OFFICE OF THE GENERAL COUNSEL
SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
KURT WIESE (SB# 127251)
kwiese@aqmd.gov
BAYRON T. GILCHRIST (SB# 212393)
bgilchrist@aqmd.gov
21865 Copley Drive
Diamond Bar, CA 91765-0940
Telephone: (909) 396-3400
Facsimile: (909) 396-2963

PAUL HASTINGS LLP
THOMAS P. O'BRIEN (SB# 166369)
thomasobrien@paulhastings.com
KATHERINE F. MURRAY (SB# 211987)
katherinemurray@paulhastings.com
515 South Flower Street
Twenty-Fifth Floor
Los Angeles, CA 90071-2228
Telephone: (213) 683-6000
Facsimile: (213) 627-0705

Attorneys for Plaintiff

SUPERIOR COURT OF THE STATE OF CALIFORNIA

COUNTY OF LOS ANGELES

PEOPLE OF THE STATE OF CALIFORNIA, ex rel SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT, a Public Entity, Plaintiff, v. EXIDE TECHNOLOGIES, INC., and DOES 1 through 50, Defendants.	Case No. BC533528 THIRD AMENDED COMPLAINT FOR CIVIL PENALTIES AND INJUNCTIVE RELIEF Violations of Health and Safety Code §§ 41513, 42402, 42402.1(a), 42402.2(a), 42402.3(a), District Rules 203(b), 1407(d)(5), 1420.1(d)(2), 1420.1(d)(3), 1420.1(e)(1)(B), 1420.1(g)(4), 1420.1(h)(2), 1420.1(h)(6), 1420.1(h)(7), 1420.1(i)(1), 3002(c)(1), 3004(a)(4)(F);and 3004(a)(10)(E) DEMAND FOR JURY TRIAL *(Filing Fees Exempt, Per Gov't Code § 6103)*

THE PEOPLE OF THE STATE OF CALIFORNIA ("People"), on the relation of the SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT ("District"), bring this action to recover civil penalties from, and enjoin any violation of the Health and Safety Code and District

Rules by, defendant EXIDE TECHNOLOGIES, INC. ("Exide"), and defendants DOES 1 through 50, and allege as follows:

PLAINTIFF'S INTRODUCTORY ALLEGATIONS

1. This action arises from Defendant Exide's knowing and willful release of unsafe levels of lead and arsenic into the air.

2. Exide is a Delaware corporation which, directly or through affiliates and other entities, does or did business in its own capacity and/or through a location in Los Angeles County, which is included in the South Coast Air Basin, as described in Health and Safety Code Section 40410 and Title 17 of the California Code of Regulations Section 60104 ("the Basin"). Exide owns and operates a large lead-acid battery recycling facility ("Facility") located at 2700 South Indiana Street, Vernon, California 90058.

3. More than 100,000 people in the Los Angeles area have been exposed to unsafe levels of lead and arsenic as a result of Exide's operations at the Facility.

4. Lead is a toxic air contaminant. Exposure to lead can cause damage to the brain and nervous system, cardiovascular problems, decreased kidney function, and other health problems. Lead also has been linked to stunted growth, learning disabilities, seizures and a range of illnesses.

5. Arsenic is a toxic air contaminant. It has been identified as a carcinogen that has no exposure threshold level below which adverse health effects are not likely to occur. In addition to being a carcinogen, arsenic also has adverse acute and chronic non-cancer effects.

6. On March 11, 2015, Exide executed a Non-Prosecution Agreement with the United States Attorney's Office for the Central District of California, where it admitted to engaging in felonious conduct in connection with its operation of the Facility. A copy of the Non-Prosecution Agreement, and Appendices 1 and 5 thereto, is attached hereto as Exhibit 1.

7. In particular, Exide has admitted that, over the past two decades, it knowingly stored lead-contaminated hazardous waste inside leaking van trailers at the Facility.

8. Exide also has admitted to knowingly disposing of lead-contaminated hazardous waste that leaked from van trailers over the past two decades.

9. Exide also has admitted to knowingly and willfully causing the shipment of

lead-contaminated hazardous waste in leaking van trailers over the past two decades. In addition, Exide admitted to knowingly causing the transportation of hazardous waste contaminated with corrosive acid to a facility in Bakersfield, California over the past two decades. Exide transported contaminated hazardous waste to this facility even though it knew that this facility was not permitted by the State of California, Department of Toxic Substances Control ("DTSC") to receive corrosive hazardous wastes.

10. Pursuant to the Non-Prosecution Agreement, Exide has agreed not to publicly deny any of the admissions identified in Appendix 1 to the Non-Prosecution Agreement. As laid out below, these admissions also constitute admissions to violations of District Rules and the California Health and Safety Code.

11. At all times herein mentioned, the District was and is organized and existing pursuant to Division 26, Part 3, Chapter 5.5 of the California Health and Safety Code ("Health and Safety Code").

12. The District is responsible for regulating non-vehicular air pollution and emissions in the parts of Los Angeles, Orange, Riverside, and San Bernardino Counties included in the South Coast Air Basin, as described in Health and Safety Code Section 40410 and Title 17 of the California Code of Regulations Section 60104 ("the Basin").

13. Pursuant to Health and Safety Code Section 40702, the District shall adopt rules and regulations and engage in acts as may be necessary or proper to execute the powers and duties granted to, and imposed upon, the District.

14. Pursuant to Health and Safety Code Section 42403, the District may bring a civil action in the name of the People for civil penalties under Health and Safety Code Sections 42402, 42402.1, 42402.2 and 42402.3, for violation of District Rules.

15. Pursuant to Health and Safety Code Section 41513, the District may bring a civil action in the name of the People to enjoin any violation of the Health and Safety Code and any violation of District Rules.

EXIDE'S OPERATIONS AT THE FACILITY

16. Exide begins its recycling operations by receiving batteries, crushing the batteries, and separating out the plastic components from the lead. The lead-bearing materials are separated into grids, metal, and filter cake. The Reverberatory ("Reverb") Furnace smelts the metals and produces a relatively pure or "soft" lead. The molten material from the Reverb Furnace is tapped and transferred to either soft lead refining kettles or the Cupola/Blast ("Blast") Furnace.

17. The Blast Furnace is used to recover a less pure or "hard" lead from the slag produced in the Reverb Furnace, other scrap, and drosses generated from refining operations at the Facility. The Blast Furnace is loaded from the top of the furnace at the opening known as the "feed chute" or "charge chute." A "bucket" containing the feed materials and fuels such as petroleum coke moves up a conveyor system to the top of the Blast Furnace and dumps the feed materials into a funnel-like chute referred to as the "thimble." Exide sometimes adds other chemicals to harden the lead, and one of the chemicals Exide adds is arsenic. The Blast Furnace generates emissions of various contaminants, including but not limited to lead and arsenic.

18. Because of the toxic nature of chemicals like lead and arsenic involved in Exide's business, and the need to control the emissions of those chemicals into the air, Exide is required to have a series of Air Pollution Control Devices to control emissions from its Blast Furnace. Exide designed its Air Pollution Control Devices to operate in the following manner. Emissions generated in the Blast Furnace are intended to be drawn by air pressure into the Blast Furnace's primary air pollution control system. These emissions are intended to be ducted and vented through the Blast Furnace thimble to an afterburner designed to destroy organic emissions. From the afterburner, the emissions are then intended to be ducted to a baghouse designed to capture filterable particulate emissions. From the baghouse, the emissions are then intended to be ducted to a wet scrubbing system consisting of a Venturi Scrubber and a Neptune Scrubber. The Venturi Scrubber is a high pressure device that uses liquid to react with the gases and the small amount of particulate matter that makes it through the baghouse. The Neptune Scrubber is a tray-type scrubber where the gas stream is brought into contact with caustic liquid. The chemical reactions generated by the contact with the caustic liquid precipitate out remaining gases and fine particulate that have passed through

the baghouse filter. Emissions that pass through the wet scrubbing system are then vented to the atmosphere via the Neptune Stack. These scrubbers are effective at removing gaseous arsenic when it is routed through them as intended.

19. The afterburner, scrubbers, and other Air Pollution Control Devices involved in controlling gaseous emissions can only capture gaseous emissions if those gaseous emissions are being directed to the Air Pollution Control Devices designed to control them. This requires that Exide properly operate and maintain its ventilation system and Air Pollution Control Devices.

20. Emissions generated in the Blast Furnace that escape the primary air pollution control system described above, are typically vented to the Hard Lead Baghouse. These emissions are filtered for particulate matter as they pass through the Hard Lead Baghouse – but the Hard Lead Baghouse is not designed to capture gaseous emissions. Any emissions, including gaseous arsenic emissions, not removed by the Hard Lead Baghouse are vented to the atmosphere via the Hard Lead Stack.

21. Pursuant to the Air Toxics Hot Spots Information and Assessment Act of 1987 ("Air Toxics Hot Spots Act"), codified in California Health and Safety Code Section 44300 et seq., certain stationary sources, including Exide, are required to report the types and quantities of certain toxic substances their facilities routinely release into the air. These Health Risk Assessments ("HRA") are performed according to the guidance provided by the Office of Environmental Health Hazards Assessment ("OEHHA"), as required by the Air Toxics Hot Spots Act. Emissions of interest are those that result from the routine operation of a facility or that are predictable, including but not limited to continuous and intermittent releases and process upsets or leaks. The goals of the Air Toxics Hot Spots Act are to collect emission data, to identify facilities having localized impacts, to ascertain health risks, to notify nearby residents of significant risks, and to address the reduction of significant risks. A risk assessment, as defined under the Air Toxics Hot Spots Act, includes a comprehensive analysis of the dispersion of hazardous substances into the environment, the potential for human exposure, and a quantitative assessment of both individual and population-wide health risks associated with those levels of exposure. The methodology typically employs a standardized computer model that takes into account the type and amount of emissions from a

facility, weather conditions, and the nearby population of residents and workers.

22. In this Third Amended Complaint, when reference is made to any act or omission of Exide, such allegations shall include the acts and omissions of owners, officers, directors, agents, employees, contractors, vendors, affiliates, and/or representatives of Exide while acting within the course and scope of their employment or agency on behalf of Exide.

23. Plaintiff is ignorant of the true names and capacities of DOES 1–50 who are sued herein under fictitious names. Plaintiff will amend this Third Amended Complaint to allege their true names and capacities when ascertained. Plaintiff is informed and believes and thereon alleges that each of the fictitiously named defendants is responsible in some manner for the occurrences herein alleged, and that such violations were proximately caused by their conduct.

24. Plaintiff is informed and believes and thereon alleges that DOES 1–50 include individuals in a position of responsibility allowing them to influence corporate policies or activities with respect to Exide's compliance with California environmental laws and regulations at its Facility and in the conduct of its business in the State of California, and had, by reason of their position in Exide, responsibility and authority either to prevent in the first instance, or promptly correct, the violations complained of herein, but failed to do so. In addition to any direct personal liability of these individuals, these DOES also are personally liable under the "responsible corporate officer doctrine" for violations of law committed by Exide as alleged herein.

25. For each day on which defendants failed to comply with any District Rule as hereinafter alleged, defendants committed a separate violation that gave rise to civil penalties of up to $10,000.00 for each and every day of each noncompliance, up to $25,000.00 for each and every day of each negligent emission violation, up to $40,000.00 for each and every day of each knowing emission violation, and up to $75,000.00 for each and every day of each willful and intentional emission violation pursuant to Health and Safety Code Sections 42402 through 42402.3. Health and Safety Code Section 42403 requires that numerous factors be considered in assessing civil penalties for a violation, including, but not limited to, the extent of harm caused by the violation, the nature and persistence of the violation, the length of time over which the violation occurs, and the frequency of past violations.

26. Exide has a lengthy history of violating District Rules, including violations involving excessive emissions while Exide was not operating, and plaintiff may seek to further amend this Third Amended Complaint if Exide continues its pattern of conduct, and violates District Rules while it is demolishing, deconstructing, and removing facility structures.

JURISDICTION AND VENUE

27. Venue is proper in this County pursuant to Health and Safety Code Section 42403, in that violations alleged in this Third Amended Complaint occurred in the County of Los Angeles and in the Basin. The Court has jurisdiction pursuant to Article 6, Section 10 of the California Constitution and Section 393 of the California Code of Civil Procedure.

PLAINTIFF'S FIRST CAUSE OF ACTION

FOR VIOLATIONS OF DISTRICT RULE 1407(d)(5)

28. Plaintiff realleges paragraphs 1–27, inclusive, and by this reference incorporates the same as though fully set forth herein.

29. At all relevant times herein mentioned, the District had, and continues to have, in full force and effect its Rule 1407 relating to the control of arsenic emissions. A copy of District Rule 1407 is attached hereto as Exhibit 2. District Rule 1407(d)(5) states that "[g]ood operating practices shall be used by the facility, and demonstrated through a maintenance program and the use of measuring devices, or other procedures approved by the District, to maintain air movement and emission collection efficiency by the system consistent with the design criteria for the system." District Rule 1407(b)(12) defines "good operating practices" as "any specific activities necessary to maintain the collection and control efficiencies as designed and permitted for. These activities include, but are not limited to, verifying operating specifications such as production throughput, temperature control, cleaning cycles, air flow and velocity, and inspecting equipment, such as filter cartridges or bags in a baghouse, pressure gauges, duct work, blowers and components of the control equipment, through a general maintenance and inspection program."

30. As described above in the Introductory Allegations, Exide designed its air pollution control system so that gaseous arsenic was intended to leave the blast furnace via the downstream

afterburner, baghouse, and Neptune Scrubber and Venturi Scrubber, because those scrubbers effectively control gaseous arsenic emissions.

31. Exide's Title V permit required that Exide operate its air pollution control system, including the portions connected to the Venturi and Neptune Scrubbers, pursuant to Exide's design.

32. As part of its regular maintenance procedures, Exide used an access door to visually inspect a portion of the interior of a ventilation riser connected to Exide's Blast Furnace. Based on information and belief, Exide recognized that failing to prevent material from building up within its air pollution control system could affect the proper flow of air movement and prevent the efficient collection of emissions.

33. The access door that was being used for these inspections was not large enough to allow Exide's employees to conduct a thorough visual inspection of a ventilation riser connected to Exide's Blast Furnace. Exide also failed to otherwise train its employees to conduct a thorough inspection of this ventilation riser. In addition, Exide failed to provide its employees with cleaning tools designed to thoroughly clean this ventilation riser.

34. As outlined below, in part because of the failures referenced in the prior paragraph, Exide failed to keep a ventilation riser connected to Exide's Blast Furnace free from blockage, and this failure was partially responsible for Exide unlawfully emitting arsenic into the air.

35. In or about 2007, based on information and belief, Exide conducted an emissions test of its Hard Lead Baghouse. The testing showed that Exide was emitting arsenic at a rate of approximately 0.0000774 pounds per hour ("lb/hr") from its Hard Lead Baghouse. This meant that Exide was emitting approximately 0.0018 pounds of arsenic a day. Exide later noted that these arsenic emissions were "in line with reasonable expectation and normal operation, and not associated with risks at a level of concern."

36. On or about October 10, 2008, the District conducted an emissions test of Exide's Hard Lead Baghouse. The test showed that Exide was emitting arsenic at a rate of approximately 0.000851 lb/hr from its Hard Lead Baghouse. This meant that Exide was emitting approximately 0.02 pounds of arsenic a day. Exide considered these emissions to be similar to the results from the 2007 tests and described them as "relatively low arsenic emissions."

37. Based on information and belief, at some point after the October 2008 test, a blockage began forming in a ventilation riser connected to Exide's Blast Furnace, and this was partially responsible for steadily increased arsenic emissions. Based on information and belief, proper maintenance and inspection by Exide would have discovered the blockage. Indeed, based on information and belief, proper maintenance would have simply required routinely looking throughout the entire riser to check for blockages, and regularly using cleaning tools designed to clean the ventilation riser.

38. Based on information and belief, at some point after the October 2008 test, Blast Furnace process exhaust containing gaseous arsenic was not being confined to its intended path that would ultimately lead it through the scrubbers. To prevent the gaseous emissions from escaping, Exide could have, and should have, increased the air flow in the blast furnace ventilation system to effectively send the gaseous emissions to their intended air pollution control system. In addition, failing to have a physical barrier on the charge chute, and failing to prevent leakage points in the walls around the Blast Furnace and elsewhere, allowed process exhaust gases containing arsenic to escape into the atmosphere.

39. In court documents, Exide's Chief Financial Officer ("CFO") stated that Exide began pursuing initiatives in early 2010 to address the significant loss of revenue and battery cores from losing one of Exide's major customers, Wal-Mart. This resulted in Exide's loss of approximately $160 million in annual revenue. In addition to the revenue lost from Wal-Mart sales, Exide also lost an important and reliable source of battery cores under a captive-core arrangement with Wal-Mart. As a result, Exide engaged in efforts to cut costs, including reducing corporate and regional overhead cost, closing its Frisco, Texas plant and idling the Reading, Pennsylvania smelting facility.

40. According to Exide's CFO, with the closure of the Frisco and Reading facilities, Exide was left with only three lead recycling facilities: the recycling centers in Vernon, California, Canon Hollow, Missouri, and Muncie, Indiana. If Exide could not recycle enough lead to meet its battery recycling obligations, it was forced to purchase lead on the open market which was far more expensive. Of these three facilities, the Vernon facility was the largest.

