BASIC
AIR CONTAMINANT DISCHARGE PERMIT

Lane Regional Air Protection Agency
1010 Main Street
Springfield, OR 97477
(541) 736-1056

This permit is being issued in accordance with the provisions of LRAPA's Rules and Regulations and based on the land use compatibility findings included in the permit record.

ISSUED TO:  Pacific Recycling, Inc.
PO Box 2633
Eugene, Oregon 97402

INFORMATION RELIED UPON:
Application No.: 58708
Date Received: December 12, 2012

PLANT SITE LOCATION:
3300 Cross Street
Eugene, Oregon 97402

LAND USE COMPATIBILITY STATEMENT:
Approving Authority: City of Eugene
Approval Date: December 14, 2012

ISSUED BY THE LANE REGIONAL AIR PROTECTION AGENCY

Merlyn L. Hough, Director
Dated DEC 17 2012

Source(s) Permitted to Discharge Air Contaminants (LRAPA Title 37, Section 37-0020):

<table>
<thead>
<tr>
<th>Table 1 Code</th>
<th>Source Description</th>
<th>Primary SIC</th>
</tr>
</thead>
<tbody>
<tr>
<td>Part A, 8</td>
<td>Sources not elsewhere classified with actual emissions of more than 1 ton/year VOC and/or HAP.</td>
<td>5093 -Auto wrecking for scrap</td>
</tr>
</tbody>
</table>
1.0 STATEMENT OF PURPOSE

1.1 Permitted Activities
The permittee is allowed to discharge air contaminants from processes and activities related to the air contaminant source(s) on the first page of this permit until this permit expires, is modified, revoked or rescinded as long as the permittee complies with the conditions of this permit.

2.0 GENERAL EMISSION STANDARDS AND LIMITS

2.1 Visible emission limits
Emissions from any air contaminant source must not exceed an opacity equal to or greater than 20% for a period aggregating more than 3 minutes in any one hour. "Opacity" means the degree to which an emission reduces transmission of light and obscures the view of an object in the background.

2.2 Fugitive Emissions
The permittee must take reasonable precautions for preventing particulate matter from becoming airborne.

2.3 Particulate Matter Fallout
The permittee must not cause or permit the emission of any particulate matter larger than 250 microns in size at sufficient duration or quantity, as to create an observable deposition upon the real property of another person. LRAPA will verify that the deposition exists and will notify the permittee that the deposition must be controlled.

2.4 Nuisance and Odors
The permittee must not cause or allow air contaminants from any source to cause a nuisance. Nuisance conditions will be verified by LRAPA personnel.

2.5 Other Regulations
In addition to the specific requirements listed in this permit, the permittee must comply with all other legal requirements enforceable by LRAPA.

OPERATING LIMITS AND REQUIREMENTS

2.6 Scrap Acceptance Requirements
All auto bodies accepted for scrap shall have all fluids drained and engine blocks, mercury switches, batteries and lead components removed prior to entering the shredder.

2.7 Wet Suppression
The water suppression system shall be utilized at all times shredding is being performed.

2.8 Torch Cutting
Smoke generation during torch cutting shall be minimized by the use of best practices, including, but not limited to:
wiping excess dirt, oil and other combustibles from the cutting surface and placing or choosing the cutting surface such that the torch flame does not impinge on the ground.

RECORDKEEPING AND REPORTING REQUIREMENTS

2.9 Records. By the 15th of each month the permittee shall record the amount of metal shredded (tons/month) and vehicles shredded (vehicles/month). The permittee must maintain all records pertaining to pollutant emissions for at least 2 years from the date of the record.

2.10 Reports. By February 15th each year the permittee shall submit the total amount of metal shredded (tons/year) and vehicles shredded (vehicles/year) for the previous calendar year.

2.11 Permit Renewal. An application to renew the permit is due 60 days prior to the permit expiration date.

2.12 Construction or Modification Notices. The permittee must notify LRAPA before adding new or modifying existing equipment to the extent that process equipment is substantially changed or added to, or emissions are significantly changed or increased.

2.13 Notice of Change of Ownership or Company Name. The permittee must promptly notify LRAPA of any change of mailing address, company name, or plant ownership. The permit will expire 60 days after a change in the legal entity owning/operating the facility unless application, with appropriate fees, is made to transfer the permit to the new entity.

2.14 Where to Send Reports and Notices. The reports and notices, with the permit number prominently displayed, must be sent to the LRAPA office identified on the cover page of the permit.

3.0 FEES

3.1 Fees. The Annual Fee specified in LRAPA Title 37, Section 37-0020, Table 2, Part 2 for a Basic ACDP is due on December 1 of each year this permit is in effect. An invoice indicating the amount, as determined by LRAPA regulations, will be mailed prior to the above date.
4.0 GENERAL CONDITIONS

4.1 Masking of Emissions
The permittee must not cause or permit the installation of any device or use any means designed to mask the emissions of an air contaminant that causes or is likely to cause detriment to health, safety, or welfare of any person or otherwise violate any other regulation or requirement.

