



PERMIT
Under the Environmental Conservation Law (ECL)

IDENTIFICATION INFORMATION

Permit Type: Industrial SPDES - Surface Discharge
Permit ID: 9-2911-00381/00001
Effective Date: 04/01/2009 Expiration Date: 03/31/2014

Permit Type: Air State Facility
Permit ID: 9-2911-00381/00002
Effective Date: 02/17/2009 Expiration Date: No expiration date

Permit Issued To: ASHLAND ADVANCED MATERIALS LLC
6100 NIAGARA FALLS BLVD
NIAGARA FALLS, NY 14304

Contact: MATT REINEKE
ASHLAND ADVANCED MATERIALS
1025 FAULTLESS DR
ASHLAND, OH 44805
(419) 289-6769

Facility: ASHLAND ADVANCED MATERIALS
6100 NIAGARA FALLS BLVD
NIAGARA FALLS, NY 14304

Contact: ROGER GREINERT
ASHLAND ADVANCED MATERIALS LLC
6100 NIAGARA FALLS BLVD
NIAGARA FALLS, NY 14304
(716) 283-6853

Description:
Ashland Advanced Materials facility located in Niagara Falls, New York will be engaged in the graphitizing of carbon and rayon materials. This Air State Facility permit describes the proposed operation of the associated mixing, drying and furnacing processes and the regulatory, source testing, and compliance requirements.

Potential emissions of volatile organic compounds (VOC) and phenol, a hazardous air pollutants (HAP), exceed the major source thresholds of 50 and 10 tons respectively. Therefore, Ashland will employ thermal oxidizers to reduce emissions to less than the major source thresholds. A federally enforceable emissions cap will be established through this permit limiting these emissions through control equipment efficiency and production limits. As a minor source the facility will not be subject to the Title V permitting requirements of 6NYCRR, Part 201-6 and 40 CFR Part 70 and the New Source Review requirements of 6NYCRR, Part 231-2.

Rigid Carbon Fiber Board (RCFB) production will consist of mixing raw materials and forming molds which are then heat treated. Three gas-fired and one electric drying oven to drive off moisture from the molds are vented to emission points EP402, 403, and 404. The material will then be carbonized in eight 96" electric induction furnaces of which only two can run concurrently. Volatile emissions from the induction furnaces will be directed to the thermal



oxidizer identified as THOX1 and emission point EP401, where they will be incinerated at a temperature of 1500 degrees F.

The second process described within this permit is the heat treating/carbonizing of rayon material in a two step heating process. The raw material is heat treated in a natural gas fired high temperature sager furnace. Volatile emissions from the sager furnace are incinerated at 1500 degrees F by the thermal oxidizer identified as THOX2 and vented to emission point EP310. From the sager furnace, the rayon is then further treated in ten 50" electric induction furnace venting to THOX1. Only two 50" furnaces can operate concurrently with two 96" furnaces. The final product will then be used as the raw material in the RCFB operation.

This Department will require stack tests on both thermal oxidizers to establish the emissions rates and demonstrate the control efficiency of these units and compliance with the control requirements of 6NYCRR, Part 212.4(b).

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: DAVID S DENK
 DIVISION OF ENVIRONMENTAL PERMITS
 270 MICHIGAN AVE
 BUFFALO, NY 14203-2999

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
- Relationship of this Permit to Other Department Orders and Determinations
- Applications for permit renewals, modifications and transfers
- Permit modifications, suspensions or revocations by the Department

Facility Level

- Submission of application for permit modification or renewal-REGION 9 HEADQUARTERS



DEC GENERAL CONDITIONS
****** General Provisions ******
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: 6NYCRR 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: 6NYCRR 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 9 HEADQUARTERS
Applicable State Requirement: 6NYCRR 621.6(a)

Item 5.1:

Submission of applications for permit modification or renewal are to be submitted to:

NYSDEC Regional Permit Administrator
Region 9 Headquarters
Division of Environmental Permits
270 Michigan Avenue
Buffalo, NY 14203-2915
(716) 851-7165



Permit Under the Environmental Conservation Law (ECL)

**ARTICLE 19: AIR POLLUTION CONTROL - AIR STATE FACILITY
PERMIT**

IDENTIFICATION INFORMATION

Permit Issued To: ASHLAND ADVANCED MATERIALS LLC
6100 NIAGARA FALLS BLVD
NIAGARA FALLS, NY 14304

Facility: ASHLAND ADVANCED MATERIALS
6100 NIAGARA FALLS BLVD
NIAGARA FALLS, NY 14304

Authorized Activity By Standard Industrial Classification Code:
3624 - CARBON AND GRAPHITE PRODUCTS

Permit Effective Date: 02/17/2009
date.

Permit Expiration Date: No expiration
date.



LIST OF CONDITIONS

DEC GENERAL CONDITIONS

General Provisions

Facility Inspection by the Department
Relationship of this Permit to Other Department Orders and
Determinations
Applications for permit renewals, modifications and transfers
Permit modifications, suspensions or revocations by the Department

Facility Level

Submission of application for permit modification or renewal-REGION 9
HEADQUARTERS

FEDERALLY ENFORCEABLE CONDITIONS

Facility Level

- 1 6NYCRR 201-7.2: Facility Permissible Emissions
- *2 6NYCRR 201-7.2: Capping Monitoring Condition
- *3 6NYCRR 201-7.2: Capping Monitoring Condition
- *4 6NYCRR 201-7.2: Capping Monitoring Condition
- 5 6NYCRR 212.5(a): Emissions from two or more devices through one
emission point
- 6 6NYCRR 212.6(a): Compliance Demonstration

Emission Unit Level

EU=1-FIBER,Proc=FB2

- 7 6NYCRR 212.4(b): Compliance Demonstration
- 8 6NYCRR 212.11(a): Compliance Demonstration

EU=1-FIBER,EP=EP401

- 9 6NYCRR 212.4(c): Compliance Demonstration

EU=1-FIBER,EP=EP401,Proc=FB1,ES=THOX1

- 10 6NYCRR 212.4(b): Compliance Demonstration
- 11 6NYCRR 212.11(a): Compliance Demonstration
- 12 6NYCRR 212.11(b): Compliance Demonstration

EU=1-RAYON,EP=EP310

- 13 6NYCRR 212.4(b): Compliance Demonstration
- 14 6NYCRR 212.4(c): Compliance Demonstration
- 15 6NYCRR 212.11(a): Compliance Demonstration
- 16 6NYCRR 212.11(b): Compliance Demonstration

STATE ONLY ENFORCEABLE CONDITIONS

Facility Level

- 17 ECL 19-0301: Contaminant List
- 18 6NYCRR 201-1.4: Unavoidable noncompliance and violations
- 19 6NYCRR 201-5: Emission Unit Definition
- 20 6NYCRR 201-5.1(b): Compliance Demonstration
- 21 6NYCRR 201-5.4: Compliance Demonstration



22 6NYCRR 211.2: Air pollution prohibited

Emission Unit Level

23 6NYCRR 201-5: Emission Point Definition By Emission Unit

NOTE: * preceding the condition number indicates capping.