41. In or about July 2010, while Exide was adjusting to the loss of Wal-Mart and experiencing other financial difficulties, the District required Exide to perform a Health Risk Assessment ("HRA") to assess the full spectrum of toxic air emissions that Exide was releasing regularly during its routine operations, and determine what health risks Exide's normal operations posed.

42. By October 2010, according to Exide's consultant, Exide was emitting arsenic at "significant levels." On or about October 4, 5, and 7, 2010, Exide's consultant conducted a source test consisting of comprehensive emission stack tests, and obtaining a spectrum of air toxics emissions data so that Exide's HRA and Emission Inventory Report could be revised. The source test of the Hard Lead System included a minimum of three test runs, which were performed on the outlet of the Hard Lead baghouse during typical process unit and control operating conditions. Based on the average of those three tests, Exide's Hard Lead Baghouse was emitting arsenic at a rate of approximately 0.0759 lb/hr. This meant that over an average day, Exide was emitting approximately 1.82 pounds of arsenic a day, much higher than the level of emissions that it considered to be in line with reasonable expectation and normal operation. Notably, Exide's arsenic emissions had the potential to be much higher than this average. The October 4, 2010 test showed that Exide emitted arsenic at a rate of approximately 0.110 lb/hr, which meant that Exide had the potential to emit approximately 2.64 pounds of arsenic a day.

43. Exide's consultant stated that it "reviewed" the test results, believed them to be "accurate," and noted that the "equipment was operated at normal conditions during testing." Exide's consultant stated that during the testing, a "strict quality assurance program (QAP) was adhered to throughout the source sampling and analytical phases of the program. The QAP incorporated reference test methods, performance standards, and internal standard operating procedures to ensure that all measurements are valid, representative, and scientifically defensible."

44. Exide's consultant stated that the "purpose of the test was to conduct the AB2588 testing in support of the collection of emissions data so that the Exide Emission Inventory Report (EIR) and Health Risk Assessment (HRA) could be revised and the Resource Conservation and Recovery Act (RCRA) Part B Application could be updated." Based on information and belief,

Exide understood that the emissions being tested contained toxic substances including carcinogens like arsenic.

45. By in or about 2010, technology had been on the market for years that could drastically reduce emissions from battery recycling facilities. One type of such technology was known as a Wet Electrostatic Precipitator ("WESP").

46. However, based on information and belief, the implementation of WESP technology costs many millions of dollars, which Exide considered economically unfeasible. In or about November 2010, Exide's Vice President and General Manager of North American Recycling stated that "[t]he cost associated with further technology implementations may be too burdensome for [Exide] to continue operations in California."

47. Based on information and belief, despite knowing that arsenic was a carcinogen, and that its Facility was emitting arsenic at significant levels, Exide continued to operate its Facility in the same manner. Based on information and belief, Exide continued to emit arsenic at significant levels on a daily basis.

48. On or about June 29, 2011, Exide sent the District the report for the October 2010 source test, and stated that there was a "process abnormality at the time of testing that may have influenced the Arsenic measurements. Exide will repeat the Multi-metals Source Test of the Hard Lead Baghouse which is tentatively scheduled for Mid-July 2011. Please accept this letter as the initial Source Notification. We [will] submit a follow-up email with the exact testing dates. Once the Multi-metals re-test data is received and reviewed, Exide would like [to] replace the earlier 2010 multi-metals data with the newer 2011 data for consideration in the AB2588/HRA evaluation."

49. On or about July 21, 2011, Exide sent the District an email stating that "Exide has scheduled repeat HRA multi-metals and hex-chrome source testing of the Hard Lead Baghouse. Retesting is scheduled for Wednesday 7/27/2011. Exide is repeating the multi-metal and hexavalent chrome testing because of anomalous results. The additional testing results will be submitted to the SCAQMD for review, as received."

50. Beginning several days later, on or about July 26, 27, and 28, 2011, Exide performed stationary source emissions testing of the Hard Lead Baghouse located at the Facility.

51. The July 26, 27, and 28, 2011 source test showed that the October 2010 test results were not "anomalous" as Exide had recently claimed. Rather, the July 2011 tests confirmed that Exide's arsenic emissions had progressively worsened since October 2010, and that Exide's regular operations were emitting high amounts of arsenic that posed an increasing health risk to the surrounding community.

52. The July 26, 27, and 28, 2011 source test confirmed that Exide continued to emit arsenic at "significant levels" and that the emissions had grown significantly worse. The test revealed that Exide was emitting arsenic at a rate of approximately 0.137 lb/hr. This meant that Exide was emitting approximately 3.288 pounds of arsenic a day, much higher than the level of emissions that it considered to be in line with reasonable expectation and normal operation.

53. These July 2011 source tests were run using different amounts of feed material, and the highest arsenic emissions occurred when Exide used more than 80% of Exide's permitted amount of feed material. The test on July 27, 2011 was run using 83% of the permit limit, and it resulted in the highest arsenic emissions, approximately 0.233 lb/hr. The next day, Exide reduced the amount of feed material to 75%, and this resulted in the lowest arsenic emissions, approximately 0.0565 lb/hr. Thus, when Exide ran its blast furnace at more than 80% of its permitted capacity it was potentially emitting 5.59 pounds of arsenic a day.

54. Exide's consultant stated that it "reviewed" the July 26, 27 and 28, 2011 source test results, believed them to be "accurate," and noted that the "equipment was operated at normal conditions during testing." Exide performed three test runs and all three test runs were "performed on the outlet of the Hard Lead baghouse during typical process unit and control operating conditions." Exide's consultant stated that during the testing, a "strict quality assurance program (QAP) was adhered to throughout the source sampling and analytical phases of the program. The QAP incorporated reference test methods, performance standards, and internal standard operating procedures to ensure that all measurements are valid, representative, and scientifically defensible."

55. In or about late August 2011, Exide received preliminary results showing that the arsenic emissions in the July 26, 27, and 28, 2011 source test was higher than the October 2010 source test.

56. Based on information and belief, Exide did not send the preliminary results showing that the arsenic emissions in the July 26, 27, and 28, 2011 source test was higher than the October 2010 test to the District in August, September, or the rest of 2011, despite stating that it would send the District this information "as received."

57. Based on information and belief, several days after learning that its arsenic emissions had worsened, Exide wrote in a letter to DTSC that it would not be economically feasible for Exide to install additional air pollution controls that could reduce Exide's toxic emissions. Based on information and belief, Exide specifically referenced air pollution controls that it considered economically infeasible, namely, the "available EPA-designated process control and ventilation control technologies, including (but not limited to) Wet Electrostatic Precipitators and/or Fugitive Emission Filtration Units with HEPA filtration." Based on information and belief, Exide stated in the letter that "the expected $30 million capital cost (and incremental cost of over $6 million per ton) renders the available technologies economically infeasible."

58. In or about September 2011, Exide received the full source test report showing that the arsenic emissions in the July 26, 27, and 28, 2011 source test was higher than the October 2010 source test.

59. The cover letter accompanying the July 26, 27, and 28, 2011 source test results that Exide's consultant sent to Exide stated that this test was done to show Exide's emissions to determine the health risks posed by Exide's regular operations, to revise and update Exide's Health Risk Assessment under AB2588. Exide's consultant stated in the cover letter that "[t]esting was conducted at your facility to provide the emissions data for Multiple Metals and Hexavalent Chromium according to AB2588 test protocol[.]"

60. The Title Page for the July 26, 27, and 28, 2011 source test also stated that this test were done to show Exide's emissions to determine the health risks posed by Exide's regular operations, to revise and update Exide's Health Risk Assessment under AB2588, and that it was meant to be submitted to the District. That page stated described the source test as "AB2588 Emissions Testing at the Exide Technologies, Vernon Facility, Hard Lead Refining System," stated

it was prepared for Exide, and that it was "For Submittal to: South Coast Air Quality Management District (SCAQMD)."

61. The Executive Summary for the July 26, 27, and 28, 2011 source test also showed that this test was conducted to determine the health risks posed by Exide's regular operations, to revise and update Exide's Health Risk Assessment under AB2588. The Executive Summary stated that the "Test Objective" was to "Characterize emissions of the selected contaminants of concern (COC) for metals and hexavalent chromium at the outlet of control device. Exide will utilize the emissions data to revise the EIR and HRA and to update the RCRA Part B application."

62. The Report's Introduction for the July 26, 27, and 28, 2011 source test similarly showed that this test was conducted to determine the health risks posed by Exide's regular operations and to revise and update Exide's Health Risk Assessment under AB2588. It stated that the "purpose of the test was to conduct the AB2588 testing in support of the collection of emissions data so that the Exide Emission Inventory Report (EIR) and Health Risk Assessment (HRA) could be revised and the Resource Conservation and Recovery Act (RCRA) Part B Application could be updated."

63. Exide's Title V Permit required Exide to submit the July 26, 27, and 28, 2011 source test report to the District no later than 60 days after conducting the July 26, 27, and 28 2011 source test. Specifically, Section E, Administrative Condition 10, of Exide's Title V Permit required that Exide "shall submit a report no later than 60 days after conducting a source test[.]"

64. Despite having a duty to submit the July 26, 27, and 28, 2011 source test report to the District, Exide did not submit this report to the District in September 2011 when Exide received the report, or for the rest of 2011.

65. If Exide had sent the July 26, 27, and 28 source test report to the District no later than 60 days after conducting the July 26, 27, and 28 2011 source test as it was required to do, or shortly after it received it, the District would not have allowed Exide to continue to operate the Facility.

66. Exide failed to send the report for the July 2011 source test in 2011 despite stating that it would send the District the July 2011 source test results "as received," even though the report was prepared for submittal to the District to revise and update Exide's HRA under AB2588, even

though Exide had stated it intended to replace the October 2010 source test with the July 2011 source test for its HRA under AB2588, even though Exide's permit required it, and even though Exide knew that the results of the July 2011 source tests were material to Exide's HRA under AB2588.

67. On or about October 10, 2011, revised emissions values were provided to the District for the October 4, 5, and 7, 2010 source tests of Exide's Hard Lead System. Exide and the District communicated about these revisions.

68. If Exide had sent the July 26, 27, and 28 source test report to the District during these October 2010 communications, the District would not have allowed Exide to continue to operate the Facility.

69. Based on information and belief, Exide failed to inform the District that the arsenic emissions in the July 26, 27, and 28, 2011 source test were higher than the October 2010 source test during these communications in October 2011, or for the rest of 2011, despite Exide's duty to provide this source test to the District.

70. Based on information and belief, Exide concealed the July 2011 source test report in 2011, and omitted any mention of it in 2011, despite having a duty to submit it to the District, because of Exide's concern that the District would not have allowed Exide to continue to operate the Facility if it learned of the increased arsenic emissions.

71. Based on information and belief, Exide concealed the July 2011 source test report in 2011, and omitted any mention of it in 2011, despite having a duty to submit it to the District, because of Exide's concern that the District would require Exide to install improved air pollution technology that Exide considered economically unfeasible.

72. Based on information and belief, Exide concealed the July 2011 source test report, and omitted any mention of it in 2011, despite having a duty to submit it to the District, because of Exide's concern that it would reveal increased health risks for HRA purposes.

73. Based on information and belief, despite knowing that arsenic was a carcinogen, and that it was emitting arsenic at significant levels, Exide continued to operate its Facility in the same

manner after receiving the July 2011 source test results. Based on information and belief, Exide continued to emit arsenic at significant levels on a daily basis.

74. Exide later claimed that "the root cause of the abnormally high arsenic results" was "material buildup in the blast furnace exhaust ventilation system at the transition from the feed shaft as it passes through the riser." After identifying the material buildup as a potential cause of the abnormally high arsenic results, Exide performed two brief additional tests, which showed a reduction in arsenic emissions. On February 16, 2012, Exide's consultant ran two tests to evaluate arsenic emissions from the hard lead system. The first test showed a noticeably lower rate than the October 2010 or July 2011 source tests, at 0.0046 lb/hr of arsenic emissions. But the second test was more than twice as high, at 0.0099 lb/hr of arsenic emissions. Exide's consultant did not perform a third test that day. Taken together, these numbers indicated that Exide's air pollution control system continued to function improperly.

75. In a March 12, 2012 letter to the District, Exide admitted that a problem in its hard lead ventilation system had caused high arsenic emissions, but claimed that Exide had fixed the problem. Exide stated that based on its October 2010 source test there was an "increase in calculated risk [that] was essentially entirely due to elevated arsenic emissions from the hard lead baghouse stack" and noted that prior HRA emissions data from 2007 for "arsenic emissions from that stack were much lower, in line with reasonable expectation and normal operation, and not associated with risks at a level of concern." Exide stated that material buildup had "the effect of drawing process gases into the hard lead ventilation system," instead of sending the gases through Air Pollution Control Devices designed to control arsenic emissions. Exide acknowledged that it had failed to identify and remove the material buildup in the riser. Exide also wrote that it had "modified its published Proposition 65" warning notice to reflect the area affected by the arsenic emissions. Exide then requested that it be allowed to run new tests, and to substitute those tests for the October 2010 results in calculating Exide's health risks. Exide claimed that these tests would reflect normal operations of its blast furnace. Exide did not mention the July 26, 27, and 28, 2011 source test in this letter.

76. In a March 30, 2012 email and accompanying letter to the District, Exide again admitted that a problem in its Hard Lead Ventilation System had caused high arsenic emissions, but claimed that Exide had fixed the problem. It stated that the problem was "related to the fact that process off-gases were drawn into the blast furnace charge area hooding served by the Hard Lead Ventilation System due to a partial obstruction and back pressure in the process exhaust system directed to the Neptune Scrubber." In this communication, Exide mentioned the July 2011 source test as a retest, compared those results to some February 16, 2012 tests, and used the differing results, along with other claims, to argue that any problem had been fixed. Exide again requested to be allowed to run additional tests, and to substitute those tests for the October 2010 source test results in calculating Exide's health risks. Exide claimed that these tests would represent current normal operations of its blast furnace.

77. Several statements made by Exide in its March 12, 2012 letter and March 30, 2012 email to the District were false, misleading, omitted material information, and recklessly disregarded the truth. First, the problem identified by Exide had not been fixed. Rather, as of March 12, 2012, gaseous plumes were still being drawn into the hard lead baghouse. Exide failed to mention that the Facility had a control room with a video monitor that continuously allows Exide's employees to watch the top of the Blast Furnace and that, based on information and belief, this video monitor showed that large puffs of gray fumes were continuing to regularly escape the Blast Furnace instead of travelling along their intended route that would lead them through the scrubbers designed to control gaseous arsenic emissions. Despite its video monitor showing that gaseous fumes were escaping from their air pollution control system, and Exide's awareness that, or reckless disregard of the fact that, these fumes contained arsenic, a carcinogen, Exide continued to operate its air pollution control system without a physical barrier on the charge chute to prevent gaseous arsenic emissions from escaping, without sufficient air flow to send gaseous emissions to the scrubber, and failed to repair the Blast Furnace's leakage points, all of which allowed gaseous emissions to escape. Second, the new tests would not reflect normal operations, as Exide had represented. Instead, Exide altered the operating conditions for the new tests, so that the operating

conditions were significantly different than those during the October 2010 tests and July 2011 source tests.

78. Shortly after Exide's March 30, 2012 communications, Exide provided additional data to the District, this time including the July 2011 source test, in an attempt to support its claim that Exide had fixed the problem in its Hard Lead Ventilation System. But Exide again failed to mention that, based on information and belief, this video monitor showed that large puffs of gray fumes were continuing to regularly escape the Blast Furnace instead of travelling along their intended route that would lead them through the scrubbers designed to control gaseous arsenic emissions.

79. Even though Exide represented in its March 30, 2012 communication that subsequent tests would represent current normal operations, Exide altered the operating conditions for the May 2, 3, and 4, 2012 source test, so that the operating conditions were significantly different than those during the October 2010 and July 2011 source tests. Exide altered the operating conditions despite claiming that the problem in its Hard Lead Ventilation System was fixed, and despite requesting additional testing of its normal operations to show that the problem was fixed.

80. Exide's Title V Permit, Section D, Condition C1.2 limits Exide to processing 178.32 tons in the Blast Furnace, also referred to as the Cupola Furnace, in any day. Exide's Title V Permit, Section D, Condition C1.3 limits Exide to processing 439.2 tons in the Reverberatory Furnace in any day.

81. District Rule 1420.1(k)(7) states that "[s]ource tests shall be conducted while operating at a minimum of 80% of equipment permitted capacity[.]" Each source test consists of three individual test runs, or samples, that are averaged together, and that average is used to determine a facility's emissions.

82. A full day at 80% of the Blast Furnace's permitted capacity is approximately 142.64 tons, while an average hour at 80% capacity is 5.94 tons per hour. A full day at 80% of the Reverberatory Furnace's permitted capacity is approximately 351.36 tons, while an average hour at 80% capacity is 14.64 tons per hour.

83. The October 2010 source test consisted of three individual tests on October 4, 5, and 7, 2010 that were, respectively, run at approximately 86.5%, 95%, and 83.5% of the Blast Furnace's permitted throughput limit for an average of approximately 88.3% of permitted capacity. This meant that between approximately 6.21 and 7.06 tons of feed material per hour were going through the Blast Furnace during the October 2010 source test. The July 2011 source test consisted of three individual tests on July 26, 27, and 28, 2011 that were, respectively, run at approximately 81%, 83% and 75% of the Blast Furnace's permit limit for an average of approximately 79.6%, which rounds up to 80%. This meant that between approximately 5.6 and 6.2 tons of feed material per hour were going through the Blast Furnace during the July 2011 source test.

