

FACILITY PERMIT TO OPERATE

**SHULTZ STEEL CO
5321 FIRESTONE BLVD
SOUTH GATE, CA 90280**

NOTICE

IN ACCORDANCE WITH RULE 206, THIS PERMIT TO OPERATE OR A COPY THEREOF MUST BE KEPT AT THE LOCATION FOR WHICH IT IS ISSUED.

THIS PERMIT DOES NOT AUTHORIZE THE EMISSION OF AIR CONTAMINANTS IN EXCESS OF THOSE ALLOWED BY DIVISION 26 OF THE HEALTH AND SAFETY CODE OF THE STATE OF CALIFORNIA OR THE RULES OF THE SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT. THIS PERMIT SHALL NOT BE CONSTRUED AS PERMISSION TO VIOLATE EXISTING LAWS, ORDINANCES, REGULATIONS OR STATUTES OF ANY OTHER FEDERAL, STATE OR LOCAL GOVERNMENTAL AGENCIES.

Barry R. Wallerstein, D. Env.
EXECUTIVE OFFICER

By _____
Mohsen Nazemi, P.E.
Deputy Executive Officer
Engineering & Compliance

FACILITY PERMIT TO OPERATE SHULTZ STEEL CO

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SECTION H: PERMIT TO CONSTRUCT AND TEMPORARY PERMIT TO OPERATE

The operator shall comply with the terms and conditions set forth below:

Equipment	ID No.	Connected To	RECLAIM Source Type/ Monitoring Unit	Emissions* And Requirements	Conditions
Process 1: FORGING OPERATION					
FURNACE, NO.FPN, NATURAL GAS, 8 MMBTU/HR WITH A/N: 517779 Permit to Construct Issued: 07/12/11 BURNER, NATURAL GAS, HOTWORK, MODEL HV300, WITH LOW NOX BURNER, 8 TOTAL; 1 MMBTU/HR	D21		NOX: PROCESS UNIT**	CO: 2000 PPMV (5) [RULE 407, 4-2-1982]; NOX: 50 PPMV NATURAL GAS (4) [RULE 2005, 5-6-2005]; NOX: 50 PPMV NATURAL GAS (3) [RULE 2012, 5-6-2005]; PM: (9) [RULE 404, 2-7-1986]; PM: 0.1 GRAINS/SCF (5) [RULE 407, 4-2-1982]	B59.1, D28.6
FURNACE, FORGE, NO. FPL, NATURAL GAS, WITH LOW NOX BURNER, 8 MMBTU/HR WITH A/N: 534630 Permit to Construct Issued: 06/14/12 BURNER, NATURAL GAS, HOTWORK, MODEL HV300, WITH LOW NOX BURNER, 8 TOTAL; 1 MMBTU/HR	D27		NOX: PROCESS UNIT**	CO: 2000 PPMV (5) [RULE 407, 4-2-1982]; NOX: 50 PPMV NATURAL GAS (3) [RULE 2012, 5-6-2005]; PM: (9) [RULE 404, 2-7-1986]; PM: 0.1 GRAINS/SCF (5) [RULE 409, 8-7-1981]	B59.1, D12.1, D28.6, D323.1

* (1) (1A) (1B) Denotes RECLAIM emission factor
 (2) (2A) (2B) Denotes RECLAIM emission rate
 (3) Denotes RECLAIM concentration limit
 (4) Denotes BACT emission limit
 (5) (5A) (5B) Denotes command and control emission limit
 (6) Denotes air toxic control rule limit
 (7) Denotes NSR applicability limit
 (8) (8A) (8B) Denotes 40 CFR limit (e.g. NSPS, NESHAPS, etc.)
 (9) See App B for Emission Limits
 (10) See section J for NESHAP/MACT requirements

** Refer to section F and G of this permit to determine the monitoring, recordkeeping and reporting requirements for this device.

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The operator shall comply with the terms and conditions set forth below:

