PERMIT
Under the Environmental Conservation Law (ECL)

IDENTIFICATION INFORMATION

Permit Type: Air Title V Facility
Permit ID: 1-4724-00036/00002
Effective Date: Expiration Date:

Permit Issued To:NATIONAL GRID GENERATION LLC
175 E OLD COUNTRY RD
HICKSVILLE, NY 11801

Contact: PAUL A LYNCH
NATIONAL GRID
175 E OLD COUNTRY RD
HICKSVILLE, NY 11801-4280

Facility: MONTAUK GENERATING FACILITY
NAVY RD
MONTAUK, NY 11954

Contact: ROBERT D TEETZ
NATIONAL GRID GENERATION LLC
175 E OLD COUNTRY RD
HICKSVILLE, NY 11801-4280
(516) 545-2577

Description:
THIS APPLICATION IS FOR A RENEWAL OF THE TITLE V AIR PERMIT FOR AN ELECTRIC GENERATING FACILITY CONSISTING OF THREE (3) DIESEL GENERATORS MAINTAINED TO MEET REGIONAL LOAD DEMAND AND EMERGENCY POWER REQUIREMENTS.

By acceptance of this permit, the permittee agrees that the permit is contingent upon strict compliance with the ECL, all applicable regulations, the General Conditions specified and any Special Conditions included as part of this permit.

Permit Administrator: ROGER EVANS
NYSDEC - SUNY @ STONY BROOK
50 CIRCLE RD
STONY BROOK, NY 11790-3409

Authorized Signature: _____ Date: ___ / ___ / _____

Notification of Other State Permittee Obligations

Item A: Permittee Accepts Legal Responsibility and Agrees to Indemnification

The permittee expressly agrees to indemnify and hold harmless the Department of Environmental Conservation of the State of New York, its representatives, employees and agents ("DEC") for all claims, suits, actions, and damages, to the extent attributable to the permittee's acts or omissions in connection with the compliance permittee's undertaking of activities in connection with, or operation and maintenance of, the facility or facilities authorized by the permit whether in compliance or not in any compliance with the terms and conditions of the permit. This indemnification does not extend to any claims, suits, actions, or damages to the extent attributable to DEC's own negligent or intentional acts or omissions, or to any claims, suits, or actions naming the DEC and arising under article 78 of the New York Civil Practice Laws and Rules or any citizen suit or civil rights provision under federal or state laws.

Item B: Permittee's Contractors to Comply with Permit

The permittee is responsible for informing its independent contractors, employees, agents and assigns of their responsibility to comply with this permit, including all special conditions while acting as the permittee's agent with respect to the permitted activities, and such persons shall be subject to the same sanctions for violations of the Environmental Conservation Law as those prescribed for the permittee.

Item C: Permittee Responsible for Obtaining Other Required Permits

The permittee is responsible for obtaining any other permits, approvals, lands, easements and rights-of-way that may be required to carry out the activities that are authorized by this permit.

Item D: No Right to Trespass or Interfere with Riparian Rights

This permit does not convey to the permittee any right to trespass upon the lands or interfere with the riparian rights of others in order to perform the permitted work nor does it authorize the impairment of any rights, title, or interest in real or personal property held or vested in a person not a party to the permit.

LIST OF CONDITIONS

DEC GENERAL CONDITIONS
General Provisions
Facility Inspection by the Department
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Applications for permit renewals, modifications and transfers
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Facility Level
Submission of application for permit modification or renewal - REGION 1 HEADQUARTERS

DEC GENERAL CONDITIONS
****** General Provisions ******
For the purpose of your Title V permit, the following section contains state-only enforceable terms and conditions.
GENERAL CONDITIONS - Apply to ALL Authorized Permits.

Condition 1: Facility Inspection by the Department
Applicable State Requirement: ECL 19-0305

Item 1.1:
The permitted site or facility, including relevant records, is subject to inspection at reasonable hours and intervals by an authorized representative of the Department of Environmental Conservation (the Department) to determine whether the permittee is complying with this permit and the ECL. Such representative may order the work suspended pursuant to ECL 71-0301 and SAPA 401(3).

Item 1.2:
The permittee shall provide a person to accompany the Department's representative during an inspection to the permit area when requested by the Department.

Item 1.3:
A copy of this permit, including all referenced maps, drawings and special conditions, must be available for inspection by the Department at all times at the project site or facility. Failure to produce a copy of the permit upon request by a Department representative is a violation of this permit.

Condition 2: Relationship of this Permit to Other Department Orders and Determinations
Applicable State Requirement: ECL 3-0301 (2) (m)

Item 2.1:
Unless expressly provided for by the Department, issuance of this permit does not modify, supersede or rescind any order or determination previously issued by the Department or any of the terms, conditions or requirements contained in such order or determination.

Condition 3: Applications for permit renewals, modifications and transfers
Applicable State Requirement: 6 NYCRR 621.11

Item 3.1:
The permittee must submit a separate written application to the Department for renewal, modification or transfer of this permit. Such application must include any forms or supplemental information the Department requires. Any renewal, modification or transfer granted by the Department must be in writing.

Item 3.2:
The permittee must submit a renewal application at least 180 days before expiration of permits for Title V Facility Permits, or at least 30 days before expiration of permits for State Facility Permits.

Item 3.3:
Permits are transferrable with the approval of the department unless specifically prohibited by the statute, regulation or another permit condition. Applications for permit transfer should be submitted prior to actual transfer of ownership.

Condition 4: Permit modifications, suspensions or revocations by the Department
Applicable State Requirement: 6 NYCRR 621.13

Item 4.1:
The Department reserves the right to modify, suspend, or revoke this permit in accordance with 6NYCRR Part 621. The grounds for modification, suspension or revocation include:

a) materially false or inaccurate statements in the permit application or supporting papers;
b) failure by the permittee to comply with any terms or conditions of the permit;
c) exceeding the scope of the project as described in the permit application;
d) newly discovered material information or a material change in environmental conditions, relevant technology or applicable law or regulations since the issuance of the existing permit;
e) noncompliance with previously issued permit conditions, orders of the commissioner, any provisions of the Environmental Conservation Law or regulations of the Department related to the permitted activity.