84. In contrast, the May 2, 3, and 4, 2012 pre-scheduled source test was run with substantially less feed material going to the Blast Furnace than the October 2010 or July 2011 source tests. This occurred despite District Rule 1420.1(k)(7)'s requirement that source tests be run at 80% of permitted capacity. It also stood in stark contrast to the October 2010 and July 2011 source tests that were conducted at approximately 80% or more of permitted capacity. Moreover, running the source tests at these low rates was contrary to AB2588's purpose of assessing Exide's health risks posed by its normal, routine operations.

85. The May 2012 source test consisted of individual runs on May 2, 3, and 4, 2012 that were run at approximately 56.3%, 60.9%, and 46% of the Blast Furnace's permitted capacity, for an average of 54.4% of the Blast Furnace's permitted capacity. This meant that approximately 3.42 and 4.53 tons of feed material per hour were going through the Blast Furnace during the tests.

86. On the days of the May 2, 3, and 4 source test, during which approximately 8 hours per day were spent testing, Exide processed only approximately 97.2 tons, 99.4 tons, and 99.8 tons, respectively, in the Blast Furnace. That was the last time in May 2012 that Exide processed less than 100 tons a day for three days in a row.

87. While Exide was processing less material than average through its Blast Furnace on the days of the May 2, 3, and 4, 2012 source test, it was simultaneously processing significantly more material than average in its other furnace, the Reverberatory Furnace, which was not being tested. On May 2, 3, and 4, 2012, the Reverberatory Furnace was run using, respectively,

approximately 425 tons (96.8% of permitted capacity), approximately 429.2 tons (97.7% of permitted capacity), and approximately 412.6 tons (93.9% of permitted capacity). For the rest of May 2012, Exide had only one day when it processed more than 350 tons a day in its Reverberatory Furnace, and none when it processed more than 400 tons a day. Indeed, the Reverberatory Furnace's two highest production days for 2012, and the fourth highest production day for the Reverberatory Furnace in 2012 all occurred during these source tests.

88. On each day of the May 2, 3, and 4, 2012 source test, Exide processed less than 100 tons in its Blast Furnace, and more than 400 tons in its Reverberatory Furnace.

89. It was exceedingly rare for Exide to process less than 100 tons in its Blast Furnace, and more than 400 tons in its Reverberatory Furnace, for three days in a row.

90. Outside of the days of the May 2, 3, and 4, 2012 source test, unless the Blast Furnace was not operating, at no other time in 2009, 2010, 2011, or 2012, did Exide process more than 400 tons in its Reverberatory Furnace and less than 100 tons in its Blast Furnace for even two days in a row.

91. Indeed, the last time Exide processed less than 100 tons in its Blast Furnace, and more than 400 tons in its Reverberatory Furnace, for three days in a row was October 8, 9 and 10, 2008.

92. On October 9 and 10, 2008, the District was at Exide conducting a prior round of pre-scheduled tests.

93. On October 9 and 10, 2008, Exide was also under increased scrutiny for high emissions. That time the District was investigating Exide for high lead emissions.

94. Based on information and belief, Exide determined the amount of feed material that would be going to each furnace for the tests on October 9 and 10, 2008, and the tests on May 2, 3, and 4, 2012.

95. The May 2, 3, and 4, 2012 source test did not reflect normal operation of the Blast Furnace and Reverberatory Furnace.

96. Based on information and belief, Exide knew that the process conditions during the May 2, 3 and 4, 2012 source tests did not reflect normal operating conditions. Despite this, they

caused to be submitted to the District, a Source Test Report for May 2, 3, and 4, 2012 that falsely stated that "equipment was operated at normal conditions during testing," and that also falsely stated that all three test runs were "performed on the outlet of the Hard Lead baghouse during typical process unit and control operating conditions."

97. Based on information and belief, Exide knew the hard lead ventilation system was still not operating properly, and that running the May 2, 3 and 4, 2012 source tests at 80% would expose that. Therefore, Exide ran the May 2, 3 and 4, 2012 source tests at less than 80% of its permitted capacity in an attempt to conceal the full scope of its arsenic emissions.

98. Based on information and belief, Exide may have used a variety of other methods to artificially deflate its arsenic emissions.

99. Despite substantially lowering the amount of material going to its Blast Furnace, the May 2012 source test revealed that Exide's normal operations could still emit over one pound per day of arsenic. The test confirmed that Exide was still failing to operate its air pollution control system properly. The average of the three individual tests showed an emission rate of approximately 0.0212 lb/hr. This meant that over an average day, even with substantially less material going to their Blast Furnace, Exide was emitting approximately 0.5 pounds of arsenic a day, much higher than the level of emissions that it considered to be in line with reasonable expectation and normal operation. Notably, two of the three individual tests showed arsenic emission rates higher than the 0.0099 rate from the second February 16, 2012 source test. The May 3, 2012 source test was significantly higher at 0.0437 lb/hr. The elevated rate of the May 3, 2012 test showed that Exide's normal operations could still emit over one pound per day of arsenic. Notably, the May 3, 2012 source test was run at only 61% of the permit limit. Exide ran the next source test, on May 4, 2012, with an even lower amount of material, this time only 46% of the permit limit, and it still resulted in an emission rate of 0.0114 lb/hr. Based on information and belief, if Exide had run these tests using material amounts similar to those used in the October 2010 and July 2011 source tests, the arsenic emission rates would have been significantly higher.

100. Exide's consultant "reviewed" the May 2, 3, and 4, 2012 source test, believed it to be "accurate," and noted that the "equipment was operated at normal conditions during testing." All

three individual test runs that Exide performed were "performed on the outlet of the Hard Lead baghouse during typical process unit and control operating conditions." Exide's consultant stated that during the testing, a "strict quality assurance (QAP) was adhered to throughout the source sampling and analytical phases of the program. The QAP incorporated reference test methods, performance standards, and internal standard operating procedures to ensure that all measurements are valid, representative, and scientifically defensible."

101. Exide's consultant stated that the "purpose of the test was to conduct the AB2588 testing in support of the collection of emissions data so that the Exide Emission Inventory Report (EIR) and Health Risk Assessment (HRA) could be revised and the Resource Conservation and Recovery Act (RCRA) Part B Application could be updated." Exide understood that the emissions being tested contained toxic substances including carcinogens like arsenic.

102. The May 2, 3, and 4, 2012 source test showed that Exide was still failing to operate its air pollution control system properly. Gaseous emissions from the Blast Furnace process exhaust were not being confined on the intended path that would ultimately lead them through the scrubbers. To prevent the gaseous emissions from escaping Exide could have, and should have, increased the air flow in the blast furnace ventilation system to send the gaseous emissions to their intended Air Pollution Control Device. In addition, Exide failed to have a physical barrier on the charge chute and failed to prevent leakage points in the walls around the blast furnace and elsewhere, both of which allowed process exhaust gases containing arsenic to more easily escape.

103. Pursuant to AB 2588, Exide used the information gathered from its October 2010 and May 2012 source tests to compile an HRA for its Vernon Facility, but did not include information gathered during its July 2011 source tests that showed the highest arsenic emissions.

104. By omitting the July 2011 source test that showed the highest arsenic emissions, and including the May 2012 source test that was run with substantially less material going to the Blast Furnace, Exide artificially deflated the health risks in its HRA.

105. The HRA that Exide submitted to the District identified elevated health risk levels at the Facility. Exide's HRA disclosed an off-site cancer risk of 156 in a million to the maximally exposed off-site worker and 22 in a million to the maximally exposed nearby resident. A cancer risk

of 156 in a million means that emissions from Exide are expected to result in an additional risk of 156 chances in a million beyond normal risks of cancer to any person exposed to that level of risk over 70 years. Approximately 90% of this excess cancer risk was caused by emissions of arsenic. Exide's off-site worker cancer risk of 156 in a million was one of the highest off-site cancer risks of any AB 2588 HRA ever submitted to the District.

106. Exide's HRA disclosed that its emissions resulted in a cancer burden of approximately 10. The cancer burden is calculated by considering the population of all persons exposed to a cancer risk of greater than one in a million. In this case, approximately 3,668,318 residents were exposed to a cancer risk of one in a million or greater. The cancer burden in a population is calculated by multiplying the estimated cancer risk at each census tract centroid by the population in that census tract and adding up the totals. Exide's cancer burden of 10 means that its emissions are expected to result in 10 additional cancer cases if these emissions occurred over a 70-year period. Under District Rule 1402(c)(2) and (e)(1), a facility must reduce its cancer burden to below 0.5 as quickly as feasible. As the HRA demonstrated, Exide's cancer burden was 20 times the allowable level.

107. Exide's HRA disclosed a maximum chronic hazard index for off-site workers of 63 for arsenic. A hazard index is the ratio of the maximum estimated level of a substance divided by its Reference Exposure Level established by OEHHA. A Reference Exposure Level is the level below which no adverse health effects are expected. A Chronic Reference Exposure Level refers to long term exposure over several years. This chronic hazard index is more than 20 times the action risk level of 3, which Exide must meet under Rule 1402(c)(2) and (e)(1).

108. In or about April 2013, Exide again claimed to have fixed the problem in its hard lead ventilation system that had caused excessive arsenic emissions. But when Exide ran tests in April 2013, Exide again ran the tests at significantly less than 80% of the Blast Furnace's permitted capacity. Indeed, those tests were only run between approximately 31% and 61% of the Blast Furnace's permitted capacity.

109. Although Exide's wet scrubbing system was intended to control gaseous arsenic emissions from Exide's Blast Furnace if those gaseous arsenic emissions reached it, the wet

scrubbing system also had other air streams vented to it. But Exide's air pollution control equipment lacked sufficient capacity to maintain sufficient air flow to ensure that the Blast Furnace's arsenic emissions were being routed to the wet scrubbing system, while also venting the other air streams. Accordingly, despite only processing between approximately 31% and 61% of the Blast Furnace's permitted capacity during these April 2013 tests, Exide's operators in its control room still needed to maintain constant attention to flow balances for the Blast Furnace and these other air streams to attempt to generate sufficient air flow in the Blast Furnace to ensure that the Blast Furnace's arsenic emissions were being routed to the scrubbing system.

110. Based on information and belief, the video monitor in Exide's control room showed that large puffs of gray fumes were continuing to regularly escape the Blast Furnace instead of travelling along their intended route that would lead them through the scrubbers designed to control gaseous arsenic emissions. Despite its video monitor showing that gaseous fumes were escaping from their air pollution control system, and Exide's awareness that these fumes contained arsenic, a carcinogen, Exide continued to operate its air pollution control system without sufficient air flow to send gaseous arsenic emissions to the scrubbers and failed to repair the Blast Furnace's leakage points, both of which allowed gaseous arsenic emissions to more easily escape. Exide could have fixed these problems by upgrading its air pollution control system, but chose to continue to operate its air pollution control system without sufficient air flow to send gaseous emissions to the scrubbers and without fixing the Blast Furnace's leakage points.

111. On or about June 10, 2013, Exide declared bankruptcy. Based on information and belief, after Exide declared bankruptcy, Exide continued to operate its air pollution control system without sufficient air flow to send gaseous emissions to the scrubbers and failed to repair the Blast Furnace's leakage points, both of which allowed gaseous arsenic emissions to more easily escape, despite its video monitor showing that gaseous fumes were escaping from their air pollution control system, and Exide's awareness that these fumes contained arsenic, a carcinogen.

112. Plaintiff is informed and believes that beginning at some point after the October 10, 2008 source test and continuing until on or about March 14, 2014, when Exide finally shut down its operations to conduct maintenance work, defendants, and each of them, operated Exide's Blast

Furnace, its Reverb Furnace, and/or Exide's related air pollution control system without using good operating practices to maintain air movement and emission control efficiency consistent with the design criteria for the system. The lack of good operating practices included, but is not limited to, defendants' failure to prevent blockages from forming in its air pollution control system and equipment connected to its air pollution control equipment, defendants' failure to repair leakage points in the Blast Furnace and otherwise maintain the air movement necessary to direct gaseous arsenic emissions into the air pollution control equipment designed to control them, and defendants' failure to maintain emission collection efficiency because they failed to route gaseous arsenic emissions to the Air Pollution Control Devices designed to control arsenic emissions, in violation of District Rule 1407(d)(5). As a result, Exide unlawfully emitted gaseous arsenic into the atmosphere.

PLAINTIFF'S SECOND CAUSE OF ACTION

FOR VIOLATIONS OF DISTRICT RULES 203(b) and 3002(c)(1)

113. Plaintiff realleges paragraphs 1–112, inclusive, and by this reference incorporates the same as though fully set forth herein.

114. At all relevant times herein mentioned, District Rule 203(b) required, and continues to require, that equipment not be operated contrary to the conditions specified in the permit to operate issued to the facility. A copy of District Rule 203 is attached hereto as Exhibit 3.

115. At all relevant times herein mentioned, District Rule 3002(c)(1) required, and continues to require, all equipment located at a Title V facility to be in compliance with all terms, requirements, and conditions specified in the Title V permit at all times. Exide is a Title V facility. A copy of District Rule 3002 is attached hereto as Exhibit 4.

116. At all relevant times herein mentioned, Section E of Exide's Title V permit contained, and continues to contain, the following Administrative Conditions:

> 2. The operator shall maintain all equipment in such a manner that ensures proper operation of the equipment.
>
> 4. The operator shall not use equipment identified in this facility permit as being connected to air pollution control equipment unless they are so vented to the identified air pollution control equipment which is in full use and which has been included in this permit.

Plaintiff is informed and believes that beginning at some point after the October 10, 2008 test and continuing thereafter, defendants, and each of them, operated Exide's Blast Furnace, its Reverb Furnace, and/or Exide's related air pollution control system without maintaining them in a manner that ensured their proper operation, and while venting to air pollution control equipment that was not in full use. Specifically, defendants failed to, among other things, prevent blockages from forming in its air pollution control system and equipment connected to its air pollution control system equipment defendants failed to repair leakage points in the Blast Furnace and otherwise failed to maintain the air movement necessary to direct gaseous arsenic emissions into the air pollution control equipment designed to control them, and failed to maintain emission collection efficiency because they failed to route gaseous arsenic emissions to an air pollution control system designed to control arsenic emissions, in violation of District Rules 203(b) and 3002(c)(1), and Permit Conditions 2 and 4 of Section E of Exide's Title V permit. A copy of the relevant portions of Exide's Title V permit is attached hereto as Exhibit 5.

PLAINTIFF'S THIRD CAUSE OF ACTION

FOR VIOLATIONS OF DISTRICT RULES 203(b) and 3002(c)(1)

117. Plaintiff realleges 1–116, inclusive, and by this reference incorporates the same as though fully set forth herein.

118. At all relevant times herein mentioned, Exide's Title V Permit, Section I contained its District Rule 1420 Compliance Plan approved on May 7, 2008. The 1420 Compliance Plan includes the following provisions.

119. Condition 2 of the 1420 Compliance Plan required that "Not later than thirty (30) days after receipt of their approved Rule 1420 Compliance Plan, Exide shall survey all facility structures that house, contain or control any and all lead emission points or fugitive lead-dust emission and shall permanently repair such facility structures to ensure the structural integrity of these buildings/structures (including roofs) such that there are no gaps, break, separations, leak points or other possible routes for emissions of lead or lead dust to outside ambient air." It further required that if "a specific repair cannot be concluded in the time period specified, Exide shall

immediately notify the Executive Officer for approval, the specific repair and the approximate date that the repair will be concluded."

120. Condition 6 of the 1420 Compliance Plan states that "Effective immediately upon receipt of their approved amended Rule 1420 Compliance Plan, Exide Technologies shall transport all materials capable of generating any amount of fugitive lead-dust emissions at the facility within closed conveyor systems or in closed containers. When transporting any materials capable of generating any amount of fugitive lead dust emissions via forklift or any other mobile transportation method . . . the materials capable of generating any amount of fugitive lead-dust emissions shall be transported in closed containers and in such a manner as to prevent fugitive lead emissions from being released into the ambient atmosphere."

121. Condition 15 of the 1420 Compliance Plan requires that any employees responsible for complying with the Rule 1420 housekeeping provisions shall be trained, and retrained every year thereafter, in all Rule 1420 housekeeping provisions and requirements before commencing with any Rule 1420 housekeeping duties. New employees must be trained within 60 days of hire and before commencing any housekeeping activities. Training records must be kept for 5 years and made available upon request.

122. Condition 25 of the 1420 Compliance Plan states that "Not later than thirty (30) days after receipt of their approved Rule 1420 Compliance Plan, Exide Technologies shall retain the services of an Environmental Manager whose responsibility shall be to assure ongoing and sustained compliance with the terms and conditions of this agreement, and all applicable AQMD Rules and Regulations including . . . Rule 1420 – Emissions Standard for Lead and all relevant and applicable state and federal standards. . . ."

123. Plaintiff is informed and believes, and thereupon alleges, that beginning on or after May 7, 2008 and continuing until an unknown date, defendants, and each of them, failed to transport materials capable of generating any amount of fugitive lead-dust emissions in closed containers in such a manner as to prevent fugitive lead emissions from being released into the ambient atmosphere. Specifically, defendants, and each of them, transported lead-contaminated plastic chips inside leaking van trailers that leaked, or van trailers that were capable of leaking,

lead-contaminated waste at the Facility, in violation of District Rules 203(b) and 3002(c)(1), and Condition 6 of Exide's 1420 Compliance Plan of Section I of Exide's Title V permit. A copy of the relevant portions of Exide's Title V permit is attached hereto as Exhibit 5.