FEDERALLY ENFORCEABLE CONDITIONS

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

NOTIFICATION OF GENERAL PERMITTEE OBLIGATIONS

This section contains terms and conditions which are federally enforceable. Permittees may also have other obligations under regulations of general applicability

Item A: Sealing - 6NYCRR Part 200.5

The Commissioner may seal an air contamination source to prevent its operation if compliance with 6 NYCRR Chapter III is not met within the time provided by an order of the Commissioner issued in the case of the violation.

Sealing means labeling or tagging a source to notify any person that operation of the source is prohibited, and also includes physical means of preventing the operation of an air contamination source without resulting in destruction of any equipment associated with such source, and includes, but is not limited to, bolting, chaining or wiring shut control panels, apertures or conduits associated with such source.

No person shall operate any air contamination source sealed by the Commissioner in accordance with this section unless a modification has been made which enables such source to comply with all requirements applicable to such modification.

Unless authorized by the Commissioner, no person shall remove or alter any seal affixed to any contamination source in accordance with this section.

Item B: Acceptable Ambient Air Quality - 6NYCRR Part 200.6

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.

Item C: Maintenance of Equipment - 6NYCRR Part 200.7

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.



Item D: Unpermitted Emission Sources - 6NYCRR Part 201-1.2

If an existing emission source was subject to the permitting requirements of 6NYCRR Part 201 at the time of construction or modification, and the owner and/or operator failed to apply for a permit for such emission source then the following provisions apply:

(a) The owner and/or operator must apply for a permit for such emission source or register the facility in accordance with the provisions of Part 201.

(b) The emission source or facility is subject to all regulations that were applicable to it at the time of construction or modification and any subsequent requirements applicable to existing sources or facilities.

Item E: Emergency Defense - 6NYCRR Part 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 F: Recycling and Salvage - 6NYCRR Part 201-1.7

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 6 NYCRR.

Item G: Prohibition of Reintroduction of Collected Contaminants to the Air - 6NYCRR Part 201-1.8

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.

Item H: Proof of Eligibility for Sources Defined as Exempt Activities - 6 NYCRR Part 201-3.2(a)

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 6 NYCRR Subpart 201-3. 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 6 NYCRR Subpart 201-3, 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.

Item I: Proof of Eligibility for Sources Defined as Trivial Activities - 6 NYCRR Part 201-3.3(a)

The owner and/or operator of an emission source or unit that is listed as being trivial in 6 NYCRR Part 201 may be required to certify that it operates within the specific criteria described in 6 NYCRR Subpart 201-3. 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 6 NYCRR Subpart 201-3, 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.

Item J: Required Emission Tests - 6 NYCRR Part 202-1.1

An acceptable report of measured emissions shall be submitted, as may be required by the Commissioner, to ascertain compliance or noncompliance with any air



pollution code, rule, or regulation. Failure to submit a report acceptable to the Commissioner within the time stated shall be sufficient reason for the Commissioner to suspend or deny an operating permit. Notification and acceptable procedures are specified in 6NYCRR Part 202-1.

Item K: Visible Emissions Limited - 6 NYCRR Part 211.3

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.

Item L: Open Fires - 6 NYCRR Part 215

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

Item M: 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 N: 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.

FEDERAL APPLICABLE REQUIREMENTS



period and a comparison to the threshold levels that would require compliance with an applicable requirement.

Item 2.5:

The emission of pollutants that exceed the applicability thresholds for an applicable requirement, for which the facility has obtained an emissions cap, constitutes a violation of Part 201 and of the Act.

Item 2.6:

The Compliance Demonstration activity will be performed for the Facility.

Regulated Contaminant(s):

CAS No: 000108-95-2 PHENOL

Item 2.7:

Compliance Demonstration shall include the following monitoring:

Capping: Yes

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

Monitoring Description:

Facility-wide total emissions of phenol, a hazardous air pollutant (HAP), are limited to less than 10 tons during any consecutive twelve month period in order to establish the facility as a minor source of an individual HAP and therefore not subject to the Title V permitting requirements of 6NYCRR, Part 201-6. Compliance with this cap is to be demonstrated as follows:

- 1.) Maintenance and operation of the thermal oxidizers (THOX1 AND THOX2) as per the conditions established for 6NYCRR, Parts 212.4(b) and 212.11.
- 2.) If stack test results demonstrate that a thermal oxidizer is operating less than the 99.5% control efficiency used to determine actual emissions and it is determined that the emissions exceed the major source threshold, Ashland must submit a Title V permit application within 30 days after the results of the stack test(s) have been submitted to this Department.
- 3.) Annual phenol emissions shall be calculated using emissions factors developed from the stack test results and monthly production data and totaled for each consecutive twelve month period in order to demonstrate on-going compliance with this emissions cap. Records demonstrating that the rolling twelve month total of phenol is less than 10 tons are to be made available to Department representatives on request and kept on-site for a period of 5 years.