****** Facility Level ******

Condition 5: Submission of application for permit modification or renewal - REGION 1 HEADQUARTERS
Applicable State Requirement: 6 NYCRR 621.6 (a)

Item 5.1:
Applications for permit modification or renewal are to be submitted to:
NYSDEC Regional Permit Administrator
Region 1 Headquarters
Division of Environmental Permits
Stony Brook University
50 Circle Road
Stony Brook, NY 11790-3409
(631) 444-0365

Permit Under the Environmental Conservation Law (ECL)

ARTICLE 19: AIR POLLUTION CONTROL - TITLE V PERMIT

IDENTIFICATION INFORMATION

Permit Issued To:NATIONAL GRID GENERATION LLC
175 E OLD COUNTRY RD
HICKSVILLE, NY 11801

Facility: MONTAUK GENERATING FACILITY
NAVY RD
MONTAUK, NY 11954

Authorized Activity By Standard Industrial Classification Code:
4911 - ELECTRIC SERVICES

Permit Effective Date: Permit Expiration Date:

LIST OF CONDITIONS

FEDERALLY ENFORCEABLE CONDITIONS

Facility Level

1 6 NYCRR 200.6: Acceptable Ambient Air Quality
2 6 NYCRR 201-6.5 (a) (7): Fees
3 6 NYCRR 201-6.5 (c): Recordkeeping and reporting of compliance monitoring
4 6 NYCRR 201-6.5 (c) (2): Monitoring, Related Recordkeeping, and Reporting Requirements.
5 6 NYCRR 201-6.5 (c) (3) (ii): Compliance Certification
6 6 NYCRR 201-6.5 (e): Compliance Certification
7 6 NYCRR 202-2.1: Compliance Certification
8 6 NYCRR 202-2.5: Recordkeeping requirements
9 6 NYCRR Part 215: Open Fires Prohibited at Industrial and Commercial Sites
10 6 NYCRR 200.7: Maintenance of Equipment
11 6 NYCRR 201-1.7: Recycling and Salvage
12 6 NYCRR 201-1.8: Prohibition of Reintroduction of Collected Contaminants to the air
13 6 NYCRR 201-3.2 (a): Exempt Sources - Proof of Eligibility
14 6 NYCRR 201-3.3 (a): Trivial Sources - Proof of Eligibility
15 6 NYCRR 201-6.5 (a) (4): Standard Requirement - Provide Information
16 6 NYCRR 201-6.5 (a) (8): General Condition - Right to Inspect
17 6 NYCRR 201-6.5 (d) (5): Standard Requirements - Progress Reports
18 6 NYCRR 201-6.5 (f) (6): Off Permit Changes
19 6 NYCRR 202-1.1: Required Emissions Tests
20 6 NYCRR 211.3: Visible Emissions Limited
21 40 CFR Part 68: Accidental release provisions.
22 40CFR 82, Subpart F: Recycling and Emissions Reduction
23 6 NYCRR Subpart 201-6: Emission Unit Definition
24 6 NYCRR 201-6.5 (c): Compliance Certification
25 6 NYCRR 225-1.2 (a) (1): Compliance Certification
26 6 NYCRR 227-1.3 (a): Compliance Certification
27 6 NYCRR 227-1.3 (a): Compliance Certification
28 6 NYCRR Subpart 227-2: Compliance Certification
29 6 NYCRR 227.2 (b) (1): Compliance Certification

Emission Unit Level

30 6 NYCRR Subpart 201-6: Emission Point Definition By Emission Unit
31 6 NYCRR Subpart 201-6: Process Definition By Emission Unit

STATE ONLY ENFORCEABLE CONDITIONS

Facility Level

32 ECL 19-0301: Contaminant List
33 6 NYCRR 201-1.4: Unavoidable noncompliance and violations
34 6 NYCRR 211.2: Air pollution prohibited

FEDERALLY ENFORCEABLE CONDITIONS
****** Facility Level ******

NOTIFICATION OF GENERAL PERMITTEE OBLIGATIONS
The items listed below are not subject to the annual compliance certification requirements under Title V. Permittees may also have other obligations under regulations of general applicability.

Item A: Emergency Defense - 6 NYCRR 201-1.5

An emergency constitutes an affirmative defense to an action brought for noncompliance with emissions limitations or permit conditions for all facilities in New York State.

(a) The affirmative defense of emergency shall be demonstrated through properly signed, contemporaneous operating logs, or other relevant evidence that:

(1) An emergency occurred and that the facility owner and/or operator can identify the cause(s) of the emergency;
(2) The equipment at the permitted facility causing the emergency was at the time being properly operated;
(3) During the period of the emergency the facility owner and/or operator took all reasonable steps to minimize levels of emissions that exceeded the emission standards, or other requirements in the permit; and
(4) The facility owner and/or operator notified the Department within two working days after the event occurred. This notice must contain a description of the emergency, any steps taken to mitigate emissions, and corrective actions taken.

(b) In any enforcement proceeding, the facility owner and/or operator seeking to establish the occurrence of an emergency has the burden of proof.

(c) This provision is in addition to any emergency or upset provision contained in any applicable requirement.

Item B: Public Access to Recordkeeping for Title V Facilities - 6 NYCRR 201-1.10 (b)
The Department will make available to the public any permit application, compliance plan, permit, and monitoring and compliance certification report pursuant to Section 503(e) of the Act, except for information entitled to confidential treatment pursuant to 6 NYCRR Part 616 - Public Access to records and Section 114(c) of the Act.

Item C: **Timely Application for the Renewal of Title V Permits - 6 NYCRR 201-6.3 (a) (4)**
Owners and/or operators of facilities having an issued Title V permit shall submit a complete application at least 180 days, but not more than eighteen months, prior to the date of permit expiration for permit renewal purposes.