124. Plaintiff is informed and believes, and thereupon alleges, that beginning in or after June 2008 and continuing until an unknown date, defendants, and each of them, failed to permanently repair facility structures that house, contain or control any and all lead emission points or fugitive lead-dust emission to ensure the structural integrity of those structures such that there are no gaps, breaks, separations, leak points or other possible routes for emissions of lead or lead dust to outside ambient air. Instead, Exide stored lead-contaminated plastic chips inside leaking van trailers that leaked, or van trailers that were capable of leaking, lead-contaminated waste at the Facility, in violation of District Rules 203(b) and 3002(c)(1), and Condition 2 of Exide's 1420 Compliance Plan of Section I of Exide's Title V permit. Moreover, on some occasions, the van trailers were stored with the large rear doors open, which further exposed the lead-contaminated plastic chips to the atmosphere.

125. Based on information and belief, these failures by Exide contributed to the discharge of emissions into the atmosphere that contributed to ambient air concentrations of lead that exceeded 0.150 micrograms per cubic meter averaged over any 30 consecutive days.

126. At all relevant times, Section K, Provision 24, of Exide's Title V Permit required that defendants submit to the District an Annual Compliance Certification. On that Certification, Exide was required to disclose any violations of its Title V Permit. A responsible Exide official would then sign a certification that stated: "I certify under penalty of law that I am the responsible official for this facility as defined in AQMD Regulation XXX and that based on information and belief formed after reasonable inquiry, the statements and information in this document and in all attached application forms and other materials are true, accurate, and complete."

127. On or about October 20, 2010, Exide submitted Exide's Report for Annual Compliance Certification to the District for 2009. The report was signed by Exide's Plant Manager as the Responsible Official on behalf of Exide. In the report, Exide stated that "This facility has been in compliance with the terms and conditions in the Title V permit . . . except [for certain

non-compliant actions other than violations of Conditions 2 or 6 of Exide's 1420 Compliance Plan of Section I of Exide's Title V permit]" in 2009. At the time Exide made this statement, however, Exide knew that the statement was false, or recklessly disregarded the true facts regarding Exide's compliance with the terms and conditions of the Title V permit, because Exide knew it had stored and transported lead-contaminated plastic chips inside leaking van trailers that leaked, or van trailers that were capable of leaking, lead-contaminated waste at the Facility.

128. On or about March 1, 2011, Exide submitted Exide's Report for Annual Compliance Certification to the District for 2010. The report was signed by Exide's Plant Manager as the Responsible Official on behalf of Exide. In the report, Exide stated that "This facility has been in compliance with the terms and conditions in the Title V permit" in 2010. At the time Exide made this statement, however, Exide knew that the statement was false, or recklessly disregarded the true facts regarding Exide's compliance with the terms and conditions of the Title V permit, because Exide knew it had stored and transported lead-contaminated plastic chips inside leaking van trailers that leaked, or van trailers that were capable of leaking, lead-contaminated waste at the Facility.

129. On or about October 10, 2012, Exide submitted Exide's Report for Annual Compliance Certification to the District for 2011. The report was signed by Exide's Environmental Manager as the Responsible Official on behalf of Exide. In the report, Exide stated that "This facility has been in compliance with the terms and conditions in the Title V permit . . . except [for certain non-compliant actions other than violations of Conditions 2 or 6 of Exide's 1420 Compliance Plan of Section I of Exide's Title V permit]" in 2011. At the time Exide made this statement, however, Exide knew that the statement was false, or it recklessly disregarded the true facts regarding Exide's compliance with the terms and conditions of the Title V permit, because Exide knew it had stored and transported lead-contaminated plastic chips inside leaking van trailers that leaked, or van trailers that were capable of leaking, lead-contaminated waste at the Facility.

130. On or about March 1, 2013, Exide submitted Exide's Report for Annual Compliance Certification to the District for 2012. The report was signed by Exide's Environmental Manager as the Responsible Official on behalf of Exide. In the report, Exide stated that "This

facility has been in compliance with the terms and conditions in the Title V permit . . . except [for certain non-compliant actions other than violations of Conditions 2 or 6 of Exide's 1420 Compliance Plan of Section I of Exide's Title V permit]" in 2012. At the time Exide made this statement, however, Exide knew that the statement was false, or it recklessly disregarded the true facts regarding Exide's compliance with the terms and conditions of the Title V permit, because Exide knew it had stored and transported lead-contaminated plastic chips inside leaking van trailers that leaked, or van trailers that were capable of leaking, lead-contaminated waste at the Facility.

131. On or about April 1, 2014, Exide submitted Exide's Report for Annual Compliance Certification to the District for 2013. The report was signed by Exide's Environmental Manager as the Responsible Official on behalf of Exide. In the report, Exide stated that "This facility has been in compliance with the terms and conditions in the Title V permit . . . except [for certain non-compliant actions other than violations of Conditions 2 or 6 of Exide's 1420 Compliance Plan of Section I of Exide's Title V permit]" in 2013. At the time Exide made this statement, however, Exide knew that the statement was false, or it recklessly disregarded the true facts regarding Exide's compliance with the terms and conditions of the Title V permit, because Exide knew it had stored and transported lead-contaminated plastic chips inside leaking van trailers that leaked, or van trailers that were capable of leaking, lead-contaminated waste at the Facility.

PLAINTIFF'S FOURTH CAUSE OF ACTION

FOR VIOLATIONS OF DISTRICT RULES 1420.1(d)(3) AND 1420.1(e)(1)(B)

132. Plaintiff realleges paragraph 1–131, inclusive, and by this reference incorporates the same as though fully set forth herein.

133. At all relevant times herein mentioned, District Rules 1420.1(d)(3) and 1420.1(e)(1)(B) required that no later than July 1, 2011, the owner or operator of a large lead-acid battery recycling facility shall enclose within a total enclosure the battery breaking areas and materials storage and handling areas, excluding areas where unbroken lead-acid batteries and finished lead products are stored. District Rule 1420.1(c)(4) defines a "Battery Breaking Area" as the plant location at which lead-acid batteries are broken, crushed, or disassembled and separated into components. A copy of District Rule 1420.1 is attached hereto as Exhibit 6. District Rule

1420.1(c)(18) defines "Materials Storage and Handling Area" as "any area of a large lead-acid battery recycling facility in which lead-containing materials . . . are stored[.] . . . Areas may include, but are not limited to, locations in which materials are stored in piles, bins, or tubs[.]" District Rule 1420.1(c)(29) defines "total enclosure" as "a permanent containment building/structure, completely enclosed with a floor, walls, and a roof to prevent exposure to the elements, (e.g., precipitation, wind, run-off), with limited openings to allow access and egress for people and vehicles, that is free of cracks, gaps, corrosion, or other deterioration that could cause or result in fugitive lead-dust."

134. Plaintiff is informed and believes, and thereupon alleges, that beginning on or about July 1, 2011, defendants, and each of them, failed to enclose within a total enclosure the materials storage and handling areas where lead-containing plastic chips were stored, and instead stored lead-contaminated plastic chips inside leaking van trailers that leaked, or van trailers that were capable of leaking, lead-contaminated waste at the Facility, in violation of District Rule 1420.1(d)(3) and (e)(1)(B). Moreover, on some occasions, the van trailers were stored with the large rear doors open, which further exposed the lead-contaminated plastic chips to the atmosphere.

135. Based on information and belief, these failures by Exide contributed to the discharge of emissions into the atmosphere that contributed to ambient air concentrations of lead that exceeded 0.150 micrograms per cubic meter averaged over any 30 consecutive days.

136. On or about October 10, 2012, Exide submitted Exide's Report for Annual Compliance Certification to the District for 2011. The report was signed by Exide's Environmental Manager as the Responsible Official on behalf of Exide. In the report, Exide stated that "This facility has been in compliance with the terms and conditions in the Title V permit . . . except [for certain non-compliant actions other than violations of District Rule 1420.1(d)(3) and (e)(1)(B)]" in 2011. At the time Exide made this statement, however, Exide knew that the statement was false, or it recklessly disregarded the true facts regarding Exide's compliance with the terms and conditions of the Title V permit, because Exide knew it had stored lead-contaminated plastic chips inside leaking van trailers that leaked, or van trailers that were capable of leaking, lead-contaminated waste at the Facility.

137. On or about March 1, 2013, Exide submitted Exide's Report for Annual Compliance Certification to the District for 2012. The report was signed by Exide's Environmental Manager as the Responsible Official on behalf of Exide. In the report, Exide stated that "This facility has been in compliance with the terms and conditions in the Title V permit . . . except [for certain non-compliant actions other than violations of District Rule 1420.1(d)(3) and (e)(1)(B)]" in 2012. At the time Exide made this statement, however, Exide knew that the statement was false, or it recklessly disregarded the true facts regarding Exide's compliance with the terms and conditions of the Title V permit, because Exide knew it had stored lead-contaminated plastic chips inside leaking van trailers that leaked, or van trailers that were capable of leaking, lead-contaminated waste at the Facility.

138. On or about April 1, 2014, Exide submitted Exide's Report for Annual Compliance Certification to the District for 2013. The report was signed by Exide's Environmental Manager as the Responsible Official on behalf of Exide. In the report, Exide stated that "This facility has been in compliance with the terms and conditions in the Title V permit . . . except [for certain non-compliant actions other than violations of District Rule 1420.1(d)(3) and (e)(1)(B)]" in 2013. At the time Exide made this statement, however, Exide knew that the statement was false, or it recklessly disregarded the true facts regarding Exide's compliance with the terms and conditions of the Title V permit, because Exide knew it had stored lead-contaminated plastic chips inside leaking van trailers that leaked, or van trailers that were capable of leaking, lead-contaminated waste at the Facility.

139. In addition, Plaintiff is informed and believes, and thereupon alleges, that on or about January 18, 2014, January 19, 2014, and January 20, 2014, defendants, and each of them, failed to enclose a battery breaking area within a total enclosure, in violation of District Rule 1420.1(d)(3). Specifically, on each of those days, defendants opened up the roof of the Raw Materials Preparation System building that contains a battery breaking area.

PLAINTIFF'S FIFTH CAUSE OF ACTION

FOR VIOLATIONS OF DISTRICT RULE 1420.1(h)(2)

140. Plaintiff realleges paragraphs 1–139, inclusive, and by this reference incorporates the same as though fully set forth herein.

141. Beginning on or about December 5, 2010, District Rule 1420.1(h)(2) required, and continues to require the owner or operator of a large lead-acid battery recycling facility to inspect all total enclosures and facility structures that house, contain, or control any lead point source or fugitive lead-dust emissions at least once a month. Rule 1420.1(h)(2) further requires that any gaps, breaks, separations, leak points or other possible routes for emissions of lead or fugitive lead-dust to ambient air be permanently repaired within 72 hours of discovery. A copy of District Rule 1420.1 is attached hereto as Exhibit 6.

142. Plaintiff is informed and believes, and thereupon alleges, that beginning on or about December 5, 2010, defendants, and each of them, failed to repair the materials storage and handling areas where lead-containing plastic chips were stored, and instead stored lead-contaminated plastic chips inside leaking van trailers that leaked, or van trailers that were capable of leaking, lead-contaminated waste at the Facility, in violation of District Rule 1420.1(h)(2). Moreover, on some occasions, the van trailers were stored with the large rear doors open, which further exposed the lead-contaminated plastic chips to the atmosphere.

143. Based on information and belief, these failures by Exide contributed to the discharge of emissions into the atmosphere that contributed to ambient air concentrations of lead that exceeded 0.150 micrograms per cubic meter averaged over any 30 consecutive days.

144. On or about March 1, 2011, Exide submitted Exide's Report for Annual Compliance Certification to the District for 2010. The report was signed by Exide's Plant Manager as the Responsible Official on behalf of Exide. In the report, Exide stated that "This facility has been in compliance with the terms and conditions in the Title V permit" in 2010. At the time Exide made this statement, however, Exide knew that the statement was false, or recklessly disregarded the true facts regarding Exide's compliance with the terms and conditions of the Title V permit, because

Exide knew it had stored lead-contaminated plastic chips inside leaking van trailers that leaked, or van trailers that were capable of leaking, lead-contaminated waste at the Facility.

145. On or about October 10, 2012, Exide submitted Exide's Report for Annual Compliance Certification to the District for 2011. The report was signed by Exide's Environmental Manager as the Responsible Official on behalf of Exide. In the report, Exide stated that "This facility has been in compliance with the terms and conditions in the Title V permit . . . except [for certain non-compliant actions other than violations of District Rule 1420.1(h)(2)]" in 2011. At the time Exide made this statement, however, Exide knew that the statement was false, or it recklessly disregarded the true facts regarding Exide's compliance with the terms and conditions of the Title V permit, because Exide knew it had stored lead-contaminated plastic chips inside leaking van trailers that leaked, or van trailers that were capable of leaking, lead-contaminated waste at the Facility.

146. On or about March 1, 2013, Exide submitted Exide's Report for Annual Compliance Certification to the District for 2012. The report was signed by Exide's Environmental Manager as the Responsible Official on behalf of Exide. In the report, Exide stated that "This facility has been in compliance with the terms and conditions in the Title V permit . . . except [for certain non-compliant actions other than violations of District Rule 1420.1(h)(2)]" in 2012. At the time Exide made this statement, however, Exide knew that the statement was false, or it recklessly disregarded the true facts regarding Exide's compliance with the terms and conditions of the Title V permit, because Exide knew it had stored lead-contaminated plastic chips inside leaking van trailers that leaked, or van trailers that were capable of leaking, lead-contaminated waste at the Facility.

147. On or about April 1, 2014, Exide submitted Exide's Report for Annual Compliance Certification to the District for 2013. The report was signed by Exide's Environmental Manager as the Responsible Official on behalf of Exide. In the report, Exide stated that "This facility has been in compliance with the terms and conditions in the Title V permit . . . except [for certain non-compliant actions other than violations of District Rule 1420.1(h)(2)]" in 2013. At the time Exide made this statement, however, Exide knew that the statement was false, or it recklessly disregarded the true facts regarding Exide's compliance with the terms and conditions of the Title V

permit, because Exide knew it had stored lead-contaminated plastic chips inside leaking van trailers that leaked, or van trailers that were capable of leaking, lead-contaminated waste at the Facility.

PLAINTIFF'S SIXTH CAUSE OF ACTION

FOR VIOLATIONS OF DISTRICT RULE 1420.1(h)(6)

148. Plaintiff realleges paragraphs 1–147, inclusive, and by this reference incorporates the same as though fully set forth herein.

149. Beginning on or about December 5, 2010, District Rule 1420.1(h)(6) required, and continues to require that the owner or operator of a large lead-acid battery recycling facility shall store all materials capable of generating any amount of fugitive lead-dust including lead-containing waste generated from housekeeping or maintenance activities in sealed, leak-proof containers, unless located within a total enclosure. A copy of District Rule 1420.1 is attached hereto as Exhibit 6.

150. Plaintiff is informed and believes, and thereupon alleges, that beginning on or about December 5, 2010, defendants, and each of them, failed to store all materials capable of generating any amount of fugitive lead-dust in sealed, leak-proof containers. Instead, defendants, and each of them, stored lead-contaminated plastic chips inside leaking van trailers that leaked, or van trailers that were capable of leaking, lead-contaminated waste at the Facility, in violation of District Rule 1420.1(h)(6). Moreover, on some occasions, the van trailers were stored with the large rear doors open, which further exposed the lead-contaminated plastic chips to the atmosphere.

151. Based on information and belief, these failures by Exide contributed to the discharge of emissions into the atmosphere that contributed to ambient air concentrations of lead that exceeded 0.150 micrograms per cubic meter averaged over any 30 consecutive days.

152. On or about March 1, 2011, Exide submitted Exide's Report for Annual Compliance Certification to the District for 2010. The report was signed by Exide's Plant Manager as the Responsible Official on behalf of Exide. In the report, Exide stated that "This facility has been in compliance with the terms and conditions in the Title V permit" in 2010. At the time Exide made this statement, however, Exide knew that the statement was false, or recklessly disregarded the true facts regarding Exide's compliance with the terms and conditions of the Title V permit, because

Exide knew it had stored lead-contaminated plastic chips inside leaking van trailers that leaked, or van trailers that were capable of leaking, lead-contaminated waste at the Facility.

153. On or about October 10, 2012, Exide submitted Exide's Report for Annual Compliance Certification to the District for 2011. The report was signed by Exide's Environmental Manager as the Responsible Official on behalf of Exide. In the report, Exide stated that "This facility has been in compliance with the terms and conditions in the Title V permit . . . except [for certain non-compliant actions other than violations of District Rule 1420.1(h)(6)]" in 2011. At the time Exide made this statement, however, Exide knew that the statement was false, or it recklessly disregarded the true facts regarding Exide's compliance with the terms and conditions of the Title V permit, because Exide knew it had stored lead-contaminated plastic chips inside leaking van trailers that leaked, or van trailers that were capable of leaking, lead-contaminated waste at the Facility.