Parameter Monitored: PHENOL

Upper Permit Limit: 9.5 tons per year



Monitoring Frequency: MONTHLY

Averaging Method: 12-month total, rolled monthly

Reporting Requirements: UPON REQUEST BY REGULATORY AGENCY

Condition 3: Capping Monitoring Condition
Effective between the dates of 02/17/2009 and Permit Expiration Date

Applicable Federal Requirement: 6NYCRR 201-7.2

Item 3.1:

Under the authority of 6 NYCRR Part 201-7, this condition contains an emission cap for the purpose of limiting emissions from the facility, emission unit or process to avoid being subject to the following applicable requirement(s) that the facility, emission unit or process would otherwise be subject to:

6NYCRR 201-6.1

6NYCRR 231-2.2

Item 3.2:

Operation of this facility shall take place in accordance with the approved criteria, emission limits, terms, conditions and standards in this permit.

Item 3.3:

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.

Item 3.4:

On an annual basis, unless otherwise specified below, beginning one year after the granting of an emissions cap, the responsible official shall provide a certification to the Department that the facility has operated all emission units within the limits imposed by the emission cap. This certification shall include a brief summary of the emissions subject to the cap for that time period and a comparison to the threshold levels that would require compliance with an applicable requirement.

Item 3.5:

The emission of pollutants that exceed the applicability thresholds for an applicable requirement, for which the facility has obtained an emissions cap, constitutes a violation of Part 201 and of the Act.

Item 3.6:

The Compliance Demonstration activity will be performed for the Facility.

Regulated Contaminant(s):

CAS No: 0NY998-00-0 VOC

Item 3.7:

Compliance Demonstration shall include the following monitoring:

Capping: Yes

Monitoring Type: MONITORING OF PROCESS OR CONTROL



DEVICE PARAMETERS AS SURROGATE

Monitoring Description:

Facility-wide total emissions of volatile organic compounds(VOC) are limited to less than 50 tons during any consecutive twelve month period in order to establish the facility as a minor source of VOC and therefore not subject to the New Source Review (NSR) requirements of 6NYCRR, Part 231-2 and the Title V permitting requirements of 6NYCRR, Part 201-6. Compliance with this cap is to be demonstrated as follows:

- 1.) Ashland shall maintain and operate the thermal oxidizers(THOX1 AND THOX2) as per the conditions established for 6NYCRR, Parts 212.4(b) and 212.11.
- 2.) If stack test results demonstrate that a thermal oxidizer is operating less than the 99.5% control efficiency used to determine actual emissions and it is determined that the emissions results exceeds the major source threshold, Ashland must submit a proposal to comply with the requirements of Part 231-2 and submit a Title V permit application within 30 days after the results of the stack test(s) have been submitted to this Department.
- 3.) Annual VOC emissions shall be calculated using emissions factors developed from the most recent stack test results and monthly production data and totaled for each consecutive twelve month period in order to demonstrate on-going compliance with this emissions cap. Records demonstrating that the rolling twelve month total of VOC is less than 50 tons are to be made available to Department representatives on request and kept on-site for a period of 5 years.

Parameter Monitored: VOC

Upper Permit Limit: 49.5 tons per year

Monitoring Frequency: MONTHLY

Averaging Method: 12-month total, rolled monthly

Reporting Requirements: UPON REQUEST BY REGULATORY AGENCY

Condition 4: Capping Monitoring Condition
Effective between the dates of 02/17/2009 and Permit Expiration Date

Applicable Federal Requirement:6NYCRR 201-7.2

Item 4.1:

Under the authority of 6 NYCRR Part 201-7, this condition contains an emission cap for the purpose of limiting emissions from the facility, emission unit or process to avoid being subject to the following applicable requirement(s) that the facility, emission unit or process would otherwise be subject to:



6NYCRR 201-6.1

Item 4.2:

Operation of this facility shall take place in accordance with the approved criteria, emission limits, terms, conditions and standards in this permit.

Item 4.3:

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.

Item 4.4:

On an annual basis, unless otherwise specified below, beginning one year after the granting of an emissions cap, the responsible official shall provide a certification to the Department that the facility has operated all emission units within the limits imposed by the emission cap. This certification shall include a brief summary of the emissions subject to the cap for that time period and a comparison to the threshold levels that would require compliance with an applicable requirement.

Item 4.5:

The emission of pollutants that exceed the applicability thresholds for an applicable requirement, for which the facility has obtained an emissions cap, constitutes a violation of Part 201 and of the Act.

Item 4.6:

The Compliance Demonstration activity will be performed for the Facility.

Regulated Contaminant(s):

CAS No: 0NY100-00-0 HAP

Item 4.7:

Compliance Demonstration shall include the following monitoring:

Capping: Yes

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

Monitoring Description:

Facility-wide total emissions of total hazardous air pollutants (HAP) are limited to less than 25 tons during any consecutive twelve month period in order to establish the facility as a minor source of total HAP and therefore not subject to the Title V permitting requirements of 6NYCRR, Part 201-6. Compliance with this cap is to be demonstrated as follows:

- 1.) Maintenance and operation of the thermal oxidizers (THOX1 AND THOX2) as per the conditions established for 6NYCRR, Parts 212.4(b) and 212.11.
- 2.) If stack test results demonstrate that a thermal oxidizer is operating less than the 99.5% control



efficiency used to determine actual emissions and it is determined that the emissions exceed the major source threshold, Ashland must submit a Title V permit application within 30 days after the results of the stack test(s) have been submitted to this Department.

3.) Annual HAP emissions shall be calculated using emissions factors developed from the stack test results and monthly production data and totaled for each consecutive twelve month period in order to demonstrate on-going compliance with this emissions cap. Records demonstrating that the rolling twelve month total of HAP is less than 25 tons are to be made available to Department representatives on request and kept on-site for a period of 5 years.

Parameter Monitored: HAP

Upper Permit Limit: 24.5 tons per year

Monitoring Frequency: MONTHLY

Averaging Method: 12-month total, rolled monthly

Reporting Requirements: UPON REQUEST BY REGULATORY AGENCY

Condition 5: Emissions from two or more devices through one emission point

Effective between the dates of 02/17/2009 and Permit Expiration Date

Applicable Federal Requirement:6NYCRR 212.5(a)

Item 5.1:

Where air contaminants from two or more devices or contrivances are emitted to the outdoor atmosphere through a single emission point, the permissible emission rate or degree of air cleaning required is determined by using the sum of the process weights or emission rate potentials for all such devices or contrivances

Condition 6: Compliance Demonstration

Effective between the dates of 02/17/2009 and Permit Expiration Date

Applicable Federal Requirement:6NYCRR 212.6(a)

Item 6.1:

The Compliance Demonstration activity will be performed for the Facility.