Item D: **Certification by a Responsible Official - 6 NYCRR 201-6.3 (d) (12)**
Any application, form, report or compliance certification required to be submitted pursuant to the federally enforceable portions of this permit shall contain a certification of truth, accuracy and completeness by a responsible official. This certification shall state that based on information and belief formed after reasonable inquiry, the statements and information in the document are true, accurate, and complete.

Item E: **Requirement to Comply With All Conditions - 6 NYCRR 201-6.5 (a) (2)**
The permittee must comply with all conditions of the Title V facility permit. Any permit non-compliance constitutes a violation of the Act and is grounds for enforcement action; for permit termination, revocation and reissuance, or modification; or for denial of a permit renewal application.

Item F: **Permit Revocation, Modification, Reopening, Reissuance or Termination, and Associated Information Submission Requirements - 6 NYCRR 201-6.5 (a) (3)**
This permit may be modified, revoked, reopened and reissued, or terminated for cause. The filing of a request by the permittee for a permit modification, revocation and reissuance, or termination, or of a notification of planned changes or anticipated noncompliance does not stay any permit condition.

Item G: **Cessation or Reduction of Permitted Activity Not a Defense - 6 NYCRR 201-6.5 (a) (5)**
It shall not be a defense for a permittee in an enforcement action to claim that a cessation or reduction in the permitted activity would have been necessary in order to maintain compliance with the conditions of this permit.

Item H: **Property Rights - 6 NYCRR 201-6.5 (a) (6)**

This permit does not convey any property rights of any sort or any exclusive privilege.

Item I: **Severability - 6 NYCRR 201-6.5 (a) (9)**

If any provisions, parts or conditions of this permit are found to be invalid or are the subject of a challenge, the remainder of this permit shall continue to be valid.

Item J: **Permit Shield - 6 NYCRR 201-6.5 (g)**

All permittees granted a Title V facility permit shall be covered under the protection of a permit shield, except as provided under 6 NYCRR Subpart 201-6. Compliance with the conditions of the permit shall be deemed compliance with any applicable requirements as of the date of permit issuance, provided that such applicable requirements are included and are specifically identified in the permit, or the Department, in acting on the permit application or revision, determines in writing that other requirements specifically identified are not applicable to the major stationary source, and the permit includes the determination or a concise summary thereof. Nothing herein shall preclude the Department from revising or revoking the permit pursuant to 6 NYCRR Part 621 or from exercising its summary abatement authority. Nothing in this permit shall alter or affect the following:

i. The ability of the Department to seek to bring suit on behalf of the State of New York, or the Administrator to seek to bring suit on behalf of the United States, to immediately restrain any person causing or contributing to pollution presenting an imminent and substantial endangerment to public health, welfare or the environment to stop the emission of air pollutants causing or contributing to such pollution;

ii. The liability of a permittee of the Title V facility for any violation of applicable requirements prior to or at the time of permit issuance;

iii. The applicable requirements of Title IV of the Act;

iv. The ability of the Department or the Administrator to obtain information from the permittee concerning the ability to enter, inspect and monitor the facility.

Item K: **Reopening for Cause - 6 NYCRR 201-6.5 (i)**

This Title V permit shall be reopened and revised under any of the following circumstances:

i. If additional applicable requirements under the Act become applicable where this permit's remaining term is three or more years, a reopening shall be completed not later than 18 months after promulgation of the applicable requirement. No such reopening is required if the

effective date of the requirement is later than the date on which this permit is due to expire, unless the original permit or any of its terms and conditions has been extended by the Department pursuant to the provisions of Part 201-6.7 and Part 621.

ii. The Department or the Administrator determines that the permit contains a material mistake or that inaccurate statements were made in establishing the emissions standards or other terms or conditions of the permit.

iii. The Department or the Administrator determines that the Title V permit must be revised or reopened to assure compliance with applicable requirements.

iv. If the permitted facility is an "affected source" subject to the requirements of Title IV of the Act, and additional requirements (including excess emissions requirements) become applicable. Upon approval by the Administrator, excess emissions offset plans shall be deemed to be incorporated into the permit.

Proceedings to reopen and issue Title V facility permits shall follow the same procedures as apply to initial permit issuance but shall affect only those parts of the permit for which cause to reopen exists.

Reopenings shall not be initiated before a notice of such intent is provided to the facility by the Department at least thirty days in advance of the date that the permit is to be reopened, except that the Department may provide a shorter time period in the case of an emergency.

Item L: **Permit Exclusion - ECL 19-0305**

The issuance of this permit by the Department and the receipt thereof by the Applicant does not and shall not be construed as barring, diminishing, adjudicating or in any way affecting any legal, administrative or equitable rights or claims, actions, suits, causes of action or demands whatsoever that the Department may have against the Applicant for violations based on facts and circumstances alleged to have occurred or existed prior to the effective date of this permit, including, but not limited to, any enforcement action authorized pursuant to the provisions of applicable federal law, the Environmental Conservation Law of the State of New York (ECL) and Chapter III of the Official Compilation of the Codes, Rules and Regulations of the State of New York (NYCRR). The issuance of this permit also shall not in any way affect pending or future enforcement actions under the Clean Air Act brought by the United States or any person.

Item M: **Federally Enforceable Requirements - 40 CFR 70.6 (b)**
All terms and conditions in this permit required by the Act or any applicable requirement, including any provisions designed to limit a facility's potential to emit, are enforceable by the Administrator and citizens under the Act. The Department has, in this permit, specifically designated any terms and conditions that are not required under the Act or under any of its applicable requirements as being enforceable under only state regulations.

MANDATORY FEDERALLY ENFORCEABLE PERMIT CONDITIONS SUBJECT TO ANNUAL CERTIFICATIONS AT ALL TIMES

The following federally enforceable permit conditions are mandatory for all Title V permits and are subject to annual compliance certification requirements at all times.

