

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.

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 22, 2010

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 Department 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 Department.

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 department 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 Department rules, unless specifically authorized by an order from the Department.

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 Department 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 Department rules.

7. The permittee, by accepting this permit, specifically agrees to allow authorized Department 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 Department 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 Department 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 Department 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 Department may be used by the Department as evidence in any enforcement case involving the permitted source arising under the Florida Statutes or Department 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 Department 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 Department rules.

11. This permit is transferable only upon Department 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 Department.

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)
    ( ) Determination of Prevention of Significant Deterioration (PSD)
    ( ) 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 Department rules. During enforcement actions, the retention period for all records will be extended automatically unless otherwise stipulated by the Department.
    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 Department rule.
    c. Records of monitoring information shall include:
        1. The date, exact place, and time of sampling or measurements;
        2. The person responsible for performing the sampling or measurements;
        3. The dates analyses were performed;
        4. The person responsible for performing the analyses;
        5. The analytical techniques or methods used;
        6. The results of such analyses.

15. When requested by the Department, 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 Department, 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. Any stationary installation which will reasonably be expected to be a source of pollution shall not be operated, maintained, constructed, expanded, or modified without the appropriate and valid permits issued by the Department.
   [Rule 62-4.030, F.A.C., and Rule 2.1401, JEPB]

2. Any person desiring to obtain a permit from the Department shall apply on forms prescribed by the Department and shall submit such additional information as the Department by law may require. All applications and supporting documents shall be filed in quadruplicate with the Department. 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's electronic application form.
   [Rule 62-4.050, F.A.C., and Rule 2.1401, JEPB]

3. The permittee must demonstrate compliance with the conditions of this Air Construction Permit to obtain an Air Operation Permit. The permittee shall submit a complete application, the application fee, and all compliance records and compliance test results, to the Department ninety (90) days prior to the expiration date of the construction permit but no later than 90 days after completion of construction, whichever occurs first. The permittee may continue to operate in compliance with all terms of the construction permit until its expiration date. Operation beyond the construction permit expiration date requires a valid permit to operate.
   [Rule 62-4.070(3), F.A.C., and Rule 2.1401, JEPB]

4. Any revision to a permit or application shall be submitted to and approved by the Department prior to implementation.
   [Rule 62-4.080(2), F.A.C., and Rule 2.1401, JEPB]

5. The construction of this facility shall reasonably conform to the plans and schedule submitted in the application. If the permittee is unable to complete construction on schedule, the permittee may request that this permit be extended as a modification of the permit. Such a request must be submitted to the Department in writing before the expiration of the permit. Upon timely submittal of a request for extension, unless the permit automatically expires by statute or rule, the permit will remain in effect until final agency action is taken on the request.
   [Rule 62-4.080(3), F.A.C., and Rule 2.1401, JEPB]

6. Within 30 days after the sale or legal transfer of a permitted facility, an "Application for Transfer of Air Permit" (DEP Form 62-210.900(7)) shall be submitted to the Department. This form 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. If the permittee is temporarily unable to comply with any of the conditions of this permit, the permittee shall immediately notify the Department. Notification shall include pertinent information as to the cause of the problem and what steps are being taken to correct the problem and prevent its recurrence. Such notification does not release the permittee from any liability for failure to comply with Department 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. The construction permit shall be issued for a period of time sufficient to allow construction, reconstruction or modification of the facility or emissions unit or addition of the air pollution control equipment; and operation while the owner or operator of the new, reconstructed or modified facility or emissions unit or the new pollution control equipment is conducting tests or otherwise demonstrating initial compliance with the conditions of the construction permit.
   [Rule 62-210.300(1)(a), F.A.C., and Rule 2.301, JEPB]

9. All limitations and requirements of an Air Construction Permit that are applicable to the design and operation of the permitted facility or emissions unit shall remain in effect until the facility or emissions unit is permanently shut down, except for any such limitation or requirement that is obsolete by its nature. All limitations and requirements of an Air Construction Permit shall be included and identified in any air operation permit for the facility or emissions unit. Any change that would constitute a modification, as defined at Rule 62-210.200, F.A.C., shall be accomplished only through the issuance of an air construction permit.
   [Rule 62-210.300(1)(b), F.A.C., and Rule 2.301, JEPB]

10. A facility owner shall notify the Department in writing of minor corrections or amendments to information contained in a 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. No person shall 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 (1) best operational practices to minimize emissions are adhered to and (2) 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 Department for longer duration. 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 during startup, shutdown, or malfunction shall be prohibited.
    [Rule 62-210.700, F.A.C., and Rule 2.301, JEPB]

13. No person shall 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 Department.
    [Rule 62-296.320(1), F.A.C., and Rule 2.1101, JEPB]

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

15. No person shall cause, let, permit, suffer or allow to be discharged into the atmosphere the emissions 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]

16. No person shall cause, let, permit, suffer or allow the emissions 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]

17. Emission testing shall be conducted with the EU operating at permitted capacity. Permitted capacity is defined as 90-100 percent of the maximum operating rate allowed by the 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 permit.
[Rule 62-297.310(2), F.A.C., and Rule 2.1201, JEPB]

18. Stack sampling facilities shall be provided, upon Department 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]

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

20. The permittee shall file a report with the Department 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]

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

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

Environmental and Compliance Department
Environmental Quality Division
407 North Laura Street, Third Floor
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 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.

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

Essential Potential to Emit (PTE) Parameters

1. The production rate for the process line is limited to two million (2,000,000) cells 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 3000 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 start up and upon Department request.
   [Rule 62-297.310(7)(b), F.A.C., and Rule 2.1201, JEPB]

Recordkeeping and Reporting

7. Records of process input rates and production rates shall be maintained on a monthly basis. Records shall be maintained for a minimum of three (3) years and made available to the Department 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 two (2) 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 14.4 MMBtu per hour (0.014 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 62-296.320(4)(b)1, F.A.C., and Rule 2.1101, 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 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 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 shall be performed upon initial start up then annually from that date.
   [Rule 62-297.310(7)(a)4, 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 Department upon request.
   [Rule 62-4.070(3), FAC, and Rule 2.1401, JEPB]