Regulated Contaminant(s):

CAS No: 0NY075-00-0 PARTICULATES

Item 6.2:

Compliance Demonstration shall include the following monitoring:

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

Monitoring Description:

Ashland will not cause or allow emissions having an average opacity during any six consecutive minutes of 20



percent or greater from any emission point or emission source.

In the event opacity is observed, plant personnel shall initiate corrective action according to the preventative maintenance plan submitted to this Department.

Parameter Monitored: OPACITY
Upper Permit Limit: 20 percent
Reference Test Method: Method 9
Monitoring Frequency: DAILY
Averaging Method: 6 MINUTE AVERAGE
Reporting Requirements: UPON REQUEST BY REGULATORY AGENCY

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

Condition 7: Compliance Demonstration
Effective between the dates of 02/17/2009 and Permit Expiration Date

Applicable Federal Requirement: 6NYCRR 212.4(b)

Item 7.1:

The Compliance Demonstration activity will be performed for:

Emission Unit: 1-FIBER
Process: FB2

Regulated Contaminant(s):
CAS No: 000108-95-2 PHENOL

Item 7.2:

Compliance Demonstration shall include the following monitoring:

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

Monitoring Description:

Ashland shall maintain records of the number of molds made per day and the amount of Hexion used in each batch prepared for the molds. The concentration of phenol in Hexion used in calculating emissions and as indicated by the MSDS is 5.0% by weight. Ashland shall request an annual certification from the supplier verifying the phenol content of the Hexion. These records are to be kept on-site indefinitely and made available to Department representatives on request.

Any increase in the concentration of phenol in the mixture will require revised emissions data and an Air Guide-1 analysis.

If odors are noted off-site from the drying ovens



identified as emission points EP402, EP403, and EP404, Ashland will submit a proposal to address the odors including but not limited to raising the stack heights to increase atmospheric dispersion.

If it is determined that the steam curing operation is a source of fugitive odors, a proposal to address these odors will also be required.

Any odor proposal shall be submitted within 30 days from a written request by this Department.

Parameter Monitored: PHENOL

Upper Permit Limit: 5 percent by volume

Monitoring Frequency: DAILY

Averaging Method: MAXIMUM - NOT TO EXCEED STATED VALUE -
SEE MONITORING DESCRIPTION

Reporting Requirements: UPON REQUEST BY REGULATORY AGENCY

Condition 8: Compliance Demonstration
Effective between the dates of 02/17/2009 and Permit Expiration Date

Applicable Federal Requirement: 6NYCRR 212.11(a)

Item 8.1:

The Compliance Demonstration activity will be performed for:

Emission Unit: 1-FIBER

Process: FB2

Regulated Contaminant(s):

CAS No: 000091-20-3	NAPHTHALENE
CAS No: 000108-95-2	PHENOL
CAS No: 000630-08-0	CARBON MONOXIDE
CAS No: 007446-09-5	SULFUR DIOXIDE
CAS No: 007783-06-4	HYDROGEN SULFIDE
CAS No: 0NY210-00-0	OXIDES OF NITROGEN
CAS No: 0NY998-00-0	VOC

Item 8.2:

Compliance Demonstration shall include the following monitoring:

Monitoring Type: INTERMITTENT EMISSION TESTING

Monitoring Description:

Within 60 days after start-up, Ashland shall conduct a representative stack test to determine the emissions from one of the gas fired drying ovens identified as EP402, EP403, and EP404 using acceptable reference methods pursuant to 6NYCRR, Part 202-1.

The stack test shall determine emissions of carbon monoxide (CO), nitrogen oxides (NOx), sulfur compounds, phenol, naphthalene, hydrogen sulfide and volatile organic



compounds (VOC).

A stack test protocol shall be submitted detailing the sampling and analytical methods to be used. The inlet and outlet tests shall each consist of three separate runs using the applicable reference test methods. The protocol is to be submitted 30 days prior to the source test and shall include the date and time of the test. The protocol is also to include details describing the operating conditions under which the test will be conducted, including but not limited to production rates.

The protocol must be approved by this Department prior to the commencement of the stack test.

The test is to be witnessed by a representative of this Department.

If stack test results indicate emission rates higher than those used in the submitted Air Guide-1 analysis, a revised analysis shall be submitted to this Department within 60 days after the completion of the test.

If test results and/or the Air Guide-1 analysis determine that an emissions control device will be required pursuant to 6NYCRR, Part 212.4(b) and Table 2 of 212.9 (b), a permit modification including a proposal for corrective action shall be submitted within 30 days from a written request from this Department.

Parameter Monitored: VOC

Upper Permit Limit: 10 pounds per hour

Reference Test Method: FRM 18

Monitoring Frequency: SINGLE OCCURRENCE

Averaging Method: MAXIMUM - NOT TO EXCEED STATED VALUE -
SEE MONITORING DESCRIPTION

Reporting Requirements: AS REQUIRED - SEE MONITORING DESCRIPTION

Condition 9: Compliance Demonstration
Effective between the dates of 02/17/2009 and Permit Expiration Date

Applicable Federal Requirement: 6NYCRR 212.4(c)

Item 9.1:

The Compliance Demonstration activity will be performed for:

Emission Unit: 1-FIBER

Emission Point: EP401

Regulated Contaminant(s):

CAS No: 0NY075-00-0 PARTICULATES



Item 9.2:

Compliance Demonstration shall include the following monitoring:

Monitoring Type: INTERMITTENT EMISSION TESTING

Monitoring Description:

Particulate emissions from the thermal oxidizer (EP 401) shall not exceed 0.05 grains per cubic foot of exhaust gas, expressed at standard conditions on a dry gas basis.

Compliance shall be demonstrated by a stack test conducted using Method 5 and acceptable procedures as per 6NYCRR, Part 202-1 and 40 CFR Part 60. Test results shall be submitted to this Department within 60 days from the completion of the test.

Upon completion of the test and demonstration of compliance with the standard, compliance will be continued through an established maintenance program on the oxidizer.