Equipment	ID No.	Connected To	RECLAIM Source Type/ Monitoring Unit	Emissions* And Requirements	Conditions
Process 1: FORGING OPERATION					
FURNACE, FORGE, FXT, NATURAL GAS, ONE 25 HP COMBUST AIR BLOWER, WITH LOW NOX BURNER, 15 MMBTU/HR WITH A/N: 517777 Permit to Construct Issued: 07/12/11 BURNER, NATURAL GAS, HOTWORK, MODEL HV400, WITH LOW NOX BURNER, 10 TOTAL; 1.5 MMBTU/HR	D126		NOX: LARGE SOURCE**	CO: 2000 PPMV NATURAL GAS (5) [RULE 407, 4-2-1982]; NOX: 50 PPMV NATURAL GAS (3) [RULE 2012, 5-6-2005]; NOX: 50 PPMV NATURAL GAS (4) [RULE 2005, 5-6-2005]; PM: (9) [RULE 404, 2-7-1986]; PM: 0.1 GRAINS/SCF (5) [RULE 409, 8-7-1981]	B59.1, C1.19, D28.6, I296.2
FURNACE, RHT, NATURAL GAS, ONE 20 HP COMBUSTION BLOWER, WITH LOW NOX BURNER, 8 MMBTU/HR WITH A/N: 519711 Permit to Construct Issued: 07/12/11 BURNER, NATURAL GAS, HOTWORK, MODEL CT HV300, WITH LOW NOX BURNER, 8 TOTAL; 1 MMBTU/HR	D128		NOX: PROCESS UNIT**	CO: 2000 PPMV (5) [RULE 407, 4-2-1982]; NOX: 50 PPMV NATURAL GAS (4) [RULE 2005, 5-6-2005]; NOX: 50 PPMV NATURAL GAS (3) [RULE 2012, 5-6-2005]; PM: (9) [RULE 404, 2-7-1986]; PM: 0.1 GRAINS/SCF (5) [RULE 409, 8-7-1981]	B59.1, C1.19, D28.6, D28.8, I296.3

* (1) (1A) (1B) Denotes RECLAIM emission factor
 (2) (2A) (2B) Denotes RECLAIM emission rate
 (3) Denotes RECLAIM concentration limit
 (4) Denotes BACT emission limit
 (5) (5A) (5B) Denotes command and control emission limit
 (6) Denotes air toxic control rule limit
 (7) Denotes NSR applicability limit
 (8) (8A) (8B) Denotes 40 CFR limit (e.g. NSPS, NESHAPS, etc.)
 (9) See App B for Emission Limits
 (10) See section J for NESHAP/MACT requirements

** Refer to section F and G of this permit to determine the monitoring, recordkeeping and reporting requirements for this device.

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SECTION H: DEVICE ID INDEX

**The following sub-section provides an index
to the devices that make up the facility
description sorted by device ID.**

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SECTION H: DEVICE ID INDEX

Device Index For Section H			
Device ID	Section H Page No.	Process	System
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D27	1	1	0
D126	2	1	0
D128	2	1	0

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SECTION H: PERMIT TO CONSTRUCT AND TEMPORARY PERMIT TO OPERATE

The operator shall comply with the terms and conditions set forth below:

FACILITY CONDITIONS

F9.1 Except for open abrasive blasting operations, the operator shall not discharge into the atmosphere from any single source of emissions whatsoever any air contaminant for a period or periods aggregating more than three minutes in any one hour which is:

(a) As dark or darker in shade as that designated No.1 on the Ringelmann Chart, as published by the United States Bureau of Mines; or

(b) Of such opacity as to obscure an observer's view to a degree equal to or greater than does smoke described in subparagraph (a) of this condition.

[RULE 401, 3-2-1984; RULE 401, 11-9-2001]

F14.1 The operator shall not use diesel fuel containing sulfur compounds in excess of 500 ppm by weight.

[RULE 431.2, 5-4-1990; RULE 431.2, 9-15-2000]

F14.2 The operator shall not purchase diesel fuel containing sulfur compounds in excess of 15 ppm by weight as supplied by the supplier.

[RULE 431.2, 9-15-2000]

DEVICE CONDITIONS

B. Material/Fuel Type Limits

B59.1 The operator shall not use the following material(s) in this device :

Metal contaminated with rubber, plastic, paper, rags, oil, grease

Smoke producing material

[RULE 1303(a)(1)-BACT, 5-10-1996; RULE 401, 3-2-1984; RULE 401, 11-9-2001]

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The operator shall comply with the terms and conditions set forth below:

[Devices subject to this condition : D21, D27, D126, D128]

C. Throughput or Operating Parameter Limits

C1.19 The operator shall limit the natural gas fuel usage to no more than 24 MM cubic feet in any one calendar month.

this limit is based on the combined natural gas usage of the heat treating furnaces under devices D14, D47, D49, D73, D99, D126 and D128.

[**RULE 1303(b)(2)-Offset, 5-10-1996**; RULE 1303(b)(2)-Offset, 12-6-2002]

[Devices subject to this condition : D126, D128]

D. Monitoring/Testing Requirements

D12.1 The operator shall install and maintain a(n) non-resettable totalizing fuel meter to accurately indicate the fuel usage in the furnace.

[**RULE 1303(b)(2)-Offset, 5-10-1996**; RULE 1303(b)(2)-Offset, 12-6-2002]

[Devices subject to this condition : D27]

D28.6 The operator shall conduct source test(s) in accordance with the following specifications:

The test shall be conducted to determine NO_x and CO concentrations, in terms of ppmv on a dry basis corrected to 3% oxygen, at the outlet.

The District shall be notified of the date and time of the test at least 10 days prior to the test.