154. On or about March 1, 2013, Exide submitted Exide's Report for Annual Compliance Certification to the District for 2012. The report was signed by Exide's Environmental Manager as the Responsible Official on behalf of Exide. In the report, Exide stated that "This facility has been in compliance with the terms and conditions in the Title V permit . . . except [for certain non-compliant actions other than violations of District Rule 1420.1(h)(6)] " in 2012. At the time Exide made this statement, however, Exide knew that the statement was false, or it recklessly disregarded the true facts regarding Exide's compliance with the terms and conditions of the Title V permit, because Exide knew it had stored lead-contaminated plastic chips inside leaking van trailers that leaked, or van trailers that were capable of leaking, lead-contaminated waste at the Facility.

155. On or about April 1, 2014, Exide submitted Exide's Report for Annual Compliance Certification to the District for 2013. The report was signed by Exide's Environmental Manager as the Responsible Official on behalf of Exide. In the report, Exide stated that "This facility has been in compliance with the terms and conditions in the Title V permit . . . except [for certain non-compliant actions other than violations of District Rule 1420.1(h)(6)]" in 2013. At the time Exide made this statement, however, Exide knew that the statement was false, or it recklessly

disregarded the true facts regarding Exide's compliance with the terms and conditions of the Title V permit, because Exide knew it had stored lead-contaminated plastic chips inside leaking van trailers that leaked, or van trailers that were capable of leaking, lead-contaminated waste at the Facility.

156. In addition, on or about September 9, 2013, Exide began performing work to repair and replace a storm drain. During this work, Exide excavated, transported, and stored soil, dirt, dust, and asphalt capable of generating any amount of fugitive lead-dust. Plaintiff is informed and believes, and thereupon alleges, that beginning on or about September 16, 2013 and continuing to on or about September 23, 2013, defendants, and each of them, failed to store soil, dirt dust, and asphalt materials capable of generating any amount of fugitive lead-dust including lead-containing waste generated from housekeeping or maintenance activities in sealed, leak-proof containers, and instead left these materials outside on the ground, in violation of Rule 1420.1(h)(6). Based on information and belief, these housekeeping failures contributed to the discharge of emissions into the atmosphere that contributed to ambient air concentrations of lead that exceeded 0.150 micrograms per cubic meter averaged over any 30 consecutive days.

PLAINTIFF'S SEVENTH CAUSE OF ACTION

FOR VIOLATIONS OF DISTRICT RULE 1420.1(h)(7)

157. Plaintiff realleges paragraphs 1–156, inclusive, and by this reference incorporates the same as though fully set forth herein.

158. Beginning on or about December 5, 2010, District Rule 1420.1(h)(7) required, and continues to require that the owner or operator of a large lead-acid battery recycling facility shall transport all materials capable of generating any amount of fugitive lead-dust within closed conveyor systems or in sealed, leak-proof containers, unless located within a total enclosure. A copy of District Rule 1420.1 is attached hereto as Exhibit 6.

159. Plaintiff is informed and believes, and thereupon alleges, that beginning on or about December 5, 2010, defendants, and each of them, failed to transport all materials capable of generating any amount of fugitive lead-dust within closed conveyor systems or in sealed, leak-proof containers, unless located within a total enclosure. Instead, defendants, and each of

them, transported lead-contaminated plastic chips inside leaking van trailers that leaked, or van trailers that were capable of leaking, lead-contaminated waste at the Facility, in violation of District Rule 1420.1(h)(7).

160. Based on information and belief, these failures by Exide contributed to the discharge of emissions into the atmosphere that contributed to ambient air concentrations of lead that exceeded 0.150 micrograms per cubic meter averaged over any 30 consecutive days.

161. On or about March 1, 2011, Exide submitted Exide's Report for Annual Compliance Certification to the District for 2010. The report was signed by Exide's Plant Manager as the Responsible Official on behalf of Exide. In the report, Exide stated that "This facility has been in compliance with the terms and conditions in the Title V permit" in 2010. At the time Exide made this statement, however, Exide knew that the statement was false, or recklessly disregarded the true facts regarding Exide's compliance with the terms and conditions of the Title V permit, because Exide knew it had transported lead-contaminated plastic chips inside leaking van trailers that leaked, or van trailers that were capable of leaking, lead-contaminated waste at the Facility.

162. On or about October 10, 2012, Exide submitted Exide's Report for Annual Compliance Certification to the District for 2011. The report was signed by Exide's Environmental Manager as the Responsible Official on behalf of Exide. In the report, Exide stated that "This facility has been in compliance with the terms and conditions in the Title V permit . . . except [for certain non-compliant actions other than violations of District Rule 1420.1(h)(7)]" in 2011. At the time Exide made this statement, however, Exide knew that the statement was false, or it recklessly disregarded the true facts regarding Exide's compliance with the terms and conditions of the Title V permit, because Exide knew it had transported lead-contaminated plastic chips inside leaking van trailers that leaked, or van trailers that were capable of leaking, lead-contaminated waste at the Facility.

163. On or about March 1, 2013, Exide submitted Exide's Report for Annual Compliance Certification to the District for 2012. The report was signed by Exide's Environmental Manager as the Responsible Official on behalf of Exide. In the report, Exide stated that "This facility has been in compliance with the terms and conditions in the Title V permit . . . except [for certain

non-compliant actions other than violations of District Rule 1420.1(h)(7)] in 2012. At the time Exide made this statement, however, Exide knew that the statement was false, or it recklessly disregarded the true facts regarding Exide's compliance with the terms and conditions of the Title V permit, because Exide knew it had transported lead-contaminated plastic chips inside leaking van trailers that leaked, or van trailers that were capable of leaking, lead-contaminated waste at the Facility.

164. On or about April 1, 2014, Exide submitted Exide's Report for Annual Compliance Certification to the District for 2013. The report was signed by Exide's Environmental Manager as the Responsible Official on behalf of Exide. In the report, Exide stated that "This facility has been in compliance with the terms and conditions in the Title V permit . . . except [for certain non-compliant actions other than violations of District Rule 1420.1(h)(7)] in 2013. At the time Exide made this statement, however, Exide knew that the statement was false, or it recklessly disregarded the true facts regarding Exide's compliance with the terms and conditions of the Title V permit, because Exide knew it had transported lead-contaminated plastic chips inside leaking van trailers that leaked, or van trailers that were capable of leaking, lead-contaminated waste at the Facility.

PLAINTIFF'S EIGHTH CAUSE OF ACTION

FOR VIOLATIONS OF DISTRICT RULES 203(b) and 3002(c)(1)

165. Plaintiff realleges 1–164, inclusive, and by this reference incorporates the same as though fully set forth herein.

166. At all relevant times herein mentioned, Exide's Title V Permit, Section I contained its District Rule 1420.1 Compliance Plan approved on January 27, 2012. Condition 3.1 of the 1420.1 Compliance Plan requires that the following areas be enclosed within a total enclosure: "Materials storage and handling areas, excluding areas where unbroken lead-acid batteries and finished lead products are stored." District Rule 1420.1(c) (18) defines "Materials Storage and Handling Area" as "any area of a large lead-acid battery recycling facility in which lead-containing materials . . . are stored or handled between process steps. Areas may include, but are not limited to, locations in which materials are stored in piles, bins, or tubs[.]" District Rule 1420.1(c)(29) defines "total

enclosure" as "a permanent containment building/structure, completely enclosed with a floor, walls, and a roof to prevent exposure to the elements, (e.g., precipitation, wind, run-off), with limited openings to allow access and egress for people and vehicles, that is free of cracks, gaps, corrosion, or other deterioration that could cause or result in fugitive lead-dust." A copy of District Rule 1420.1 is attached hereto as Exhibit 6.

167. Plaintiff is informed and believes, and thereupon alleges, that beginning on or about January 27, 2012, defendants, and each of them, failed to enclose within a total enclosure the materials storage and handling areas where lead-containing plastic chips were stored, and instead stored lead-contaminated plastic chips inside leaking van trailers that leaked, or van trailers that were capable of leaking, lead-contaminated waste at the Facility, in violation of District Rules 203(b) and 3002(c)(1), and Condition 3.1 of Exide's 1420.1 Compliance Plan of Section I of Exide's Title V permit. Moreover, on some occasions, the van trailers were stored with the large rear doors open, which further exposed the lead-contaminated plastic chips to the atmosphere.

168. Based on information and belief, these failures by Exide contributed to the discharge of emissions into the atmosphere that contributed to ambient air concentrations of lead that exceeded 0.150 micrograms per cubic meter averaged over any 30 consecutive days.

169. On or about March 1, 2011, Exide submitted Exide's Report for Annual Compliance Certification to the District for 2010. The report was signed by Exide's Plant Manager as the Responsible Official on behalf of Exide. In the report, Exide stated that "This facility has been in compliance with the terms and conditions in the Title V permit" in 2010. At the time Exide made this statement, however, Exide knew that the statement was false, or recklessly disregarded the true facts regarding Exide's compliance with the terms and conditions of the Title V permit, because Exide knew it had stored lead-contaminated plastic chips inside leaking van trailers that leaked, or van trailers that were capable of leaking, lead-contaminated waste at the Facility.

170. On or about October 10, 2012, Exide submitted Exide's Report for Annual Compliance Certification to the District for 2011. The report was signed by Exide's Environmental Manager as the Responsible Official on behalf of Exide. In the report, Exide stated that "This facility has been in compliance with the terms and conditions in the Title V permit . . .

except [for certain non-compliant actions other than violations of Condition 3.1 of Exide's 1420.1 Compliance Plan of Section I of Exide's Title V permit]" in 2011. At the time Exide made this statement, however, Exide knew that the statement was false, or it recklessly disregarded the true facts regarding Exide's compliance with the terms and conditions of the Title V permit, because Exide knew it had stored lead-contaminated plastic chips inside leaking van trailers that leaked, or van trailers that were capable of leaking, lead-contaminated waste at the Facility.

171. On or about March 1, 2013, Exide submitted Exide's Report for Annual Compliance Certification to the District for 2012. The report was signed by Exide's Environmental Manager as the Responsible Official on behalf of Exide. In the report, Exide stated that "This facility has been in compliance with the terms and conditions in the Title V permit . . . except [for certain non-compliant actions other than violations of Condition 3.1 of Exide's 1420.1 Compliance Plan of Section I of Exide's Title V permit]" in 2012. At the time Exide made this statement, however, Exide knew that the statement was false, or it recklessly disregarded the true facts regarding Exide's compliance with the terms and conditions of the Title V permit, because Exide knew it had stored lead-contaminated plastic chips inside leaking van trailers that leaked, or van trailers that were capable of leaking, lead-contaminated waste at the Facility.

172. On or about April 1, 2014, Exide submitted Exide's Report for Annual Compliance Certification to the District for 2013. The report was signed by Exide's Environmental Manager as the Responsible Official on behalf of Exide. In the report, Exide stated that "This facility has been in compliance with the terms and conditions in the Title V permit . . . except [for certain non-compliant actions other than violations of Condition 3.1 of Exide's 1420.1 Compliance Plan of Section I of Exide's Title V permit]" in 2013. At the time Exide made this statement, however, Exide knew that the statement was false, deceitful concealed the true facts, or recklessly disregarded the true facts, regarding Exide's compliance with the terms and conditions of the Title V permit, because Exide knew it had stored lead-contaminated plastic chips inside leaking van trailers that leaked, or van trailers that were capable of leaking, lead-contaminated waste at the Facility.

PLAINTIFF'S NINTH CAUSE OF ACTION

FOR VIOLATIONS OF DISTRICT RULES 3002(c)(1) and 3004(a)(10)(E)

173. Plaintiff realleges paragraphs 1–172, inclusive, and by this reference incorporates the same as though fully set forth herein.

174. At all relevant times herein mentioned, District Rule 3004(a)(10)(E) required, and continues to require, that a Title V permit include compliance requirements, including submitting compliance certifications at least annually. A copy of District Rule 3004 is attached hereto as Exhibit 7. Section K, Provision 24, of Exide's Title V Permit required that defendants submit to the District an Annual Compliance Certification, and specified that it was due when the Annual Permit Emissions Program report was due, in this case February 29, 2012. A copy of the relevant portions of Exide's Title V permit is attached hereto as Exhibit 5.

175. On or about October 3, 2012, an Exide employee sent an email stating he had "neglected" to submit an Annual Compliance Certification that was due in "Feb 2012" and further stated that he was "late on submittal" of the Semi-Annual Monitoring Report.

176. Plaintiff is informed and believes, and thereupon alleges, that beginning on or about March 1, 2012 and continuing until on or about October 10, 2012, defendants, and each of them, failed to submit an Annual Compliance Certification Report, in violation of District Rules 3002(c)(1) and 3004(a)(10)(E), and Section K, Provision 24, of Exide's Title V Permit.

PLAINTIFF'S TENTH CAUSE OF ACTION

FOR VIOLATIONS OF DISTRICT RULES 3002(c)(1) and 3004(a)(4)(F)

177. Plaintiff realleges paragraphs 1–176, inclusive, and by this reference incorporates the same as though fully set forth herein.

178. At all relevant times herein mentioned, District Rule 3004(a)(4)(F) required, and continues to require, that a Title V permit shall include monitoring, recordkeeping, and reporting requirements, including "Submittal, to the Executive Officer, of reports of any required monitoring at least every six months." A copy of District Rule 3004 is attached hereto as Exhibit 7. Section K, Provision 23, of Exide's Title V Permit required that defendants submit to the District a report for

the last six calendar months of the prior year by February 28, 2012. A copy of the relevant portions of Exide's Title V permit is attached hereto as Exhibit 5.

179. Plaintiff is informed and believes, and thereupon alleges, that beginning on or about February 29, 2012 and continuing until on or about October 10, 2012, defendants, and each of them, failed to submit a Semi-Annual Monitoring Report, in violation of District Rules 3002(c)(1) and 3004(a)(4)(F), and Section K, Provision 23, of Exide's Title V Permit.

PLAINTIFF'S ELEVENTH CAUSE OF ACTION

FOR VIOLATIONS OF DISTRICT RULES 203(b) and 3002(c)(1)

180. Plaintiff realleges paragraphs 1–179, inclusive, and by this reference incorporates the same as though fully set forth herein.

181. Plaintiff is informed and believes, and thereupon alleges, that beginning on or about July 8, 2013 and continuing until on or about July 9, 2013, defendants, and each of them, operated equipment connected to air pollution control equipment while the air pollution control equipment was not in full use because numerous baghouse filters in the West MAC Baghouse had burned, in violation of District Rules 203(b) and 3002(c)(1), and Section E, Condition 4, of Exide's Title V Permit.

PLAINTIFF'S TWELFTH CAUSE OF ACTION

FOR VIOLATIONS OF DISTRICT RULE 1420.1(d)(2)

182. Plaintiff realleges paragraph 1–181, inclusive, and by this reference incorporates the same as though fully set forth herein.

183. At all relevant times herein mentioned, District Rule 1420.1 required, and continues to require, that the owner or operator of a large lead-acid battery recycling facility shall not discharge emissions into the atmosphere that contribute to ambient air concentrations of lead that exceed 0.150 micrograms per cubic meter averaged over any 30 consecutive days. A copy of District Rule 1420.1 is attached hereto as Exhibit 6.

184. Plaintiff is informed and believes, and thereupon alleges, that from on or about the following dates to on or about the following dates, defendants, and each of them, discharged emissions into the atmosphere that contributed to ambient air concentrations of lead at its midway

monitor that exceeded 0.150 micrograms per cubic meter averaged over any 30 consecutive days, in violation of District Rule 1420.1(d)(2):

October 28, 2012 to November 3, 2012;

November 5, 2012 to November 6, 2012; and

November 9, 2012 to November 10, 2012.

185. Plaintiff is informed and believes, and thereupon alleges, that beginning on or about September 9, 2013, and continuing to on or about September 20, 2013, defendants, and each of them, discharged emissions into the atmosphere that contributed to ambient air concentrations of lead at its northeast monitor that exceeded 0.150 micrograms per cubic meter averaged over any 30 consecutive days, in violation of District Rule 1420.1(d)(2).

186. Plaintiff is informed and believes, and thereupon alleges, that beginning at some point in December 2013, and continuing until at least December 27, 2013, Exide's Facility had dried sediment exposed to the ambient air in its north yard that, based on information and belief, resulted at least in part from the use of a nearby sump pump without using proper housekeeping procedures. At another location in its north yard, Exide was using a tent intended to control lead dust emissions, but a mesh tarp that formed part of the tent had holes in it, which exposed the tent's contents to the ambient air. Based on information and belief, these problems led to the discharge of emissions into the atmosphere that contributed to ambient air concentrations of lead that exceeded 0.150 micrograms per cubic meter averaged over any 30 consecutive days.

187. On or about January 2, 2014, Exide began another phase of repairing and replacing the storm drain. During this work, which continued until at least January 9, 2014, Exide excavated, transported, and stored soil and asphalt capable of generating any amount of fugitive lead-dust. Based on information and belief, Exide knew that its recent use of the sump pump had resulted in dried sediment being exposed to the ambient air. Despite this knowledge, Exide again used a sump pump in a manner that, based on information and belief, resulted in dried sediment being exposed to the ambient air. Based on information and belief, this contributed to the discharge of emissions into the atmosphere that contributed to ambient air concentrations of lead that exceeded 0.150 micrograms per cubic meter averaged over any 30 consecutive days. Plaintiff is informed and

believes, and thereupon alleges, that beginning on or about January 3, 2014 and continuing to on or about January 9, 2014, defendants, and each of them, discharged emissions into the atmosphere that contributed to ambient air concentrations of lead at its on-site north monitor that exceeded 0.150 micrograms per cubic meter averaged over any 30 consecutive days, in violation of District Rule 1420.1(d)(2).