Parameter Monitored: PARTICULATES

Upper Permit Limit: 0.05 grains per dscf

Reference Test Method: Method 5

Monitoring Frequency: SINGLE OCCURRENCE

Averaging Method: MAXIMUM - NOT TO EXCEED STATED VALUE -
SEE MONITORING DESCRIPTION

Reporting Requirements: AS REQUIRED - SEE MONITORING DESCRIPTION

Condition 10: Compliance Demonstration

Effective between the dates of 02/17/2009 and Permit Expiration Date

Applicable Federal Requirement: 6NYCRR 212.4(b)

Item 10.1:

The Compliance Demonstration activity will be performed for:

Emission Unit: 1-FIBER

Emission Point: EP401

Process: FB1

Emission Source: THOX1

Regulated Contaminant(s):

CAS No: 000091-20-3

NAPHTHALENE

CAS No: 0NY998-00-0

VOC

CAS No: 000108-95-2

PHENOL

Item 10.2:

Compliance Demonstration shall include the following monitoring:

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

Monitoring Description:

The preparation of the mixture for each RCFB mold includes 63 pounds of Hexion containing a maximum of 5% phenol (as per MSDS). Assuming a maximum capacity of 16



molds per 90" induction furnace and a maximum of two furnaces operating concurrently, the concentration of phenol which can be potentially driven off in the two furnaces and vented to the thermal oxidizer is estimated at 100 pounds. Volatile emissions will be generated over a 14 hour period, although it is expected that at the 1850 degrees C furnace operating temperature, the greatest portion will be driven off in the first few hours. Therefore, the emission rate potential (ERP) of phenol can be expected to be greater than 10 pounds per hour. At that ERP, phenol as a 'B' rated contaminant is required by Table 2 of Part 212.9(b) to have a minimum of 90% control efficiency. Compliance with 6NYCRR, Part 212.4(b) and Table 2 will be demonstrated by a stack emission test.

The stack test is required on both the inlet and the outlet of the oxidizer to verify the ERP of phenol, naphthalene, and total volatile organic compounds (VOC) and the degree of emissions control required by Table 2. If stack test results and/or an Air Guide-1 analysis of the results indicate additional controls are required to achieve compliance with 6NYCRR, Part 212.4(b) and Table 2 of Part 212.9(b), a permit modification including a proposal for corrective action must be submitted within 30 days from a written request from this Department.

Stack testing of the oxidizer shall include the operation of two (of 10) 50" induction furnaces concurrent with the operation of the two 96" furnaces.

Stack test results may indicate an increase in ERP as a result of contributions from the operation of two (of 10) 50" induction furnaces which can normally run concurrent with the operation of the two 96" furnaces.

Stack test results indicating a greater ERP and/or a control efficiency of less than the 99.5% used to determine actual emissions will require the facility to submit revised emissions data and Air Guide-1 screening. Any increase in ERP will need to be re-evaluated in terms of Part 212.4(b) and Air Guide-1 and the control efficiency of the thermal oxidizer.

Compliance with Part 212.4(b) will be maintained as follows:

- 1.) The thermal oxidizer (THOX1) is to operate at all times that material is being processed in either the 96" or 50" induction furnaces.
- 2.) The oxidizer temperature is to be maintained at a minimum of 1500 degrees F.



3.) Operations will be limited to a maximum of two (of 8) 96" induction furnaces operating concurrently along with a maximum of two (of 10) 50" furnaces.

Parameter Monitored: PHENOL

Lower Permit Limit: 90 percent reduction

Monitoring Frequency: CONTINUOUS

Averaging Method: MINIMUM - NOT TO FALL BELOW STATED
VALUE - SEE MONITORING DESCRIPTION

Reporting Requirements: UPON REQUEST BY REGULATORY AGENCY

Condition 11: Compliance Demonstration
Effective between the dates of 02/17/2009 and Permit Expiration Date

Applicable Federal Requirement: 6NYCRR 212.11(a)

Item 11.1:

The Compliance Demonstration activity will be performed for:

Emission Unit: 1-FIBER

Emission Point: EP401

Process: FB1

Emission Source: THOX1

Regulated Contaminant(s):

CAS No: 000091-20-3

NAPHTHALENE

CAS No: 0NY998-00-0

VOC

CAS No: 000108-95-2

PHENOL

Item 11.2:

Compliance Demonstration shall include the following monitoring:

Monitoring Type: INTERMITTENT EMISSION TESTING

Monitoring Description:

Within 60 days after start-up, Ashland shall conduct a stack emissions test on the inlet and outlet of the thermal oxidizer (THOX1), emission point 00401, using acceptable reference methods pursuant to 6NYCRR, Part 202-1 in order to determine the control efficiency of the oxidizer.

The source test shall also determine emissions of carbon monoxide (CO), particulates, nitrogen oxides (NO_x), sulfur compounds, hydrogen sulfide (H₂S), phenol, benzene, and volatile organic compounds (VOC).

A stack test protocol shall be submitted detailing the sampling and analytical methods to be used. The inlet and outlet tests shall each consist of three separate runs



using the applicable reference test methods. The protocol is to be submitted 30 days prior to the source test and shall include the date and time of the test. The protocol is also to include details describing the operating conditions under which the test will be conducted, including but not limited to production rates, number of furnaces operating, and minimum oxidizer temperature. The test protocol must be approved by this Department prior to testing.

The source test shall be representative of worst case (maximum) production rates and with two 96" and two 50" induction furnaces operating concurrently.

Plant operators must record the production data and process and control equipment operating conditions during the test. This data, along with strip charts, is to be submitted as part of the test results. The final report must be clear as to how the results correlate with the production and operating data.

The test is to be witnessed by a representative of this Department.

A Method 9 opacity test shall be conducted concurrent with the performance test.

Test results shall be submitted to this Department within 60 days after the completion of the test.

Stack test emission rates greater than those used in the Air Guide-1 demonstration will require a revised impact analysis to be submitted within 60 days after the completion of the test.

If test results and/or the Air Guide-1 analysis indicate that additional emissions control will be required pursuant to 6NYCRR, Part 212.4(b) and Table 2 of 212.9 (b), a permit modification including a proposal for corrective action shall be submitted within 30 days from a written request from this Department.