Condition 1: **Acceptable Ambient Air Quality**
Effective for entire length of Permit

Applicable Federal Requirement:6 NYCRR 200.6

Item 1.1:
Notwithstanding the provisions of 6 NYCRR Chapter III, Subchapter A, no person shall allow or permit any air contamination source to emit air contaminants in quantities which alone or in combination with emissions from other air contamination sources would contravene any applicable ambient air quality standard and/or cause air pollution. In such cases where contravention occurs or may occur, the Commissioner shall specify the degree and/or method of emission control required.

Condition 2: **Fees**
Effective for entire length of Permit

Applicable Federal Requirement:6 NYCRR 201-6.5 (a) (7)

Item 2.1:
The owner and/or operator of a stationary source shall pay fees to the Department consistent with the fee schedule authorized by ECL 72-0302.

Condition 3: **Recordkeeping and reporting of compliance monitoring**
Effective for entire length of Permit

Applicable Federal Requirement:6 NYCRR 201-6.5 (c)

Item 3.1:
The following information must be included in any required compliance monitoring records and reports:

(i) The date, place, and time of sampling or measurements;

(ii) The date(s) analyses were performed;

(iii)The company or entity that performed the analyses;

(iv) The analytical techniques or methods used including quality assurance and quality control procedures if required;

(v) The results of such analyses including quality assurance data where required; and

(vi) The operating conditions as existing at the time of sampling or measurement.

Any deviation from permit requirements must be clearly identified in all records and reports. Reports must be certified by a responsible official, consistent with Section 201-6.3 of this Part 201.

Condition 4: Monitoring, Related Recordkeeping, and Reporting Requirements.
Effective for entire length of Permit

Applicable Federal Requirement:6 NYCRR 201-6.5 (c) (2)

Item 4.1:
Compliance monitoring and recordkeeping shall be conducted according to the terms and conditions contained in this permit and shall follow all quality assurance requirements found in applicable regulations. Records of all monitoring data and support information must be retained for a period of at least 5 years from the date of the monitoring, sampling, measurement, report, or application. Support information includes all calibration and maintenance records and all original strip-chart recordings for continuous monitoring instrumentation, and copies of all reports required by the permit.

Condition 5: Compliance Certification
Effective for entire length of Permit

Applicable Federal Requirement:6 NYCRR 201-6.5 (c) (3) (ii)

Item 5.1:
The Compliance Certification activity will be performed for the Facility.

Item 5.2:
Compliance Certification shall include the following monitoring:

Monitoring Type: RECORD KEEPING/MAINTENANCE PROCEDURES
Monitoring Description:

Monitoring Frequency: AS REQUIRED - SEE PERMIT MONITORING DESCRIPTION
Reporting Requirements: SEMI-ANNUALLY (CALENDAR)
Reports due 30 days after the reporting period.
Subsequent reports are due every 6 calendar month(s).

Condition 6: Compliance Certification
Effective for entire length of Permit

Applicable Federal Requirement:6 NYCRR 201-6.5 (e)

Item 6.1:
The Compliance Certification activity will be performed for the Facility.

Item 6.2:
Compliance Certification shall include the following monitoring:

Monitoring Type: RECORD KEEPING/MAINTENANCE PROCEDURES
Monitoring Description:

Monitoring Frequency: ANNUALLY
Reporting Requirements: ANNUALLY (CALENDAR)
Reports due 30 days after the reporting period.
The initial report is due 1/30/2010.
Subsequent reports are due on the same day each year

Condition 7: Compliance Certification
Effective for entire length of Permit

Applicable Federal Requirement:6 NYCRR 202-2.1

Item 7.1:
The Compliance Certification activity will be performed for the Facility.

Item 7.2:
Compliance Certification shall include the following monitoring:

Monitoring Type: RECORD KEEPING/MAINTENANCE PROCEDURES
Monitoring Description:

Monitoring Frequency: ANNUALLY
Reporting Requirements: ANNUALLY (CALENDAR)
Reports due by April 15th for previous calendar year

Condition 8: Recordkeeping requirements
Effective for entire length of Permit

Applicable Federal Requirement:6 NYCRR 202-2.5

Item 8.1:
(a) The following records shall be maintained for at least five years:

(1) a copy of each emission statement submitted to the department; and

(2) records indicating how the information submitted in the emission statement was determined, including any calculations, data, measurements, and estimates used.

(b) These records shall be made available at the facility to the representatives of the department upon request during normal business hours.

Condition 9: Open Fires Prohibited at Industrial and Commercial Sites
Effective for entire length of Permit

Applicable Federal Requirement:6 NYCRR Part 215

Item 9.1:
No person shall burn, cause, suffer, allow or permit the burning in an open fire of garbage, refuse, rubbish for salvage, or rubbish generated by industrial or commercial activities.

MANDATORY FEDERALLY ENFORCEABLE PERMIT CONDITIONS SUBJECT TO ANNUAL CERTIFICATIONS ONLY IF APPLICABLE

The following federally enforceable permit conditions are mandatory for all Title V permits and are subject to annual compliance certification requirements only if effectuated during the reporting period. [NOTE: The corresponding annual compliance certification for those conditions not effectuated during the reporting period shall be specified as "not applicable".]

Condition 10: Maintenance of Equipment
Effective for entire length of Permit

Applicable Federal Requirement:6 NYCRR 200.7

Item 10.1:
Any person who owns or operates an air contamination source which is equipped with an emission control device shall operate such device and keep it in a satisfactory state of maintenance and repair in accordance with ordinary and necessary practices, standards and procedures, inclusive of manufacturer's specifications, required to operate such device effectively.

Condition 11: Recycling and Salvage
Effective for entire length of Permit

Applicable Federal Requirement:6 NYCRR 201-1.7

Item 11.1:
Where practical, any person who owns or operates an air contamination source shall recycle or salvage air contaminants collected in an air cleaning device according to the requirements of the ECL.