PLAINTIFF'S THIRTEENTH CAUSE OF ACTION

FOR VIOLATION OF DISTRICT RULE 1420.1(g)(4)

188. Plaintiff realleges paragraphs 1–187, inclusive, and by this reference incorporates the same as though fully set forth herein.

189. At all relevant times herein mentioned, District Rule 1420.1(g)(4) required, and continues to require that the owner or operator of a large lead-acid battery recycling facility shall implement measures in its approved Compliance Plan if lead emissions discharged from the facility contribute to ambient air concentrations of lead that exceed 0.150 micrograms per cubic meter averaged over any 30 consecutive days. Exide's approved Compliance Plan required that it reduce the amount charged to the reverberatory furnace by 15% of the daily average charged over the prior 90 days within 48 hours of receiving the sampling result showing that it exceeded 0.150 micrograms of lead per cubic meter averaged over any 30 consecutive days. A copy of District Rule 1420.1 is attached hereto as Exhibit 6.

190. Plaintiff is informed and believes, and thereupon alleges, that on or about September 20, 2013 defendant received a sampling result showing that it exceeded 0.150 micrograms of lead per cubic meter averaged over any 30 consecutive days at its on-site north monitor. Based on information and belief, despite receiving this sampling result, defendants, and each of them, failed to reduce the amount charged to the reverberatory furnace by 15% of the daily average charged over the prior 90 days on or about the following dates: September 22, 2013, September 24, 2013, September 26, 2013, September 27, 2013, September 28, 2013, September 29, 2013, October 1, 2013, and October 3, 2013, in violation of District Rule 1420.1(g)(4).

PLAINTIFF'S FOURTEENTH CAUSE OF ACTION

FOR VIOLATIONS OF DISTRICT RULES 3002(c)(1) and 3004(a)(4)(F)

191. Plaintiff realleges paragraphs 1–190, inclusive, and by this reference incorporates the same as though fully set forth herein.

192. Plaintiff is informed and believes, and thereupon alleges, that beginning on or about September 1, 2013 and continuing until on or about April 1, 2014, defendants, and each of them, failed to submit a Semi-Annual Monitoring Report for the first six months of 2013 that was due on August 31, 2013, in violation of District Rules 3002(c)(1) and 3004(a)(4)(F), and Section K, Provision 23, of Exide's Title V Permit.

PLAINTIFF'S FIFTEENTH CAUSE OF ACTION

FOR VIOLATIONS OF DISTRICT RULES 3002(c)(1) and 3004(a)(10)(E)

193. Plaintiff realleges paragraphs 1– 192, inclusive, and by this reference incorporates the same as though fully set forth herein.

194. Plaintiff is informed and believes, and thereupon alleges, that beginning on or about March 1, 2014 and continuing until on or about April 1, 2014, defendants, and each of them, failed to submit a Semi-Annual Monitoring Report for the last six months of 2013 that was due on February 28, 2014, in violation of District Rules 3002(c)(1) and 3004(a)(4)(F), and Section K, Provision 23, of Exide's Title V Permit.

PLAINTIFF'S SIXTEENTH CAUSE OF ACTION

FOR VIOLATIONS OF DISTRICT RULES 3002(c)(1) and 3004(a)(10)(E)

195. Plaintiff realleges paragraphs 1–194, inclusive, and by this reference incorporates the same as though fully set forth herein.

196. Plaintiff is informed and believes, and thereupon alleges, that beginning on or about March 2, 2014 and continuing until on or about April 1, 2014 defendants, and each of them, failed to submit an Annual Compliance Certification Report that was due March 1, 2014, in violation of District Rules 3002(c)(1) and 3004(a)(10)(E), and Section K, Provision 24, of Exide's Title V Permit.

PLAINTIFF'S SEVENTEENTH CAUSE OF ACTION

FOR VIOLATIONS OF DISTRICT RULE 1420.1(i)(1)

197. Plaintiff realleges paragraphs 1–196, inclusive, and by this reference incorporates the same as though fully set forth herein.

198. At all relevant times herein mentioned, District Rule 1420.1(i)(1) required, and continues to require that the owner or operator of a large lead-acid battery recycling facility shall conduct any maintenance activity in a negative air containment enclosure that is vented to a permitted negative air machine, and that encloses all affected areas where fugitive lead-dust generation potential exists. Rule 1420.1(c)(17)(c) defines "maintenance activity" as including the "replacement of any duct section used to convey lead-containing exhaust." A copy of District Rule 1420.1 is attached hereto as Exhibit 6.

199. On or about March 21 and 22, 2014, Exide performed maintenance on the Reverb Furnace's A-Pipe, which is a section of duct used to convey lead-containing exhaust. Exide's maintenance work included hammering the A-Pipe to dislodge chunks of debris, and cutting the A-Pipe into several pieces. The District had informed Exide that it had recent lead violations of Rule 1420.1(d)(1) that were caused in part by failing to follow the proper housekeeping protocols necessary to prevent fugitive lead emissions. Despite being so informed, Exide performed this work on the A-Pipe without using a negative air containment enclosure that encloses all affected areas where fugitive lead-dust generation potential exists, and that is vented to a permitted negative air machine, in violation of Rule 1420.1(i)(1). Based on information and belief, this failure led to the discharge of emissions into the atmosphere that contributed to ambient air concentrations of lead that exceeded 0.150 micrograms per cubic meter averaged over any 30 consecutive days.

PLAINTIFF'S EIGHTEENTH CAUSE OF ACTION

FOR VIOLATIONS OF DISTRICT RULE 1420.1(d)(2)

200. Plaintiff realleges paragraphs 1–199, inclusive, and by this reference incorporates the same as though fully set forth herein.

201. Plaintiff is informed and believes, and thereupon alleges, that beginning on or about March 21, 2014, and continuing to on or about April 19, 2014, defendants, and each of them,

discharged emissions into the atmosphere that contributed to ambient air concentrations of lead at its northeast monitor that exceeded 0.150 micrograms per cubic meter averaged over any 30 consecutive days, in violation of District Rule 1420.1(d)(2).

PLAINTIFF'S NINETEENTH CAUSE OF ACTION

FOR NEGLIGENT EMISSIONS OF AIR CONTAMINANTS IN VIOLATION OF DISTRICT RULES 203(b), 1407(d)(5), 3002(c)(1) AND HEALTH AND SAFETY CODE SECTION 42402.1(a)

202. Plaintiff realleges paragraphs 1–201, inclusive, and by this reference incorporates the same as though fully set forth herein.

203. Plaintiff is informed and believes, and based thereon alleges, that defendants, and each of them, failed to use good operating practices and negligently emitted arsenic into the atmosphere, in violation of District Rule 1407(d)(5) and Health and Safety Code Section 42402.1(a).

204. Plaintiff is informed and believes, and based thereon alleges, that defendants operated equipment in a manner that failed to ensure the equipment's proper operation, and operated equipment while it was vented to air pollution control equipment that was not in full use, which resulted in the negligent emission of arsenic into the atmosphere, and negligently emitted arsenic into the atmosphere in violation of District Rules 203(b) and 3002(c)(1), Permit Conditions 2 and 4 of Section E of Exide's Title V permit, and Health and Safety Code Section 42402.1(a).

PLAINTIFF'S TWENTIETH CAUSE OF ACTION

FOR KNOWING EMISSIONS OF AIR CONTAMINANTS IN VIOLATION OF DISTRICT RULES 203(b), 1407(d)(5), 3002(c)(1) AND HEALTH AND SAFETY CODE SECTION 42402.2(a)

205. Plaintiff realleges paragraphs 1–204, inclusive, and by this reference incorporates the same as though fully set forth herein.

206. Plaintiff is informed and believes, and based thereon alleges, that defendants' failure to use good operating practices resulted in arsenic emissions into the atmosphere, and that defendants, and each of them, knew of these emissions and failed to take corrective action within a

reasonable period of time, in violation of District Rule 1407(d)(5), and Health and Safety Code Section 42402.2(a).

207. Plaintiff is informed and believes, and based thereon alleges, that defendants operated equipment in a manner that failed to ensure the equipment's proper operation, and operated equipment while it was venting to air pollution control equipment that was not in full use, which resulted in arsenic emissions into the atmosphere, and that defendants, and each of them, knew of these emissions and failed to take corrective action within a reasonable period of time, in violation of District Rules 203(b) and 3002(c)(1), Permit Conditions 2 and 4 of Section E of Exide's Title V permit, and Health and Safety Code Section 42402.2(a).

PLAINTIFF'S TWENTY-FIRST CAUSE OF ACTION

FOR WILLFUL AND INTENTIONAL EMISSIONS OF AIR CONTAMINANTS IN VIOLATION OF DISTRICT RULES 203(b), 1407(d)(5), 3002(c)(1) AND HEALTH AND SAFETY CODE SECTION 42402.3(a)

208. Plaintiff realleges paragraphs 1–207, inclusive, and by this reference incorporates the same as though fully set forth herein.

209. Plaintiff is informed and believes, and based thereon alleges, that defendants willfully and intentionally failed to use good operating practices, which resulted in arsenic emissions into the atmosphere, in violation of District Rule 1407(d)(5), and Health and Safety Code Section 42402.3(a).

210. Plaintiff is informed and believes, and based thereon alleges, that defendants willfully and intentionally operated equipment in a manner that failed to ensure the equipment's proper operation, and willfully and intentionally operated equipment while it was venting to air pollution control equipment that was not in full use, which resulted in arsenic emissions into the atmosphere, in violation of District Rules 203(b) and 3002(c)(1), Permit Conditions 2 and 4 of Section E of Exide's Title V permit, and Health and Safety Code Section 42402.3(a).

PLAINTIFF'S TWENTY-SECOND CAUSE OF ACTION FOR NEGLIGENT EMISSIONS OF AIR CONTAMINANTS IN VIOLATION OF DISTRICT RULES 203(b), 1420.1(d)(3), (e)(1)(B), (h)(2), (h)(6), and (h)(7), 3002(c)(1) AND HEALTH AND SAFETY CODE SECTION 42402.1(a)

211. Plaintiff realleges paragraphs 1–210, inclusive, and by this reference incorporates the same as though fully set forth herein.

212. Plaintiff is informed and believes, and based thereon alleges, that defendants, and each of them, stored lead-contaminated plastic chips inside leaking van trailers and negligently emitted lead into the atmosphere, in violation of District Rules 203(b) 1420.1(d)(3), (e)(1)(B), (h)(2) and (h)(6), and 3002(c)(1), Permit Condition 2 of Exide's 1420 Compliance Plan of Section I of Exide's Title V permit, Permit Condition 3.1 of Exide's 1420.1 Compliance Plan of Section I of Exide's Title V permit, and Health and Safety Code Section 42402.1(a);

213. Plaintiff is informed and believes, and based thereon alleges, that defendants, and each of them, transported lead-contaminated plastic chips inside leaking van trailers and negligently emitted lead into the atmosphere, in violation of District Rules 203(b), 1420.1(h)(7), and 3002(c)(1), Permit Condition 6 of Exide's 1420 Compliance Plan of Section I of Exide's Title V permit, and Health and Safety Code Section 42402.1(a).

PLAINTIFF'S TWENTY-THIRD CAUSE OF ACTION FOR KNOWING EMISSIONS OF AIR CONTAMINANTS IN VIOLATION OF DISTRICT RULES 203(b), 1420.1(d)(3), (e)(1)(B), (h)(2), (h)(6), and (h)(7), 3002(c)(1) AND HEALTH AND SAFETY CODE SECTION 42402.2(a)

214. Plaintiff realleges paragraphs 1–213, inclusive, and by this reference incorporates the same as though fully set forth herein.

215. Plaintiff is informed and believes, and based thereon alleges, that defendants' storage of lead-contaminated plastic chips inside leaking van trailers resulted in lead emissions into the atmosphere, and that defendants, and each of them, knew of these emissions and failed to take corrective action within a reasonable period of time, in violation of District Rules 203(b) 1420.1(d)(3), (e)(1)(B), (h)(2) and (h)(6), and 3002(c)(1), Permit Condition 2 of Exide's 1420

Compliance Plan of Section I of Exide's Title V permit, Permit Condition 3.1 of Exide's 1420.1 Compliance Plan of Section I of Exide's Title V permit, and Health and Safety Code Section 42402.2(a).

216. Plaintiff is informed and believes, and based thereon alleges, that defendants' transportation of lead-contaminated plastic chips inside leaking van trailers resulted in lead emissions into the atmosphere, and that defendants, and each of them, knew of these emissions and failed to take corrective action within a reasonable period of time, in violation of District Rules 203(b), 1420.1(h)(7), and 3002(c)(1), Permit Condition 6 of Exide's 1420 Compliance Plan of Section I of Exide's Title V permit, and Health and Safety Code Section 42402.2(a).

PLAINTIFF'S TWENTY-FOURTH CAUSE OF ACTION FOR WILLFUL AND INTENTIONAL EMISSIONS OF AIR CONTAMINANTS IN VIOLATION OF DISTRICT RULES 203(b), 1420.1(d)(3), (e)(1)(B), (h)(2), (h)(6), and (h)(7), 3002(c)(1) AND HEALTH AND SAFETY CODE SECTION 42402.3(a)

217. Plaintiff realleges paragraphs 1– 216, inclusive, and by this reference incorporates the same as though fully set forth herein.

218. Plaintiff is informed and believes, and based thereon alleges, that defendants willfully and intentionally stored lead-contaminated plastic chips inside leaking van trailers, which resulted in lead emissions into the atmosphere, in violation of District Rules 203(b) 1420.1(d)(3), (e)(1)(B), (h)(2) and (h)(6), and 3002(c)(1), Permit Condition 2 of Exide's 1420 Compliance Plan of Section I of Exide's Title V permit, Permit Condition 3.1 of Exide's 1420.1 Compliance Plan of Section I of Exide's Title V permit and Health and Safety Code Section 42402.3(a).

219. Plaintiff is informed and believes, and based thereon alleges, that defendants willfully and intentionally transported lead-contaminated plastic chips inside leaking van trailers, which resulted in lead emissions into the atmosphere, in violation of in violation of District Rules 203(b), 1420.1(h)(7), and 3002(c)(1), Permit Condition 6 of Exide's 1420 Compliance Plan of Section I of Exide's Title V permit, and Health and Safety Code Section 42402.3(a).

PLAINTIFF'S TWENTY-FIFTH CAUSE OF ACTION FOR NEGLIGENT EMISSIONS OF AIR CONTAMINANTS IN VIOLATION OF DISTRICT RULE 1420.1(d)(2) AND HEALTH AND SAFETY CODE SECTION 42402.1(a)

220. Plaintiff realleges paragraphs 1–219, inclusive, and by this reference incorporates the same as though fully set forth herein.

221. Plaintiff is informed and believes, and based thereon alleges, that defendants, and each of them, negligently discharged emissions into the atmosphere that contributed to ambient air concentrations of lead that exceeded 0.150 micrograms per cubic meter averaged over any 30 consecutive days, in violation of District Rule 1420.1(d)(2), and Health and Safety Code Section 42402.1(a).

PLAINTIFF'S TWENTY-SIXTH CAUSE OF ACTION FOR KNOWING EMISSIONS OF AIR CONTAMINANTS IN VIOLATION OF DISTRICT RULE 1420.1(d)(2) AND HEALTH AND SAFETY CODE SECTION 42402.2(a)

222. Plaintiff realleges paragraphs 1–221, inclusive, and by this reference incorporates the same as though fully set forth herein.

223. Plaintiff is informed and believes, and based thereon alleges, that defendants, and each of them, discharged emissions into the atmosphere that contributed to ambient air concentrations of lead that exceeded 0.150 micrograms per cubic meter averaged over any 30 consecutive days, and that defendants knew of these emissions and failed to take corrective action within a reasonable period of time, in violation of District Rule 1420.1(d)(2), and Health and Safety Code Section 42402.2(a).

PLAINTIFF'S TWENTY-SEVENTH CAUSE OF ACTION FOR WILLFUL AND INTENTIONAL EMISSIONS OF AIR CONTAMINANTS IN VIOLATION OF DISTRICT RULE 1420.1(d)(2) AND HEALTH AND SAFETY CODE SECTION 42402.3(a)

224. Plaintiff realleges paragraphs 1–223, inclusive, and by this reference incorporates the same as though fully set forth herein.

225. Plaintiff is informed and believes, and based thereon alleges, that defendants, and each of them, willfully and intentionally discharged emissions into the atmosphere that contributed to ambient air concentrations of lead that exceeded 0.150 micrograms per cubic meter averaged over any 30 consecutive days, in violation of District Rule 1420.1(d)(2), and Health and Safety Code Section 42402.3(a).