Parameter Monitored: PHENOL

Lower Permit Limit: 90 percent reduction

Reference Test Method: FRM 18

Monitoring Frequency: SINGLE OCCURRENCE

Averaging Method: MINIMUM - NOT TO FALL BELOW STATED VALUE - SEE MONITORING DESCRIPTION

Reporting Requirements: AS REQUIRED - SEE MONITORING DESCRIPTION

Condition 12: Compliance Demonstration
Effective between the dates of 02/17/2009 and Permit Expiration Date



Applicable Federal Requirement:6NYCRR 212.11(b)

Item 12.1:

The Compliance Demonstration activity will be performed for:

Emission Unit: 1-FIBER

Emission Point: EP401

Process: FB1

Emission Source: THOX1

Regulated Contaminant(s):

CAS No: 0NY998-00-0 VOC

Item 12.2:

Compliance Demonstration shall include the following monitoring:

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

Monitoring Description:

A continuous temperature recorder will monitor the exhaust gas temperature from the thermal oxidizer, THOX1, emission point EP401.

The operating temperature is to be maintained and alarmed at a minimum of 1500 degrees F. If the temperature falls below the minimum, Ashland shall immediately initiate corrective action.

The temperature recorder and oxygen analyzer shall be calibrated annually.

A routine start-up, shut-down and maintenance plan (to include a quality assurance program to calibrate temperature and oxygen controllers) shall be developed along with an operator training schedule, and submitted to this Department with 60 days after the permit issuance.

A quarterly exception report shall be submitted to this Department within 30 days after the end of the quarterly calendar period.

Records of maintenance and temperature readings are to be kept on-site in a format easily accessible and made available to Department representatives on request. Records are to be kept on-site for a period of five years.

Manufacturer Name/Model Number: Honeywell DR4500A Truline Circular Chart Recorder

Parameter Monitored: TEMPERATURE

Lower Permit Limit: 1500 degrees Fahrenheit

Monitoring Frequency: CONTINUOUS

Averaging Method: MINIMUM-NOT TO FALL BELOW EXCEPT
DURING STARTUP/SHUTDOWN

Reporting Requirements: SEMI-ANNUALLY (CALENDAR)



Reports due 30 days after the reporting period.
The initial report is due 7/30/2009.
Subsequent reports are due every 6 calendar month(s).

Condition 13: Compliance Demonstration
Effective between the dates of 02/17/2009 and Permit Expiration Date

Applicable Federal Requirement: 6NYCRR 212.4(b)

Item 13.1:

The Compliance Demonstration activity will be performed for:

Emission Unit: 1-RAYON Emission Point: EP310

Regulated Contaminant(s):

CAS No: 000071-43-2	BENZENE
CAS No: 0NY100-00-0	HAP
CAS No: 0NY998-00-0	VOC

Item 13.2:

Compliance Demonstration shall include the following monitoring:

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

Monitoring Description:

The emission rate of volatile organic compounds (VOC) from the sager furnace, emission point EP310, has been calculated using a maximum load of 210,000 pounds of rayon and 99.5% destruction efficiency. The emission rate potential (ERP) directed to the thermal oxidizer (THOX2) based on the volatile concentration of the rayon material is 284 pounds per hour. Since, it is unknown at this time what percentage of volatiles may be an 'A' rated contaminant such as benzene, the volatile portion will be assigned an environmental rating of 'A' and as specified in Table 2 of 6NYCRR, Part 212.9(b), a minimum of 99% control or Best Available Control Technology (BACT) will be required.

1. The thermal oxidizer is to operate at all times that material is being processed in either the 96" or 50" induction furnaces.
2. The oxidizer temperature is to be maintained at a minimum of 1500 degrees F.
3. The ERP and actual emissions calculations are based on (and input will be limited to) a maximum load of 210,000 pounds and a 20% volatile portion. Stack test results indicating a greater ERP and/or a control efficiency of less than the 99.5% used to determine actual emissions will require the facility to submit revised emissions data and Air Guide-1 screening analysis.



4. A stack test is required on both the inlet and the outlet of the oxidizer to verify the emission rate potential of benzene, phenol, and volatile organic compounds (VOC) and the degree of emissions control required by Table 2. If stack test results and/or an Air Guide-1 analysis of the results indicate additional controls are required to achieve compliance with 6NYCRR, Part 212.4(b) and Table 2 of Part 212.9(b), a permit modification including a proposal for corrective action must be submitted within 30 days from a written request from this Department.

Parameter Monitored: VOC

Lower Permit Limit: 99 percent degree of air cleaning or greater OR BACT

Monitoring Frequency: CONTINUOUS

Averaging Method: MINIMUM - NOT TO FALL BELOW STATED VALUE - SEE MONITORING DESCRIPTION

Reporting Requirements: AS REQUIRED - SEE MONITORING DESCRIPTION

Condition 14: Compliance Demonstration
Effective between the dates of 02/17/2009 and Permit Expiration Date

Applicable Federal Requirement: 6NYCRR 212.4(c)

Item 14.1:

The Compliance Demonstration activity will be performed for:

Emission Unit: 1-RAYON Emission Point: EP310

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

Item 14.2:

Compliance Demonstration shall include the following monitoring:

Monitoring Type: INTERMITTENT EMISSION TESTING

Monitoring Description:

Particulate emissions from the thermal oxidizer (THOX2, EP310) associated with the sager furnace shall not exceed 0.05 grains per cubic foot of exhaust gas, expressed at standard conditions on a dry gas basis.

Compliance shall be demonstrated by a stack test conducted using Method 5 and using acceptable procedures as per 6NYCRR, Part 202-1 and 40 CFR Part 60. Test results shall be submitted to this Department within 60 days from the completion of the test.



Upon completion of the test and demonstration of compliance with the standard, compliance will be continued through an established maintenance program on the oxidizer.