Condition 12: Prohibition of Reintroduction of Collected Contaminants to the air
Effective for entire length of Permit

Applicable Federal Requirement:6 NYCRR 201-1.8

Item 12.1:
No person shall unnecessarily remove, handle or cause to be handled, collected air contaminants from an air cleaning device for recycling, salvage or disposal in a manner that would reintroduce them to the outdoor atmosphere.

Condition 13: Exempt Sources - Proof of Eligibility

Effective for entire length of Permit

Applicable Federal Requirement:6 NYCRR 201-3.2 (a)

Item 13.1:
The owner and/or operator of an emission source or unit that is eligible to be exempt may be required to certify that it operates within the specific criteria described in this Subpart. The owner or operator of any such emission source must maintain all required records on-site for a period of five years and make them available to representatives of the department upon request. Department representatives must be granted access to any facility which contains emission sources or units subject to this Subpart, during normal operating hours, for the purpose of determining compliance with this and any other State and Federal air pollution control requirements, regulations, or law.

Condition 14: Trivial Sources - Proof of Eligibility
Effective for entire length of Permit

Applicable Federal Requirement:6 NYCRR 201-3.3 (a)

Item 14.1:
The owner and/or operator of an emission source or unit that is listed as being trivial in this Part may be required to certify that it operates within the specific criteria described in this Subpart. The owner or operator of any such emission source must maintain all required records on-site for a period of five years and make them available to representatives of the department upon request. Department representatives must be granted access to any facility which contains emission sources or units subject to this Subpart, during normal operating hours, for the purpose of determining compliance with this and any other State and Federal air pollution control requirements, regulations, or law.

Condition 15: Standard Requirement - Provide Information
Effective for entire length of Permit

Applicable Federal Requirement:6 NYCRR 201-6.5 (a) (4)

Item 15.1:
The owner and/or operator shall furnish to the department, within a reasonable time, any information that the department may request in writing to determine whether cause exists for modifying, revoking and reissuing, or terminating the permit or to determine compliance with the permit. Upon request, the permittee shall also furnish to the department copies of records required to be kept by the permit or, for information claimed to be confidential, the permittee may furnish such records directly to the administrator along with a claim of confidentiality, if the administrator initiated the request for information or otherwise has need of it.

Condition 16: General Condition - Right to Inspect
Effective for entire length of Permit

Applicable Federal Requirement:6 NYCRR 201-6.5 (a) (8)

Item 16.1:
The department or an authorized representative shall be allowed upon presentation of credentials and other documents as may be required by law to:

(i) enter upon the permittee's premises where a facility subject to the permitting requirements of

this Subpart is located or emissions-related activity is conducted, or where records must be kept under the conditions of the permit;

(ii) have access to and copy, at reasonable times, any records that must be kept under the conditions of the permit;

(iii) inspect at reasonable times any emission sources, equipment (including monitoring and air pollution control equipment), practices, and operations regulated or required under the permit; and

(iv) sample or monitor at reasonable times substances or parameters for the purpose of assuring compliance with the permit or applicable requirements.

Condition 17: Standard Requirements - Progress Reports
Effective for entire length of Permit

Applicable Federal Requirement:6 NYCRR 201-6.5 (d) (5)

Item 17.1:
Progress reports consistent with an applicable schedule of compliance are to be submitted at least semiannually, or at a more frequent period if specified in the applicable requirement or by the department. Such progress reports shall contain the following:

(i) dates for achieving the activities, milestones, or compliance required in the schedule of compliance, and dates when such activities, milestones or compliance were achieved; and

(ii) an explanation of why any dates in the schedule of compliance were not or will not be met, and any preventive or corrective measures adopted.

Condition 18: Off Permit Changes
Effective for entire length of Permit

Applicable Federal Requirement:6 NYCRR 201-6.5 (f) (6)

Item 18.1:
No permit revision will be required for operating changes that contravene an express permit term, provided that such changes would not violate applicable requirements as defined under this Part or contravene federally enforceable monitoring (including test methods), recordkeeping, reporting, or compliance certification permit terms and conditions. Such changes may be made without requiring a permit revision, if the changes are not modifications under any provision of title I of the act and the changes do not exceed the emissions allowable under the permit (whether expressed therein as a rate of emissions or in terms of total emissions) provided that the facility provides the administrator and the department with written notification as required below in advance of the proposed changes within a minimum of seven days. The facility owner or operator, and the department shall attach each such notice to their copy of the relevant permit.

(i) For each such change, the written notification required above shall include a brief description of the change within the permitted facility, the date on which the change will occur, any change in emissions, and any permit term or condition that is no longer applicable as a result of the change.

(ii) The permit shield described in section 6 NYCRR 201-6.6 shall not apply to any change made pursuant to this paragraph.

Condition 19: Required Emissions Tests
Effective for entire length of Permit

Applicable Federal Requirement:6 NYCRR 202-1.1

Item 19.1:
For the purpose of ascertaining compliance or non-compliance with any air pollution control code, rule or regulation, the commissioner may require the person who owns such air contamination source to submit an acceptable report of measured emissions within a stated time. Such person shall bear the cost of measurement and preparing the report of measured emissions. Failure of such person to submit a report acceptable to the commissioner within the time stated shall be sufficient reason for the commissioner to suspend or deny a certificate to operate.

Condition 20: Visible Emissions Limited
Effective for entire length of Permit

Applicable Federal Requirement:6 NYCRR 211.3

Item 20.1:
Except as permitted by a specific part of this Subchapter and for open fires for which a restricted burning permit has been issued, no person shall cause or allow any air contamination source to emit any material having an opacity equal to or greater than 20 percent (six minute average) except for one continuous six-minute period per hour of not more than 57 percent opacity.