WHEREFORE, Plaintiff prays for judgment against defendants as follows:

ON PLAINTIFF'S FIRST THROUGH EIGHTEENTH CAUSES OF ACTION

1. For civil penalties as prescribed in Health and Safety Code Section 42402 in the amount of Ten Thousand Dollars ($10,000.00) for each and every day of violation, for a sum according to proof;

ON PLAINTIFF'S NINETEENTH, TWENTY-SECOND AND TWENTY-FIFTH CAUSES OF ACTION

2. For civil penalties as prescribed in Health and Safety Code Section 42402.1(a) in the amount of Twenty-Five Thousand Dollars ($25,000.00) for each and every day of violation, for a sum according to proof;

ON PLAINTIFF'S TWENTIETH, TWENTY-THIRD AND TWENTY-SIXTH CAUSES OF ACTION

3. For civil penalties as prescribed in Health and Safety Code Section 42402.2(a) in the amount of Forty Thousand Dollars ($40,000.00) for each and every day of violation, for a sum according to proof;

ON PLAINTIFF'S TWENTY-FIRST, TWENTY-FOURTH AND TWENTY-SEVENTH CAUSES OF ACTION

4. For civil penalties as prescribed in Health and Safety Code Section 42402.3(a) in the amount of Seventy-Five Thousand Dollars ($75,000.00) for each and every day of violation, for a sum according to proof;

ON PLAINTIFF'S FIRST THROUGH TWENTY-SEVENTH CAUSES OF ACTION

5. A permanent injunction, issued pursuant to Health and Safety Code Section 41513, requiring defendants, and each of them, to comply with the Health and Safety Code Sections and District Rules that defendants, and each of them, are alleged to have violated.

6. For costs of suit incurred herein including, but not limited to, plaintiff's costs of inspection, investigation, attorneys' fees, enforcement, prosecution, and suit herein;

7. For civil penalties in the sum of no less than $80,000,000;

8. For such other and further relief as the Court deems just and proper.

DATED: May 27, 2015

OFFICE OF THE GENERAL COUNSEL
SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
KURT WIESE
BAYRON T. GILCHRIST

PAUL HASTINGS LLP
THOMAS P. O'BRIEN
KATHERINE F. MURRAY

By: _____
Katherine F. Murray

Attorneys for Plaintiff
PEOPLE OF THE STATE OF CALIFORNIA, ex rel SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT

DEMAND FOR JURY TRIAL

Plaintiff requests a trial by jury on all issues of fact or law so triable.

DATED: May 27, 2015

OFFICE OF THE GENERAL COUNSEL
SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
KURT WIESE
BAYRON T. GILCHRIST

PAUL HASTINGS LLP
THOMAS P. O'BRIEN
KATHERINE F. MURRAY

By: _____
Katherine F. Murray

Attorneys for Plaintiff
PEOPLE OF THE STATE OF CALIFORNIA, ex rel SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT

EXHIBIT "1"

NON-PROSECUTION AGREEMENT

INTRODUCTION

1. Exide Technologies, 13000 Deerfield Parkway, Suite 200, Milton, Georgia ("Exide"), by its undersigned officer and through its attorneys, Sheppard Mullin Richter and Hamilton LLP, and the United States Attorney's Office for the Central District of California ("the USAO") hereby enter into this Non-Prosecution Agreement ("the Agreement"). The Agreement shall be in effect for ten years from the date it is fully executed, provided, however, that the effectiveness of the Agreement is contingent in all respects—including without limitation the admissions set forth herein—on (i) bankruptcy court approval of Exide's entry into the Agreement; (ii) confirmation of Exide's plan of reorganization in *In re Exide Technologies*, U.S. Bankruptcy Court for the District of Delaware Case No. 13-11482; and (iii) the occurrence of the effective date of Exide's plan of reorganization in *In re Exide Technologies*, U.S. Bankruptcy Court for the District of Delaware Case No. 13-11482. If (i)-(iii) above do not occur, the Agreement is null and void.

2. This Agreement is limited to the USAO and cannot bind any other federal, state, or local prosecuting, administrative or regulatory authorities.

NON-PROSECUTION

3. The USAO agrees that if Exide is in full compliance with the material obligations under this Agreement, then the USAO will not prosecute Exide or any of Exide's officers, directors, or employees during the ten year term of the Agreement or thereafter for any alleged violations of federal criminal laws related to the conduct described in the Statement of Admissions and Facts attached hereto as Appendix 1, the Statute of Limitations Tolling Agreement attached hereto as Appendix 5, or any other conduct for which Exide was or had been under investigation by the USAO as of the effective date of the Agreement. This Agreement is intended to resolve the USAO's grand jury investigation of Exide.

ADMISSIONS AND ACCEPTANCE OF RESPONSIBILITY FOR VIOLATIONS

4. Upon satisfaction of the contingencies in paragraph 1, above, Exide admits that it committed the felony violations set forth in the Statement of Admissions and Facts attached hereto, and incorporated herein, as Appendix 1. Exide accepts and acknowledges responsibility for such criminal conduct. In the event that the USAO determines that Exide has breached this Agreement, and a decision is made by the USAO to proceed with a criminal prosecution of Exide, Exide agrees that the Statement of Admissions and Facts are admissible against it at any subsequent trial or district court proceeding. In the event that the USAO determines that there has been a breach of this Agreement, the USAO will give Exide notice and 30 days to cure.

5. Exide agrees that it shall not publicly deny any admission or statement of fact contained in the Statement of Admissions and Facts. The decision of whether any statement by any agent or employee of Exide contradicting a fact contained in the Statement of Admissions and Facts will be imputed to Exide for the purpose of determining whether Exide has breached this Agreement shall be in the sole and reasonable discretion of the USAO. Upon the USAO's notification to Exide's counsel, Sheppard Mullin Richter and Hamilton LLP, of a public statement by any agent or employee of Exide, that in whole or in part publicly denies a statement of fact contained in the Statement of Admissions and Facts, Exide may avoid breach of this Agreement by publicly repudiating such statement within 48 hours after notification by the USAO. Nothing herein is intended to or shall prevent Exide from defending itself in legal proceedings and/or administrative actions involving any third party or prevent any Exide employee or agent from making any statements in any third party legal proceedings and/or administrative actions.

CLOSURE OF THE RECYCLING FACILITY IN THE CITY OF VERNON

6. Exide is the owner and operator of a lead-acid battery recycling facility located at 2700 South Indiana Street, Vernon, California ("the Facility").

7. The Facility has been operated by Exide since it purchased its predecessor, GNB Technologies Inc., in 2000. The property on which the Facility is located has been operated as a secondary lead and/or metal recycling operation on a nearly-continual basis since 1922.

8. This Agreement requires Exide to immediately and permanently cease recycling operations at the Facility. Exide agrees to close the Facility and to demolish, deconstruct, and remove all Facility structures, equipment, and appurtenances, and to correct and remediate any surface, subsurface, and groundwater contamination, in accordance with the terms of the "Closure and Clean-up Agreements" and "Closure/Post-Closure Plan" (as defined below).

CORRECTIVE AND REMEDIAL ACTION

9. Exide has entered into several agreements with the State of California, Department of Toxic Substances Control ("DTSC") regarding Facility closure and post-closure requirements, and requirements for the assessment, correction, and remediation of both on-site and off-site environmental contamination. These agreements are hereinafter referred to as the "Closure and Clean-up Agreements," and include the following documents, along with their appendices, exhibits, and necessarily incorporated reference documents:

a. The 2002 Corrective Action Consent Order, Docket No. P3-01/02-010, attached hereto, and incorporated herein, as Appendix 2;

b. The 2013 Stipulation and Order, Docket HWCA P3-12/13-010 OAH No. 2013050540, attached hereto, and incorporated herein, as Appendix 3; and

c. The 2014 Stipulation and Order, Docket HWCA No. 2014-6489, attached hereto, and incorporated herein, as Appendix 4.

10. Exide shall cease operations at the Facility and shall close the Facility in accordance with the requirements of the Closure and Clean-up Agreements and the "Closure/Post-Closure Plan" submitted to DTSC on October 1, 2014 as part of its Hazardous Waste Permit Application or amendments thereof.

11. Exide shall comply with the terms of the Closure and Clean-up Agreements. In addition, in lieu of making the 2015 and 2016 anniversary payments to the Residential Off-Site Corrective Action Trust Fund on the schedule set forth in paragraph 10 of the 2014 Stipulation and Order, Exide shall make a single payment of $3,000,000 to the Residential Off-Site Corrective Action Trust Fund within 30 days after the effective date of Exide's plan of reorganization in *In re Exide Technologies*, U.S. Bankruptcy Court for the District of Delaware Case No. 13-11482. Such payment shall satisfy Exide's obligation to make the 2015 and 2016 payments.

12. During the effective period of this Agreement, Exide shall prepare and submit to the USAO, on or before January 15th and July 15th of each year, a biannual report that summarizes the closure and clean-up findings, activities, and progress, as required by Paragraphs 9, 10, and 11, that were conducted and obtained during the preceding six month period, including, among other things, (1) the addresses, locations, and results of any sampling and laboratory analyses relating to the affected properties, (2) the completion of any remediation on those properties, (3) the disposition of any wastes and materials removed from those properties, and (4) any related activities planned for the next six month reporting period. The USAO reserves the right to release and disseminate the annual report to affected population groups, regulatory agencies, and political subdivisions.

BLOOD TESTING FOR LOCAL POPULATION

13. Exide agrees to pay for periodic blood lead and arsenic level monitoring, as defined and directed by the Los Angeles County Department of Public Health, for the local population surrounding the Facility. The term "local population" is defined as those individuals residing within the Northern and Southern Residential Assessment Areas and the Expanded Northern and Southern Residential Assessment Areas, as those areas are defined in the written

description set forth below, and as further described and defined in the maps attached hereto, and incorporated herein, as Appendix 6: Expanded Northern Residential Assessment Area – north of Noakes, west of Marianna St. to E. 5th St/LanFranco west to Pomona Freeway southwest to Euclid south to 8th St. east to Grande Vista south to Olympic east to Los Palos south to Union Pacific east to Herbert south to Noakes east to Marianna. Expanded Southern Residential Assessment Area – south of Fruitland east of Downey to the LA River to Heliotrope Ave south to 61st west to Riverside south to Gage Ave west to Cedar north to Randolph east to Downey north to Fruitland. This obligation shall continue for a period of five years from the date this Agreement is executed.

14. Exide agrees to pay for and cause the dissemination of public notifications once per annum, on or about January 15th of each year during the five year effective period of this requirement, advising and notifying the local population that such blood tests are available free-of-charge.

TOLLING OF STATUTE OF LIMITATIONS

15. Exide agrees to toll all applicable statutes of limitations for alleged criminal violations occurring within the Central District of California arising under various federal environmental crimes statutes and the attendant regulations, including the federal Resource Conservation and Recovery Act, Title 42, United States Code, Sections 6901 et seq., the federal Hazardous Materials Transportation Act, Title 49, United States Code, Sections 5101 et seq., the federal Clean Air Act, Title 42, United States Code, Sections 7401, et seq., the federal Clean Water Act, Title 33, United States Code, Sections 1251, et seq., and Title 18, United States Code, Sections 2, 371, and 1001, during the time period that this Agreement is in effect. The tolling agreement is attached hereto and incorporated by reference herein as Appendix 5.

SUCCESSOR LIABILITY

16. The Agreement shall apply to and be binding upon Exide and its successors and assigns. Exide shall disclose the terms and conditions of the Agreement to all employees, consultants or independent contractors who are assigned or engaged to assist Exide in complying with its obligations and duties hereunder.

PUBLIC DISSEMINATION OF AGREEMENT

17. This Agreement is a public document. The parties agree that it may be disclosed by the USAO to the media or public at the sole discretion of the USAO. Exide agrees that it shall not disclose the Agreement to any party, except as follows:

a. Exide is required to disclose the Agreement to any party by the Bankruptcy Court, the terms and obligations of its Chapter 11 reorganization, or any term of obligation of any agreement entered into pursuant to the reorganization, or to effectuate the reorganization; or

b. The USAO has previously disclosed the Agreement to the media or public.

NO ADDITIONAL AGREEMENTS

18. Except as expressly set forth herein, there are no additional promises, understandings or agreements between the USAO on the one hand, and Exide on the other, concerning any other criminal prosecution, civil litigation or administrative proceeding relating to any other federal, state or local charges that may now be pending or hereafter be brought against Exide. Nor may any additional agreement, understanding or condition relating to the conduct described in the Statement of Admissions and Facts, attached hereto as Appendix 1, be entered into unless in writing and signed by all parties.

AGREED AND ACCEPTED

UNITED STATES ATTORNEY'S OFFICE
FOR THE CENTRAL DISTRICT OF CALIFORNIA

STEPHANIE YONEKURA
Acting United States Attorney

JOSEPH O. JOHNS
Assistant United States Attorney
Chief, Environmental Crimes Section

3/11/15
Date

I have read this Agreement, and carefully reviewed every part of it with the attorneys for Exide Technologies. I understand it, and I voluntarily agree to it on behalf of Exide Technologies. As the representative of Exide Technologies, I represent that I have authority to act for and on behalf of the corporation. Further, I have consulted with the corporation's attorneys and fully understand the corporation's rights that may apply to this matter. No other promises or inducements have been made to the corporation, other than those set forth in this Agreement. In addition, no one has threatened or forced me or any member of the corporation in any way to enter into this Agreement. Finally, I am satisfied with the representation of the corporation's attorneys in this matter.

Robert M. Caruso

ROBERT M. CARUSO, solely in his capacity as President and Chief Executive Officer EXIDE TECHNOLOGIES

3/11/15
Date

We are the attorneys for Exide Technologies. We have carefully reviewed every part of this Agreement with Robert M. Caruso, President and Chief Executive Officer of Exide Technologies, who to my knowledge has authority to act for and on behalf of the corporation. To my knowledge, the corporation's decision to enter into this Agreement is an informed and voluntary one.

CHARLES L .KREINDLER
Sheppard Mullin Richter and Hampton LLP
Attorneys for Exide Technologies

3/11/15
Date

APPENDIX 1

APPENDIX 1

STATEMENT OF ADMISSIONS AND FACT

A. Factual Background and History of Exide and the Facility

The Exide Facility is located at 2700 South Indiana Street in the City of Vernon, California. The property occupies a total area of approximately 15 acres, which is bounded by East 26th Street towards the north and Bandini Boulevard towards the south. The Facility is an operating battery recycling facility and is characteristic of the heavy industrial nature of the immediate, surrounding land uses. The outskirts of the industrial area surrounding the Facility are bounded by the Boyle Heights residential area to the north and the Maywood residential area to the south. The site has been operated as a secondary lead and/or metal recycling operation on a nearly-continual basis since 1922. The Facility generates hazardous wastes, including corrosive fluids and waste containing metals such as lead, cadmium, arsenic, antimony, zinc, and chromium. Other compounds emitted pursuant to permits at the site include semi-volatile organic compounds, and aromatic and halogenated volatile organic compounds such as benzene, ethyl benzene, and trichloroethylene. The generation, management, storage, treatment, and release of hazardous wastes and pollutants are regulated and permitted by several agencies, including the California Department of Toxic Substances Control and the South Coast Air Quality Management District.

B. Allegations Regarding Lead in Blood Impacts

Lead is a soft, heavy metal. Lead enters the body by two paths, inhalation or ingestion. With respect to lead in blood, the USAO alleges that: (1) children under the age of six are known to ingest more lead than adults because of the normal hand-to-mouth behavior of young children; (2) the most common manner by which children ingest lead is by placing objects that have lead-contaminated soil or dust on them in their mouths; and (3) there is no known safe level of lead in human blood. During the early 1990s, the United States Centers for Disease Control and Prevention determined that nearly 1,000,000 children within the United States had levels of lead in their blood stream high enough to cause irreversible damage to their health.

C. Admissions Regarding Felony Violations

The Facility is designed to receive and recycle lead-acid batteries into their basic, constituent parts – lead and plastic. At peak operation, the Facility receives approximately 40,000 batteries per day, which are initially crushed and broken apart in a hammer mill. During this process, the batteries are separated into three primary components streams: acid, lead, and plastic. The lead is reprocessed and smelted to produce a lead product that can be reused to

manufacture new lead-acid batteries. The plastic is rinsed, loaded into van trailers, and transported to an off-site facility for reprocessing into new, resin-coated plastic pellets which can be used to manufacture new lead-acid batteries and other consumer products. The acid is neutralized and treated on-site.

Illegal Storage of Hazardous Waste

Exide admits that it knowingly stored corrosive and lead-contaminated hazardous waste inside leaking van trailers, owned by Wiley Sanders Truck Line, Inc., parked at the Facility. Exide admits that it illegally stored such hazardous waste a significant number of times over the past two decades, in violation of federal law. Each incident could be charged as a felony violation of the federal Resource Conservation and Recovery Act, Title 42, United States Code, Section 6928(d)(2), with a maximum corporate fine of up to $500,000 per incident.

Illegal Disposal of Hazardous Waste

Exide admits that it knowingly caused the disposal of corrosive and lead-contaminated hazardous waste by allowing it to leak from van trailers owned by Wiley Sanders Truck Line, Inc., which were parked at the Facility. Exide admits that it allowed such disposal to occur a significant number of times over the past two decades, in violation of federal law. Each incident could be charged as a felony violation of the federal Resource Conservation and Recovery Act, Title 42, United States Code, Section 6928(d)(2), with a maximum corporate fine of up to $500,000 per incident.

Illegal Shipment of Hazardous Waste in Leaking Trailers

Exide admits that it knowingly and willfully caused the shipment of hazardous waste contaminated with lead and corrosive acid in leaking van trailers owned by Wiley Sanders Truck Line, Inc. and operated by Lutrel Trucking, Inc. and KW Plastics of California, Inc., from the Facility to Bakersfield, California, a significant number of times over the past two decades, in violation of federal law. Each incident could be charged as a felony violation of the federal Hazardous Materials Transportation Act, Title 49, United States Code, Section 5124, with a maximum corporate fine of up to $500,000 per incident.