Parameter Monitored: PARTICULATES

Upper Permit Limit: 0.05 grains per dscf

Reference Test Method: Method 5

Monitoring Frequency: SINGLE OCCURRENCE

Averaging Method: MAXIMUM - NOT TO EXCEED STATED VALUE -
SEE MONITORING DESCRIPTION

Reporting Requirements: AS REQUIRED - SEE MONITORING DESCRIPTION

Condition 15: Compliance Demonstration
Effective between the dates of 02/17/2009 and Permit Expiration Date

Applicable Federal Requirement:6NYCRR 212.11(a)

Item 15.1:

The Compliance Demonstration activity will be performed for:

Emission Unit: 1-RAYON

Emission Point: EP310

Regulated Contaminant(s):

CAS No: 000071-43-2

BENZENE

CAS No: 000100-42-5

STYRENE

CAS No: 000108-95-2

PHENOL

CAS No: 007783-06-4

HYDROGEN SULFIDE

CAS No: 0NY998-00-0

VOC

CAS No: 130498-29-2

POLYCYCLIC AROMATIC HYDROCARBONS

CAS No: 0NY100-00-0

HAP

Item 15.2:

Compliance Demonstration shall include the following monitoring:

Monitoring Type: INTERMITTENT EMISSION TESTING

Monitoring Description:

Within 60 days after start-up, Ashland shall conduct a stack emissions test on the inlet and outlet of the thermal oxidizer (THOX2), emission point EP310, using acceptable reference methods pursuant to 6NYCRR, Part 202-1.

The source test shall determine the control efficiency of the thermal oxidizer and emissions of carbon monoxide (CO), particulates, nitrogen oxides (NO_x), sulfur compounds, hydrogen sulfide (H₂S), phenol, benzene, styrene, polycyclic aromatic hydrogen compounds(PAH) and volatile organic compounds (VOC).

A stack test protocol shall be submitted detailing the sampling and analytical methods to be used. The inlet and outlet tests shall each consist of three separate runs



using the applicable reference test methods. The protocol is to be submitted 30 days prior to the source test and shall include the date and time of the test. The protocol is also to include details describing the operating conditions under which the test will be conducted, including but not limited to production rates, number of furnaces operating, and minimum oxidizer temperature. The test protocol must be approved by this Department prior to testing.

The source test shall be representative of worst case (maximum) production rates.

Plant operators are to record the production data and process and control equipment operating conditions during the test. This data, along with temperature strip charts, is to be submitted as part of the test results. The final report must be clear as to how the results correlate with the production and operating data.

The test is to be witnessed by a representative of this Department.

A Method 9 opacity test shall be conducted concurrent with the performance test.

Test results shall be submitted to this Department within 60 days after the completion of the test.

Stack test emission rates greater than those used in the Air Guide-1 demonstration will require a revised impact analysis to be submitted.

If stack test results and/or an Air Guide-1 analysis of the results indicate additional controls are required to achieve compliance with 6NYCRR, Part 212.4(b) and Table 2 of Part 212.9(b), a permit modification including a proposal for corrective action must be submitted within 30 days from a written request from this Department.

Parameter Monitored: HAP

Lower Permit Limit: 99 percent reduction

Reference Test Method: FRM 18

Monitoring Frequency: SINGLE OCCURRENCE

Averaging Method: MINIMUM - NOT TO FALL BELOW STATED VALUE - SEE MONITORING DESCRIPTION

Reporting Requirements: AS REQUIRED - SEE MONITORING DESCRIPTION

Condition 16: Compliance Demonstration
Effective between the dates of 02/17/2009 and Permit Expiration Date



Applicable Federal Requirement:6NYCRR 212.11(b)

Item 16.1:

The Compliance Demonstration activity will be performed for:

Emission Unit: 1-RAYON Emission Point: EP310

Regulated Contaminant(s):

CAS No: 0NY100-00-0 HAP

CAS No: 0NY998-00-0 VOC

Item 16.2:

Compliance Demonstration shall include the following monitoring:

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

Monitoring Description:

The exhaust gas temperature of the thermal oxidizer, THOX2, emission point EP310, is to be continuously monitored and recorded. The temperature is to be maintained and alarmed at a minimum of 1500 degrees F.

The temperature recorder and oxygen analyzer shall be calibrated annually.

A routine start-up, shut-down and maintenance plan (to include a quality assurance program to calibrate temperature and oxygen controllers) shall be developed along with an operator training schedule, and submitted to this Department with 60 days after the permit issuance.

A quarterly exception report shall be submitted to this Department within 30 days after the end of the quarterly calendar period.

Records of maintenance and temperature readings are to be kept on-site in a format easily accessible and made available to Department representatives on request. Records are to be kept on-site for a period of five years.

Manufacturer Name/Model Number: Honeywell DR4500A Truline Circular Chart Recorder

Parameter Monitored: TEMPERATURE

Lower Permit Limit: 1500 degrees Fahrenheit

Monitoring Frequency: CONTINUOUS

Averaging Method: MINIMUM-NOT TO FALL BELOW EXCEPT
DURING STARTUP/SHUTDOWN

Reporting Requirements: SEMI-ANNUALLY (CALENDAR)

Reports due 30 days after the reporting period.

The initial report is due 7/30/2009.

Subsequent reports are due every 6 calendar month(s).

New York State Department of Environmental Conservation

Permit ID: 9-2911-00381/00002

Facility DEC ID: 9291100381





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: Public Access to Recordkeeping for Facilities With State Facility Permits - 6NYCRR Part 201-1.10(a)

Where emission source owners and/or operators keep records pursuant to compliance with the operational flexibility requirements of 6 NYCRR Subpart 201-5.4(b)(1), and/or the emission capping requirements of 6 NYCRR Subparts 201-7.2(d), 201-7.3(f), 201-7.3(g), 201-7.3(h)(5), 201-7.3(i) and 201-7.3(j), the Department will make such records available to the public upon request in accordance with 6 NYCRR Part 616 - Public Access to Records. Emission source owners and/or operators must submit the records required to comply with the request within sixty working days of written notification by the Department of receipt of the request.

Item B: 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 only enforceable.