Condition 21: Accidental release provisions.
Effective for entire length of Permit

Applicable Federal Requirement:40 CFR Part 68

Item 21.1:
If a chemical is listed in Tables 1,2,3 or 4 of 40 CFR §68.130 is present in a process in quantities greater than the threshold quantity listed in Tables 1,2,3 or 4, the following requirements will apply:

a) The owner or operator shall comply with the provisions of 40 CFR Part 68 and;

b) The owner or operator shall submit at the time of permit issuance (if not previously submitted) one of the following, if such quantities are present:

1) A compliance schedule for meeting the requirements of 40 CFR Part 68 by the date provided in 40 CFR §68.10(a) or,

2) A certification statement that the source is in compliance with all requirements of 40 CFR Part 68, including the registration and submission of the Risk Management Plan. Information should be submitted to:

Risk Management Plan Reporting Center
C/O CSC
8400 Corporate Dr
Carrollton, Md. 20785

Condition 22: Recycling and Emissions Reduction

Effective for entire length of Permit

Applicable Federal Requirement:40CFR 82, Subpart F

Item 22.1:
The permittee shall comply with all applicable provisions of 40 CFR Part 82.

The following conditions are subject to annual compliance certification requirements for Title V permits only.

Condition 23: Emission Unit Definition
Effective for entire length of Permit

Applicable Federal Requirement:6 NYCRR Subpart 201-6

Item 23.1:
The facility is authorized to perform regulated processes under this permit for:
Emission Unit: U-DG002
Emission Unit Description:
THIS UNIT IS A DIESEL ENGINE/GENERATOR DESIGNED TO PROVIDE PEAK GENERATION CAPACITY, AS REQUIRED TO SUPPORT THE LONG ISLAND ELECTRIC DISTRIBUTION SYSTEM.

Building(s): DG2

Item 23.2:
The facility is authorized to perform regulated processes under this permit for:
Emission Unit: U-DG003
Emission Unit Description:
THIS UNIT IS A DIESEL ENGINE/GENERATOR DESIGNED TO PROVIDE PEAK GENERATION CAPACITY, AS REQUIRED TO SUPPORT THE LONG ISLAND ELECTRIC DISTRIBUTION SYSTEM.

Building(s): DG3

Item 23.3:
The facility is authorized to perform regulated processes under this permit for:
Emission Unit: U-DG004
Emission Unit Description:
THIS UNIT IS A DIESEL ENGINE/GENERATOR DESIGNED TO PROVIDE PEAK GENERATION CAPACITY, AS REQUIRED TO SUPPORT THE LONG ISLAND ELECTRIC DISTRIBUTION SYSTEM.

Building(s): DG4

Condition 24: Compliance Certification

Effective for entire length of Permit

Applicable Federal Requirement:6 NYCRR 201-6.5 (c)

Item 24.1:
The Compliance Certification activity will be performed for the Facility.

Item 24.2:
Compliance Certification shall include the following monitoring:

Monitoring Type: RECORD KEEPING/MAINTENANCE PROCEDURES
Monitoring Description:
Since this facility is unmanned and does not have any office space, all records required under this permit shall be kept at the KeySpan facility from which personnel responsible for the operation and maintenance of the equipment are dispatched. Montauk Generation Facility records shall be kept at the Wading River GT Facility.

Monitoring Frequency: CONTINUOUS
Reporting Requirements: SEMI-ANNUALLY (CALENDAR)
Reports due 30 days after the reporting period.
Subsequent reports are due every 6 calendar month(s).

Condition 25: Compliance Certification
Effective for entire length of Permit

Applicable Federal Requirement:6 NYCRR 225-1.2 (a) (1)

Item 25.1:
The Compliance Certification activity will be performed for the Facility.

Item 25.2:
Compliance Certification shall include the following monitoring:

Monitoring Type: WORK PRACTICE INVOLVING SPECIFIC OPERATIONS
Monitoring Description:

Work Practice Type: PARAMETER OF PROCESS MATERIAL
Process Material: DISTILLATES - NUMBER 1 AND NUMBER 2 OIL
Parameter Monitored: SULFUR CONTENT
Upper Permit Limit: 1.5 percent by weight
Monitoring Frequency: AS REQUIRED - SEE PERMIT MONITORING DESCRIPTION
Averaging Method: MAXIMUM - NOT TO BE EXCEEDED AT ANY TIME (INSTANTANEOUS/DISCRETE OR GRAB)
Reporting Requirements: UPON REQUEST BY REGULATORY AGENCY

Condition 26: Compliance Certification
Effective for entire length of Permit

Applicable Federal Requirement:6 NYCRR 227-1.3 (a)

Item 26.1:
The Compliance Certification activity will be performed for the facility:
The Compliance Certification applies to:

Emission Unit: U-DG002

Emission Unit: U-DG003

Emission Unit: U-DG004

Regulated Contaminant(s):
CAS No: 0NY075-00-0 PARTICULATES

Item 26.2:
Compliance Certification shall include the following monitoring:

Monitoring Type: MONITORING OF PROCESS OR CONTROL DEVICE PARAMETERS AS SURROGATE
Monitoring Description:
Visible emissions at the facility are limited to 20 percent opacity , except for one six minute period per hour not to exceed 27 percent, based upon the six minute average as stated in Reference Method 9 Appendix A 40CFR60. This limit applies to every combustion unit listed in this permit. Owner or operator shall perform at least once per calendar year a Method 9 at each listed combustion unit. Readings shall be performed by a Certified Visible Emissions Evaluator. The results of each observation shall be recorded in a bound log book or other format acceptable to the Department, kept at a designated office for at least five years, and made available to NYSDEC Representatives upon request. Additional opacity readings may be required by the Department.

Parameter Monitored: OPACITY
Upper Permit Limit: 20 percent
Reference Test Method: 40CFR60 Appendix A Method 9
Monitoring Frequency: ANNUALLY
Averaging Method: 6-MINUTE AVERAGE (METHOD 9)
Reporting Requirements: SEMI-ANNUALLY (CALENDAR)
Reports due 30 days after the reporting period.
Subsequent reports are due every 6 calendar month(s).