4.2 Open Burning
The permittee may not conduct any open burning except when approved by LRAPA in advance.

4.3 Asbestos
All activities involving asbestos-containing materials, including, but not limited to, demolition, renovation, repair, construction, and maintenance must be performed by persons certified for asbestos abatement projects. Accumulation of asbestos containing material is prohibited.

4.4 Permit Availability
The permittee must have a copy of the permit available at all times.

4.5 LRAPA Inspections
The permittee must allow LRAPA’s representatives access to the plant site and pertinent records at all reasonable times for the purposes of performing inspections, surveys, collecting samples, obtaining data, reviewing and copying air contaminant emissions discharge records and conducting all necessary functions related to this permit.

4.6 Legal Disclaimers
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.

4.7 Permit Revocation
This permit is subject to revocation for cause.

4.8 LRAPA Contact
Call the LRAPA office in Springfield at (541) 736-1056.
1. The proposed permit is a new permit for an existing facility that is adding a metal shredder in addition to existing air contaminant generation activities including torch cutting and road dust requiring track-out control.

2. The permittee operates a scrap metal processing facility. A description of the metal shredder and facility layout is included in the application. The facility is proposing to install a metal shredder with the following description:

   - US Shredder manufactured metal shredder
   - 4000 Hp/80” mill
   - 32 gal/min water injection system for PM control
   - High efficiency electric drum magnet for PM control
   - No “Z-box” metal separation device with cyclone as is typical with similar operations (this is expected to result in relatively reduced emissions)

3. Existing activities include torch cutting of metal and unpaved road fugitive emissions.

4. The facility has received at least four (4) Notices of Non-compliance (NONs) and Notice of Civil Penalties (NCPs) including:
   - NON 3309 issued 07/08/11 for causing, allowing initiating or maintaining the open burning of prohibited materials (wood debris, rubber hoses, petroleum by-products, plastics). NCP 11-3309 imposed a civil penalty in the amount of $1,188 which was paid by the facility on 09/16/11 and the file was closed.
   - NON 3305 issued 06/27/11 for open burning of prohibited materials (rubber hosing). NCP 11-3305 imposed a civil penalty in the amount of $1,000 which was paid 08/24/11 and the file was closed.
   - NCP 11-3278 was issued on 03/14/11 for the open burning of prohibited materials that occurred at the site on 02/10/11. A civil penalty in the amount of $625 was imposed. The facility requested a reduction in the civil penalty
and the matter was settled via Stipulated and Final Order (SFO) 11-3278 for a reduced civil penalty of $375.

- NCP 07-2809 was issued on 11/11/07 for the open burning of prohibited materials that occurred at the facility. The basis for the NCP was that the facility repeatedly failed to take reasonable precautions to remove combustible materials from the equipment being dismantled and/or from the surfaces upon which cutting by welding torch occurred that resulted in the open burning of materials. NCP 07-2809 included a civil penalty of $700. The facility defaulted in responding to the NCP, which resulted in a lien on the property, however the facility subsequently paid the $700 civil penalty and the file was closed.

5. This facility qualifies for a Basic ACDP because the expected actual emissions of VOCs are greater than 1 ton/year but less than 10 tons/year if operating uncontrolled. Emissions are estimated as follows:

<table>
<thead>
<tr>
<th>Process/Activity</th>
<th>Pollutant</th>
<th>Material Throughput</th>
<th>Emission Factor</th>
<th>Emissions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Metal Shredding</td>
<td>VOC</td>
<td>72,000 tons/year</td>
<td>0.03 lb/ton*</td>
<td>1.1 ton/year VOC</td>
</tr>
<tr>
<td>Metal Shredding</td>
<td>PM/PM10/PM2.5</td>
<td>72,000 tons/year</td>
<td>0.00257 lb/ton**</td>
<td>0.09 ton/year PM, etc.</td>
</tr>
<tr>
<td>Torch Cutting</td>
<td>PM/PM10/PM2.5</td>
<td>1,560 hours/year</td>
<td>0.06 lb/hr***</td>
<td>0.42 ton/year PM, etc.</td>
</tr>
</tbody>
</table>

*VOC emission factor from DEQ for similar facility, assumes auto bodies have all fluids drained and engine blocks, mercury switches, batteries and lead components removed prior to shredding.

**Metal shredding PM emission factor from SWCAA for similar operation.

***Torch cutting PM emission factor/rate from SWCAA for similar operation.

6. The source is located in an attainment area for all pollutants except for PM10. The Eugene Springfield Air Quality Maintenance Area is a nonattainment area for PM10.

7. LRAPA has determined that sources that qualify for a Basic ACDP will not have significant emissions. In most cases the emission will not exceed 5 tons of PM or PM10 or 10 tons of any other pollutant. Therefore, the Basic ACDP does not include Plant Site Emission Limits and it is not necessary to estimate emissions for each individual source.

8. Pursuant to LRAPA Section 37-0056(4), issuance of a new or renewed Basic Air Contaminant Discharge Permit requires public notice in accordance with LRAPA Section 31-0030(3)(a). Therefore, there will be no prior notice or public participation. However, LRAPA will maintain a list of all permit actions processed under Category I and make the list available for public review.

Max
12/17/12