[**RULE 2005, 5-6-2005**]

[Devices subject to this condition : D21, D27, D126, D128]

D28.8 The operator shall conduct source test(s) in accordance with the following specifications:

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The operator shall comply with the terms and conditions set forth below:

The test shall be conducted every five -year period with the first period ending on December 31, 2014.

The test shall be conducted within 12 months of the approval of concentration limit.

The test shall be conducted to determine the NOx emissions at the outlet.

[RULE 2012, 5-6-2005]

[Devices subject to this condition : D128]

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The operator shall comply with the terms and conditions set forth below:

D323.1 The operator shall conduct an inspection for visible emissions from all stacks and other emission points of this equipment whenever there is a public complaint of visible emissions, whenever visible emissions are observed, and on a semi-annual basis, at least, unless the equipment did not operate during the entire semi-annual period. The routine semi-annual inspection shall be conducted while the equipment is in operation and during daylight hours.

If any visible emissions (not including condensed water vapor) are detected that last more than three minutes in any one hour, the operator shall verify and certify within 24 hours that the equipment causing the emission and any associated air pollution control equipment are operating normally according to their design and standard procedures and under the same conditions under which compliance was achieved in the past, and either:

- 1). Take corrective action(s) that eliminates the visible emissions within 24 hours and report the visible emissions as a potential deviation in accordance with the reporting requirements in Section K of this permit; or
- 2). Have a CARB-certified smoke reader determine compliance with the opacity standard, using EPA Method 9 or the procedures in the CARB manual "Visible Emission Evaluation", within three business days and report any deviations to AQMD.

The operator shall keep the records in accordance with the recordkeeping requirements in Section K of this permit and the following records:

- 1). Stack or emission point identification;
- 2). Description of any corrective actions taken to abate visible emissions;
- 3). Date and time visible emission was abated; and
- 4). All visible emission observation records by operator or a certified smoke reader.

[RULE 3004(a)(4)-Periodic Monitoring, 12-12-1997]

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The operator shall comply with the terms and conditions set forth below:

[Devices subject to this condition : D27]

I. Administrative

I296.2 This equipment shall not be operated unless the operator demonstrates to the Executive Officer that the facility holds sufficient RTCs to offset the annual emissions increase for the first 12 months of operation. In addition, this equipment shall not be operated unless the operator demonstrates to the Executive Officer that, at the commencement of each compliance year after the start of operation, the facility holds sufficient RTCs in an amount equal to the annual emissions increase.

For the purposes of this condition, the annual emission increase is 2530 lbs. of NO_x

RTCs held for the purpose of demonstrating compliance with this condition either at the commencement of initial operation or of a compliance year may be sold only after 12 months of start of initial operation or after the fourth quarter of the applicable compliance year, respectively.

To comply with this condition, the operator shall prior to the 1st compliance year hold a minimum NO_x RTCs of 2,530 lbs/yr. This condition shall apply during the 1st 12 months of operation, commencing with the initial operation of the furnace.

To comply with this condition, the operator shall, prior to the beginning of all years subsequent to the 1st compliance year, hold a minimum of 2,530 lbs/yr of NO_x RTCs for operation of the furnace. In accordance with Rule 2005(f), unused RTC's may be sold only during the reconciliation period for the fourth quarter of the applicable compliance year inclusive of the 1st compliance year.

[RULE 2005, 5-6-2005]

[Devices subject to this condition : D126]

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The operator shall comply with the terms and conditions set forth below:

I296.3 This equipment shall not be operated unless the operator demonstrates to the Executive Officer that the facility holds sufficient RTCs to offset the annual emissions increase for the first 12 months of operation. In addition, this equipment shall not be operated unless the operator demonstrates to the Executive Officer that, at the commencement of each compliance year after the start of operation, the facility holds sufficient RTCs in an amount equal to the annual emissions increase.

For the purposes of this condition, the annual emission increase is 1349 lbs. of NO_x

RTCs held for the purpose of demonstrating compliance with this condition either at the commencement of initial operation or of a compliance year may be sold only after 12 months of start of initial operation or after the fourth quarter of the applicable compliance year, respectively.

To comply with this condition, the operator shall prior to the 1st compliance year hold a minimum NO_x RTCs of 1,349 lbs/yr. This condition shall apply during the 1st 12 months of operation, commencing with the initial operation of the furnace.

To comply with this condition, the operator shall, prior to the beginning of all years subsequent to the 1st compliance year, hold a minimum of 1,349 lbs/yr of NO_x RTCs for operation of the furnace. In accordance with Rule 2005(f), unused RTC's may be sold only during the reconciliation period for the fourth quarter of the applicable compliance year inclusive of the 1st compliance year.

[RULE 2005, 5-6-2005]

[Devices subject to this condition : D128]