Condition 27: Compliance Certification
Effective for entire length of Permit

Applicable Federal Requirement:6 NYCRR 227-1.3 (a)

Item 27.1:
The Compliance Certification activity will be performed for the Facility.

Item 27.2:

Compliance Certification shall include the following monitoring:

Monitoring Type: MONITORING OF PROCESS OR CONTROL
DEVICE PARAMETERS AS SURROGATE
Monitoring Description:

Parameter Monitored: OPACITY
Upper Permit Limit: 20 percent
Reference Test Method: 40CFR60 Method 9
Monitoring Frequency: ANNUALLY
Averaging Method: 6-MINUTE AVERAGE (METHOD 9)
Reporting Requirements: SEMI-ANNUALLY (CALENDAR)
Reports due 30 days after the reporting period.
Subsequent reports are due every 6 calendar month(s).

Condition 28: Compliance Certification
Effective for entire length of Permit

Applicable Federal Requirement:6 NYCRR Subpart 227-2

Item 28.1:
The Compliance Certification activity will be performed for the facility:
The Compliance Certification applies to:

Emission Unit: U-DG002

Emission Unit: U-DG003

Emission Unit: U-DG004

Regulated Contaminant(s):
CAS No: 0NY210-00-0 OXIDES OF NITROGEN

Item 28.2:
Compliance Certification shall include the following monitoring:

Monitoring Type: RECORD KEEPING/MAINTENANCE PROCEDURES
Monitoring Description:
Compliance with the requirements of 6NYCRR Part 227-2 is assured on a system wide average basis using a NOx RACT Compliance Plan approved by the NYS Department of Environmental Conservation.

Reference Test Method: 40CFR60 APP B.
Monitoring Frequency: CONTINUOUS
Reporting Requirements: QUARTERLY (CALENDAR)
Reports due 30 days after the reporting period.
Subsequent reports are due every 3 calendar month(s).

Condition 29: Compliance Certification
Effective for entire length of Permit

Applicable Federal Requirement:6 NYCRR 227.2 (b) (1)

Item 29.1:
The Compliance Certification activity will be performed for the facility:
The Compliance Certification applies to:

Emission Unit: U-DG002

Emission Unit: U-DG003

Emission Unit: U-DG004

Regulated Contaminant(s):
CAS No: 0NY075-00-0 PARTICULATES

Item 29.2:
Compliance Certification shall include the following monitoring:

Monitoring Type: INTERMITTENT EMISSION TESTING
Monitoring Description:
The two hour average emission of particulates from each combustion installation shall not exceed 0.10 pounds per million Btu of heat input. The owner or operator shall comply with the following once per term of this permit:
1-Submit to the Department an acceptable protocol for the testing of particulate emissions to verify compliance with the emission limit cited in this condition.
2-Perform a particulate emissions stack test, based upon the approved test protocol.
3-Submit to the Department a stack test report for review and approval.
4- Maintain al records at the facility for at least five years.

Parameter Monitored: PARTICULATES
Upper Permit Limit: 0.10 pounds per million Btus
Reference Test Method: 40CFR60 Method 5
Monitoring Frequency: ONCE DURING THE TERM OF THE PERMIT
Averaging Method: AVERAGING METHOD - SEE MONITORING DESCRIPTION
Reporting Requirements: SEMI-ANNUALLY (CALENDAR)
Reports due 30 days after the reporting period.
Subsequent reports are due every 6 calendar month(s).

****** Emission Unit Level ******

Condition 30: Emission Point Definition By Emission Unit
Effective for entire length of Permit

Applicable Federal Requirement:6 NYCRR Subpart 201-6

Item 30.1:
The following emission points are included in this permit for the cited Emission Unit:

Emission Unit: U-DG002

Emission Point: DG002
Height (ft.): 27 Diameter (in.): 27
NYTMN (km.): 4545.725 NYTME (km.): 755.034 Building: DG2

Item 30.2:
The following emission points are included in this permit for the cited Emission Unit:

Emission Unit: U-DG003

Emission Point: DG003
Height (ft.): 27 Diameter (in.): 27
NYTMN (km.): 4545.725 NYTME (km.): 755.034 Building: DG3

Item 30.3:
The following emission points are included in this permit for the cited Emission Unit:

Emission Unit: U-DG004

Emission Point: DG004
Height (ft.): 27 Diameter (in.): 27
NYTMN (km.): 4545.725 NYTME (km.): 755.034 Building: DG4

Condition 31: Process Definition By Emission Unit
Effective for entire length of Permit

Applicable Federal Requirement:6 NYCRR Subpart 201-6

Item 31.1:
This permit authorizes the following regulated processes for the cited Emission Unit:

Emission Unit: U-DG002
Process: P92 Source Classification Code: 2-01-001-02
Process Description:
THIS PROCESS IS THE COMBUSTION OF #2 DISTILLATE OIL IN A DIESEL ENGINE/GENERATOR. IN ORDER TO IMPROVE COMBUSTION A FUEL ADDITIVE MAY BE MIXED WITH THE DISTILLATE OIL PRIOR TO COMBUSTION. IN ADDITION, WHEN FUEL OIL IS STORED FOR EXTENDED PERIODS, A BIOCIDE MAY BE ADDED TO PREVENT FOULING.

Emission Source/Control: ES001 - Combustion
Design Capacity: 25 million Btu per hour

Item 31.2:
This permit authorizes the following regulated processes for the cited Emission Unit:

Emission Unit: U-DG003
Process: P94 Source Classification Code: 2-01-001-02
Process Description:
THIS PROCESS IS THE COMBUSTION OF #2 DISTILLATE OIL IN A DIESEL ENGINE/GENERATOR. IN ORDER TO IMPROVE COMBUSTION A FUEL ADDITIVE MAY BE MIXED WITH THE DISTILLATE OIL PRIOR TO COMBUSTION. IN ADDITION, WHEN FUEL OIL IS STORED FOR EXTENDED PERIODS, A BIOCIDE MAY BE ADDED TO PREVENT FOULING.