Condition 17: Contaminant List
Effective between the dates of 02/17/2009 and Permit Expiration Date

Applicable State Requirement:ECL 19-0301

Item 17.1:

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

CAS No: 000071-43-2
Name: BENZENE

CAS No: 000091-20-3
Name: NAPHTHALENE

CAS No: 000100-42-5
Name: STYRENE

CAS No: 000108-95-2
Name: PHENOL

CAS No: 000630-08-0
Name: CARBON MONOXIDE

CAS No: 007446-09-5
Name: SULFUR DIOXIDE

CAS No: 007783-06-4
Name: HYDROGEN SULFIDE

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

CAS No: 0NY100-00-0
Name: HAP

CAS No: 0NY210-00-0
Name: OXIDES OF NITROGEN

CAS No: 0NY998-00-0
Name: VOC

CAS No: 130498-29-2
Name: POLYCYCLIC AROMATIC HYDROCARBONS

Condition 18: Unavoidable noncompliance and violations
Effective between the dates of 02/17/2009 and Permit Expiration Date

Applicable State Requirement:6NYCRR 201-1.4

Item 18.1:

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 19: Emission Unit Definition
Effective between the dates of 02/17/2009 and Permit Expiration Date

Applicable State Requirement:6NYCRR 201-5



Item 19.1:

The facility is authorized to perform regulated processes under this permit for:

Emission Unit: 1-FIBER

Emission Unit Description:

Rigid Carbon Fiber Board (RCFB) Insulation production. Raw materials consisting of carbonized materials are mixed, placed in molds, steam cured, and heat dried in walk-in drying ovens. The molds are then transferred to 96" electric induction furnaces (8) where the materials are carbonized. Emissions of volatile organic compounds (VOC), phenol, and hazardous air pollutants (HAP) released from these furnaces are vented to a thermal oxidizer for destruction. There are four emission points associated with this emission unit: EP 401-the thermal oxidizer, and EP 402, 403 & 404-natural gas fired drying ovens. In addition, ten 50" induction furnaces (ES50001 thru ES50010) vent to a common header and to the thermal oxidizer stack EP 401.

Building(s): 4

Item 19.2:

The facility is authorized to perform regulated processes under this permit for:

Emission Unit: 1-RAYON

Emission Unit Description:

The process consists of heat treating/carbonizing rayon material in a two step heating process. The first step is to place the rayon in a natural gas fired sager furnace at temperatures up to 800 degrees C. The second step is to carbonize/graphitize the rayon in an electric induction furnace at 1850 degrees C.

Building(s): 241

Condition 20: Compliance Demonstration
Effective between the dates of 02/17/2009 and Permit Expiration Date

Applicable State Requirement:6NYCRR 201-5.1(b)

Item 20.1:

The Compliance Demonstration activity will be performed for the Facility.

Item 20.2:

Compliance Demonstration shall include the following monitoring:

Monitoring Type: RECORD KEEPING/MAINTENANCE PROCEDURES

Monitoring Description:

Ashland shall not construct any new stationary sources or modify existing sources without first obtaining a permit modification unless the changes are made under the operational flexibility provisions of section 201-5.4.



If required, Ashland shall submit a complete permit modification application along with the appropriate technical background data and Air Guide-1 modeling for each contaminant to be emitted 90 days in advance of the start-up of any proposed new source project.

ASHLAND SHALL NOTIFY THIS DEPARTMENT AT THE TIME OF START-UP OF OPERATIONS.

Monitoring Frequency: AS REQUIRED - SEE PERMIT MONITORING DESCRIPTION

Reporting Requirements: AS REQUIRED - SEE MONITORING DESCRIPTION

Condition 21: Compliance Demonstration
Effective between the dates of 02/17/2009 and Permit Expiration Date

Applicable State Requirement: 6NYCRR 201-5.4

Item 21.1:

The Compliance Demonstration activity will be performed for the Facility.

Item 21.2:

Compliance Demonstration shall include the following monitoring:

Monitoring Type: RECORD KEEPING/MAINTENANCE PROCEDURES

Monitoring Description:

Pursuant to 6NYCRR, Part 201-5.4 (a)(2), Ashland must submit an application requesting permit modifications and receive Department authorization prior to making such modifications or additions of new sources if those changes do not meet the requirements of 201-5.4(b)(1)(i) thru (iii) as follows:

(i) changes that do not cause emissions to exceed any emission limitation contained in regulations or applicable requirements;

(ii) changes which do not cause the source to become subject to any additional regulations or requirements;

(iii) changes that do not seek to establish or modify a federally enforceable emission cap or limit.

Ashland must notify this Department in writing at least thirty days in advance of making any changes involving:

(i) The relocation of emission points;



(ii) the emission of any air pollutant not previously permitted or authorized in accordance with a permit issued by this Department;

(iii) the installation of alteration of any air cleaning installations, device or control equipment.

This Department may require a permit modification at any time to impose applicable requirements or special permit conditions if it determines that proposed changes subject to the notification procedures of 201-5.4(b)(2) may have a significant air quality impact or a more detailed review of the proposed change is required. In such cases the Department may require that the permittee not undertake the proposed change(s) until the review for air quality impacts and/or additional applicable requirements has been completed.

Monitoring Frequency: AS REQUIRED - SEE PERMIT MONITORING DESCRIPTION

Reporting Requirements: AS REQUIRED - SEE MONITORING DESCRIPTION

Condition 22: Air pollution prohibited
Effective between the dates of 02/17/2009 and Permit Expiration Date

Applicable State Requirement:6NYCRR 211.2

Item 22.1:

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.

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

Condition 23: Emission Point Definition By Emission Unit
Effective between the dates of 02/17/2009 and Permit Expiration Date

Applicable State Requirement:6NYCRR 201-5

Item 23.1:

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

Emission Unit: 1-FIBER

Emission Point: EP401

Height (ft.): 40

Diameter (in.): 36



NYTMN (km.): 4778.6	NYTME (km.): 174.9	Building: 4
Emission Point: EP402		
Height (ft.): 40	Diameter (in.): 10	
NYTMN (km.): 4778.6	NYTME (km.): 174.9	Building: 4
Emission Point: EP403		
Height (ft.): 40	Diameter (in.): 10	
NYTMN (km.): 4778.6	NYTME (km.): 174.9	Building: 4
Emission Point: EP404		
Height (ft.): 40	Diameter (in.): 10	
NYTMN (km.): 4778.6	NYTME (km.): 174.9	Building: 4

Item 23.2:

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

Emission Unit: 1-RAYON

Emission Point: EP310		
Height (ft.): 48	Diameter (in.): 48	
NYTMN (km.): 4778.6	NYTME (km.): 174.9	Building: 241