Emission Source/Control: ES002 - Combustion
Design Capacity: 25 million Btu per hour

Item 31.3:
This permit authorizes the following regulated processes for the cited Emission Unit:

Emission Unit: U-DG004
Process: P95 Source Classification Code: 2-01-001-02
Process Description:
THIS PROCESS IS THE COMBUSTION OF #2 DISTILLATE OIL IN A DIESEL ENGINE/GENERATOR. IN ORDER TO IMPROVE COMBUSTION A FUEL ADDITIVE MAY BE MIXED WITH THE DISTILLATE OIL PRIOR TO COMBUSTION. IN ADDITION, WHEN FUEL OIL IS STORED FOR EXTENDED PERIODS, A BIOCIDE MAY BE ADDED TO PREVENT FOULING.

Emission Source/Control: ES003 - Combustion
Design Capacity: 25 million Btu per hour

STATE ONLY ENFORCEABLE CONDITIONS
****** Facility Level ******

NOTIFICATION OF GENERAL PERMITTEE OBLIGATIONS
This section contains terms and conditions which are not federally enforceable. Permittees may also have other obligations under regulations of general applicability

Item A: **General Provisions for State Enforceable Permit Terms and Condition - 6 NYCRR Part 201-5**

Any person who owns and/or operates stationary sources shall operate and maintain all emission units and any required emission control devices in compliance with all applicable Parts of this Chapter and existing laws, and shall operate the facility in accordance with all criteria, emission limits, terms, conditions, and standards in this permit. Failure of such person to properly operate and maintain the effectiveness of such emission units and emission control devices may be sufficient reason for the Department to revoke or deny a permit.

The owner or operator of the permitted facility must maintain all required records on-site for a period of five years and make them available to representatives of the Department upon request. Department representatives must be granted access to any facility regulated by this Subpart, during normal operating hours, for the purpose of determining compliance with this and any other state and federal air pollution control requirements, regulations or law.

STATE ONLY APPLICABLE REQUIREMENTS
The following conditions are state applicable requirements and are not subject to compliance certification requirements unless otherwise noted or required under 6 NYCRR Part 201.

Condition 32: Contaminant List
Effective for entire length of Permit

Applicable State Requirement:ECL 19-0301

Item 32.1:
Emissions of the following contaminants are subject to contaminant specific requirements in this permit(emission limits, control requirements or compliance monitoring conditions).

CAS No: 0NY075-00-0
Name: PARTICULATES

CAS No: 0NY210-00-0

Name: OXIDES OF NITROGEN

Condition 33: Unavoidable noncompliance and violations
Effective for entire length of Permit

Applicable State Requirement:6 NYCRR 201-1.4

Item 33.1:
At the discretion of the commissioner a violation of any applicable emission standard for necessary scheduled equipment maintenance, start-up/shutdown conditions and malfunctions or upsets may be excused if such violations are unavoidable. The following actions and recordkeeping and reporting requirements must be adhered to in such circumstances.

(a) The facility owner and/or operator shall compile and maintain records of all equipment maintenance or start-up/shutdown activities when they can be expected to result in an exceedance of any applicable emission standard, and shall submit a report of such activities to the commissioner's representative when requested to do so in writing or when so required by a condition of a permit issued for the corresponding air contamination source except where conditions elsewhere in this permit which contain more stringent reporting and notification provisions for an applicable requirement, in which case they supercede those stated here. Such reports shall describe why the violation was unavoidable and shall include the time, frequency and duration of the maintenance and/or start-up/shutdown activities and the identification of air contaminants, and the estimated emission rates. If a facility owner and/or operator is subject to continuous stack monitoring and quarterly reporting requirements, he need not submit reports for equipment maintenance or start-up/shutdown for the facility to the commissioner's representative.

(b) In the event that emissions of air contaminants in excess of any emission standard in 6 NYCRR Chapter III Subchapter A occur due to a malfunction, the facility owner and/or operator shall report such malfunction by telephone to the commissioner's representative as soon as possible during normal working hours, but in any event not later than two working days after becoming aware that the malfunction occurred. Within 30 days thereafter, when requested in writing by the commissioner's representative, the facility owner and/or operator shall submit a written report to the commissioner's representative describing the malfunction, the corrective action taken, identification of air contaminants, and an estimate of the emission rates. These reporting requirements are superceded by conditions elsewhere in this permit which contain reporting and notification provisions for applicable requirements more stringent than those above.

(c) The Department may also require the owner and/or operator to include in reports described under (a) and (b) above an estimate of the maximum ground level concentration of each air contaminant emitted and the effect of such emissions depending on the deviation of the malfunction and the air contaminants emitted.

(d) In the event of maintenance, start-up/shutdown or malfunction conditions which result in emissions exceeding any applicable emission standard, the facility owner and/or operator shall take appropriate action to prevent emissions which will result in contravention of any applicable ambient air quality standard. Reasonably available control technology, as determined by the commissioner, shall be applied during any maintenance, start-up/shutdown or malfunction condition subject to this paragraph.

(e) In order to have a violation of a federal regulation (such as a new source performance standard or national emissions standard for hazardous air pollutants) excused, the specific

federal regulation must provide for an affirmative defense during start-up, shutdowns, malfunctions or upsets.

Condition 34: Air pollution prohibited
Effective for entire length of Permit

Applicable State Requirement:6 NYCRR 211.2

Item 34.1:
No person shall cause or allow emissions of air contaminants to the outdoor atmosphere of such quantity, characteristic or duration which are injurious to human, plant or animal life or to property, or which unreasonably interfere with the comfortable enjoyment of life or property. Notwithstanding the existence of specific air quality standards or emission limits, this prohibition applies, but is not limited to, any particulate, fume, gas, mist, odor, smoke, vapor, pollen, toxic or deleterious emission, either alone or in combination with others.