Illegal Transportation of Hazardous Waste to an Unpermitted Facility

Exide admits that it knowingly caused the transportation of hazardous waste contaminated with corrosive acid to a facility in Bakersfield, California, namely, KW Plastics of California, Inc., that was not permitted by the State of California, Department of Toxic

Substances Control to receive corrosive hazardous wastes. Exide admits that it caused these illegal transportations of hazardous waste a significant number of times over the past two decades, in violation of federal law. Each incident could be charged as a felony violation of the federal Resource Conservation and Recovery Act, Title 42, United States Code, Section 6928(d)(1), with a maximum corporate fine of up to $500,000 per incident.

D. Exide Costs Associated with the Non-Prosecution Agreement

The direct costs of Exide's compliance with the terms and conditions of this Agreement are estimated by the parties to be between approximately $108,000,000 and approximately $133,000,000 . Facility closure and clean-up costs, including contamination in the Northern and Southern Residential Assessment Areas, is presently estimated to be approximately $50,000,000. Recycling of lead-acid batteries at the Facility generates cost savings for Exide for the raw goods that it uses to manufacture lead-acid batteries (for sale to retail consumers), including metallic lead and plastic needed to mold battery cases. The parties estimate that closure of the Facility will cost Exide between $15,000,000 and $38,000,000 on an annualized basis for the cost of metallic lead and case plastic that must otherwise be purchased from other market sources. Exide also acknowledges that it has invested approximately $35,000,000 since 2010, to upgrade and improve pollution control technology at the Facility. As a result of this Agreement, Exide must demolish and deconstruct such upgrades as part of its permanent closure of the Facility. In addition, Exide acknowledges that compliance with this Agreement will cost an additional $8,000,000 to $10,000,000 for other Facility closure related costs.

APPENDIX 5

APPENDIX 5

STATUTE OF LIMITATIONS TOLLING AGREEMENT

The parties herein, Exide Technologies, 13000 Deerfield Parkway, Suite 200, Milton, Georgia ("Exide"), by its undersigned officer and through its attorneys, Sheppard Mullin Richter and Hamilton LLP, and the United States Attorney's Office for the Central District of California ("the USAO"), hereby enter into this into this Statute of Limitations Tolling Agreement ("the Tolling Agreement") for the purpose of supporting and implementing the Non-Prosecution Agreement attached hereto. It is the intent of the parties to effectively waive and toll the applicable statute of limitations for the investigation and potential criminal violations described below for a period of ten calendar years from the date that the Non-Prosecution Agreement is signed and executed by all parties thereto ("the effective date of the Non-Prosecution Agreement").

WHEREAS:

A. Exide has been advised by the USAO that it is the target of a federal investigation into alleged criminal violations occurring within the Central District of California arising under various federal environmental crimes statutes and the attendant regulations, including the federal Resource Conservation and Recovery Act, Title 42, United States Code, Sections 6901 et seq., the federal Hazardous Materials Transportation Act, Title 49, United States Code, Sections 5101 et seq., the federal Clean Air Act, Title 42, United States Code, Sections 7401, et seq., the federal Clean Water Act, Title 33, United States Code, Sections 1251, et seq., and Title 18, United States Code, Sections 2, 371, and 1001.

B. It is the intention and understanding of Exide and the Government that the ten year period following the effective date of the Non-Prosecution Agreement shall be tolled and excluded from any calculation of time for purposes of (a) any applicable statute of limitations

under the laws of the United States for the violations listed in Paragraph A, and (b) any constitutional, statutory or other claim concerning pre-indictment delay, relating to any federal criminal violations listed in Paragraph A brought by the Government against Exide.

C. Exide has been advised by its counsel of the nature of the potential charges, and has been expressly advised that the Government contends that the statute of limitations set forth in 18 U.S.C. § 3282 for the offenses that could be charged against Exide, as referred to in Paragraph A, is five years from the date of the occurrence of the alleged violations. This agreement does not affect Exide's right to bring any other motion or raise any other defense, including but not limited to any motion or defense based on the Government's failure to bring any charges against Exide prior to the effective date of the Non-Prosecution Agreement. Exide understands that the effective result of this Tolling Agreement is to waive and exclude a total period of ten calendar years from the effective date of the Non-Prosecution Agreement for the purpose of calculating the applicable statute of limitations for the potential criminal violations described herein.

D. Exide has thoroughly discussed this Agreement with Exide's attorney and knowingly and voluntarily chooses to enter into this Agreement.

NOW, THEREFORE,

In mutual considerations of their undertakings herein, and subject to the conditions hereof, the parties agree as follows:

1. Exide, through its undersigned representative, hereby agrees that the period beginning on the effective date of the Non-Prosecution Agreement, and terminating at 5:00 p.m. on the date exactly ten calendar years from that effective date, shall be tolled and excluded from any calculation of time with respect to criminal violations which would otherwise become barred by any statute of limitations applicable to the statutes described in Paragraph A above.

2. This Agreement shall not be construed as a waiver of any right or defense that Exide may have to any of the criminal violations alleged in this Tolling Agreement and listed in the Non-Prosecution Agreement.

3. The act of entering into this Tolling Agreement, by itself, does not constitute an admission by Exide of any wrongdoing; it has been entered into for the sole purpose of supporting and implementing the attached Non-Prosecution Agreement with the government.

STEPHANIE YONEKURA
Acting United States Attorney

JOSEPH O. JOHNS
Assistant United States Attorney
Chief, Environmental Crimes Section

3/11/15
Date

I have read this Agreement, and carefully reviewed every part of it with the attorneys for Exide Technologies. I understand it, and I voluntarily agree to it on behalf of Exide Technologies. As the representative of Exide Technologies, I represent that I have authority to act for and on behalf of the corporation. Further, I have consulted with the corporation's attorneys and fully understand the corporation's rights that may apply to this matter. No other promises or inducements have been made to the corporation, other than those set forth in this Tolling Agreement. In addition, no one has threatened or forced me or any member of the corporation in any way to enter into this Tolling Agreement. Finally, I am satisfied with the representation of the corporation's attorneys in this matter.

ROBERT M. CARUSO, solely in his capacity as
President and Chief Executive Officer
EXIDE TECHNOLOGIES

3/11/15
Date

We are the attorneys for Exide Technologies. We have carefully reviewed every part of this Tolling Agreement with Robert M. Caruso, President and Chief Executive Officer of Exide Technologies, who to my knowledge has authority to act for and on behalf of the corporation. To my knowledge, the corporation's decision to enter into this Tolling Agreement is an informed and voluntary one.

CHARLES L. KREINDLER
Sheppard Mullin Richter and Hampton LLP
Attorneys for Exide Technologies

3/11/15
Date

EXHIBIT "2"

(Adopted July 8, 1994)

RULE 1407. CONTROL OF EMISSIONS OF ARSENIC, CADMIUM AND NICKEL FROM NON-FERROUS METAL MELTING OPERATIONS

(a) Purpose

The purpose of this rule is to reduce emissions of arsenic, cadmium, and nickel from non-ferrous metal melting operations.

(b) Applicability

This rule applies to all persons who own or operate non-ferrous metal melting operation(s), including but not limited to, smelters (primary and secondary), foundries, die-casters, coating processes (galvanizing and tinning) and other miscellaneous processes such as dip soldering, brazing and aluminum powder production.

For the purpose of this rule, the following definitions shall apply:

(1) ALUMINUM AND ALUMINUM-BASED ALLOY is any metal that is at least 80 percent aluminum by weight.

(2) CLEAN ALUMINUM SCRAP is scrap that is composed solely of aluminum or aluminum alloys (including anodized aluminum) and that is free of paints, oils, greases, coatings, rubber, or plastics.

(3) COPPER OR COPPER BASED ALLOY is any metal that is more than 50 percent copper by weight, including, but not limited to, brass and bronze.

(4) DISTRICT is the South Coast Air Quality Management District.

(5) DUST FORMING MATERIAL is any material containing more than 15 percent by weight of particulate matter less than 0.84 millimeter (mm) equivalent diameter as determined by ASTM C136-84a "Standards for Sieve Analysis of Fine and Coarse Aggregates" using a Number 20 U.S. Bureau of Standards sieve with 0.84-mm square openings or an alternate method deemed acceptable by the Executive Officer or his designee.

(6) EMISSION COLLECTION SYSTEM is any equipment installed for the purpose of directing, taking in, confining, and conveying an air contaminant, and which conforms to design and operation specifications given in the most current edition of Industrial Ventilation, Guidelines and Recommended Practices, published by the American Conference of

Government and Industrial Hygienists (20th Edition or thereafter) at the time a complete permit application is on file with the District.

(7) EMISSION POINT is any location where molten metal is or can be exposed to air, including, but not limited to, furnaces, crucibles, refining kettles, ladles, tap holes, pouring spouts, and slag channels. A mold or die in which metal is cooling is not considered an emission point.

(8) ENCLOSED STORAGE AREA is any space used to contain materials that has a wall or partition on at least three sides or three-quarters of its circumference and that screens the materials stored therein to prevent emissions of the material to the air.

(9) FACILITY is any real or personal property which is located on one or more contiguous or adjacent parcels of property in actual contact or separated solely by a public roadway or other public right-of-way and is owned or operated by the same person or person(s), corporation, government agency, public district, public officer, association, joint venture, partnership, or any combination of such entities.

(10) FUGITIVE EMISSIONS are emissions from sources that enter the atmosphere without passing through a stack or vent designed to direct or control their flow or that escape from a properly designed and operated emission collection systems. Fugitive emissions broadly include emissions from process or open sources. Process sources include, but are not limited to, emissions from storage and handling of materials such as baghouse dust. Open sources include, but are not limited to, emissions from entrainment of solid particulates by the forces of wind or machinery acting on exposed sources such as dust settled from charging and tapping of metallurgical furnaces.

(11) FUGITIVE EMISSIONS CONTROL is any equipment, activity, or process that is utilized to reduce fugitive emissions.

(12) GOOD OPERATING PRACTICES are any specific activities necessary to maintain the collection and control efficiencies as designed and permitted for. These activities include, but are not limited to, verifying operating specifications such as production throughput, temperature control, cleaning cycles, air flow and velocity, and inspecting equipment, such as filter cartridges or bags in a baghouse, pressure gauges, duct work, blowers and components of the control equipment, through a general maintenance and inspection program.

(13) HARD LEAD is any alloy containing at least 90 percent lead and more than 0.001 percent arsenic by weight or 0.001 percent cadmium by weight.

(14) MOLTEN METAL is metal or metal alloy in a liquid state, in which a cohesive mass of metal will flow under atmospheric pressure and take the shape of a container in which it is placed.

(15) METAL MELTING FURNACE is any apparatus in which metal in a container is brought to a liquid state including, but not limited to, reverberatory, cupola, induction, direct arc furnaces, sweat furnaces, and refining kettles, regardless of the heating mechanism. METAL MELTING FURNACE does not include any apparatus in which the metal is heated but does not reach a molten state, such as a sintering furnace or an annealing furnace.

(16) NEW SAND is any sand not exposed to the casting process.

(17) NON-FERROUS METAL is any metal that contains aluminium, arsenic, cadmium, copper, lead, zinc or their alloys.

(18) PARTICULATE MATTER OR PM is any material, except uncombined water, which exists in a finely divided form at standard conditions of temperature and pressure (293° K and 760 mm mercury).

(19) FINE PARTICULATE MATTER or PM_{10} is any material, except uncombined water, which exists in a finely divided form, less than 10 microns in size, at standard conditions of temperature and pressure (293° K and 760 mm mercury).

(20) PARTICULATE MATTER CONTROL SYSTEM is any device or series of devices designed and operated in a manner intended to remove or reduce fine particulate matter (<10 um) from an air or gas stream.

(21) PERSON is any firm, business establishment, association, partnership, corporation or individual, whether acting as principal, agent, employee or other capacity, including any governmental entity or charitable organization as defined in Health and Safety Code Section 39047.

(22) PROCESS EMISSION CONTROL is any equipment installed and operated to control emissions of toxic metals from any emission point.

(23) PURE LEAD is any alloy that is at least 90 percent lead and contains no more than 0.001 percent cadmium by weight and no more than 0.001 percent arsenic by weight.

(24) RINGLEMANN CHART is the Ringlemann Chart published in the United States review of Mine Information Circular No. 1C8333, (May 1967), as specified in Health and Safety Code Section 41701 (b).

(25) RERUN SCRAP is any material that includes sprues, gates, risers, foundry returns, and similar material intended for remelting that has been generated at the facility as a consequence of casting or forming process but has not been coated or surfaced with any material containing cadmium, arsenic, or nickel.

(26) SCRAP is any metal or metal-containing material that has been discarded or removed from the use for which it was produced or manufactured and which is intended for reprocessing. This does not include rerun scrap.

(27) SOLDER is any metal in which the sum of the lead and tin content is greater than 50 percent by weight and which is used to join two metals or join a metal to any other material.

(28) TYPE METAL is any lead-based alloy used for Linotype machines.

(d) Requirements

Any person who owns or operates a non-ferrous metal melting facility shall be in compliance with all the requirements specified in subdivisions (d) and (e), no later than July 6, 1996.

(1) All emission points shall be vented to an emission collection system designed and operated in accordance with the manufacturer specifications, which was submitted in the permit application to the District, and the conditions specified in the issued permit.

(2) The gas stream from any emission collection system shall be ducted to a control device which shall reduce the particulate emissions by 99 percent or more by weight.

(3) The temperature of the gas stream entering any particulate matter control device that is part of the emission collection system shall not exceed 360 degrees Fahrenheit, unless it can be demonstrated and is approved in writing by the District, that a control efficiency of 99 percent or more for arsenic and cadmium will be achieved at a higher temperature.

(4) The control efficiency of the particulate control device shall be determined by a source test conducted in accordance with SCAQMD Method 5.2 - Determination of Particulate Matter Emissions From Stationary Sources Using Heated Probe and Filter. An alternate test method to Method 5.2

may be used if it is approved by the Executive Officer or his designee and the Executive Officer or his designee of the California Air Resources Board. The control efficiency shall be calculated using the following equation:

$$\frac{C_{in} - C_{out}}{C_{in}} \times 100 = \% \text{ emission reduction}$$

Where: C_{in} = mass of particulate matter at the inlet to the control device

C_{out} = mass of particulate matter at the outlet of the control device

Mass = sum of filter catch, probe catch, impinger catch, and solvent extract

The Executive Officer or his designee may require additional source testing periodically to verify continued compliance or when the process is changed.

(5) Good operating practices shall be used by the facility, and demonstrated through a maintenance program and the use of measuring devices, or other procedures approved by the District, to maintain air movement and emission collection efficiency by the system consistent with the design criteria for the system.

(A) Maintenance Program

The maintenance program shall specify at a minimum the following:

(i) Maximum allowable variation from designed values of operating parameters, such as air velocity in the hood and ducts and pressure drop across the control device.

(ii) Areas to be visually inspected, such as the clean side of the baghouse and ducts operating under positive pressure, and the required frequency of such inspections.

(iii) Methods of documenting compliance with these requirements, such as a log of such inspections and records of observations and measurements.

(B) Measuring Devices

(i) Flow Meter

Flow meter(s) shall be installed in the collection system to indicate the air velocity in the duct leading to or from the control device.

(ii) Pressure Gauge

A magnehelic or a light sensitive gauge shall be installed to indicate the pressure drop. This gauge should have a high and low setting for the pressure drop and should trigger an alarm system when the high or low set points are exceeded or the cleaning cycle when the high set point is reached.

(iii) Broken Bag Detector

A broken bag detector with an alarm system shall be installed in the dry filter control device to sound an alarm, if there are broken or damaged filter media or leaks in the baghouse.

(iv) Temperature Gauge

A thermocouple and a temperature controller to monitor the temperature to the inlet of the control device shall be installed.

(e) Fugitive Emission Control

(1) No activity associated with non-ferrous metal melting at a facility, including furnace operation, casting, emission control system operation, and the storage, handling, or transfer of any materials (except new sand), shall discharge into the air any air contaminant, other than uncombined water vapor, for a period aggregating more than three minutes in any one hour which is:

(A) Half as dark or darker in shade as that designated as Number 1 on the Ringlemann Chart, as published by the United States Bureau of Mines, or

(B) Of such opacity so as to obscure an observer's view to a degree equal to or greater than smoke as described in subparagraph (e)(1)(A) or 10 percent opacity.

(2) Dust-forming material including, but not limited to, dross, ash, or feed material, shall be stored in an enclosed storage area or stored in a manner which meets the requirements of paragraph (e)(1).

(3) Material collected by a particulate matter control system shall be discharged into closed containers or an enclosed system that is completely sealed to prevent any dust emissions.

(4) Surfaces that are subjected to vehicular or foot traffic shall be vacuumed, wet mopped, or otherwise maintained in accordance with a District approved housekeeping plan, which shall be submitted as part of the compliance plan.

(f) Compliance Schedule

(1) All facilities subject to this rule, including those seeking an exemption pursuant to paragraph (i)(1) and/or (i)(2), shall submit a compliance plan no later than January 6, 1995, to show how they will comply with all the applicable provisions of the rule or to demonstrate proof of exemption.

The compliance plan shall, at a minimum, contain the following information:

(A) how the exemptions (i)(1) and/or (i)(2) may apply;

(B) how the control measure or proposed alternate control measure, (h), will meet the requirements of (d)(1) through (d)(4);

(C) how the maintenance program measures for the control device will ensure continuous compliance; and,

(D) how the housekeeping measures will minimize fugitive emissions.

Those seeking exemptions pursuant to (i)(3) through (i)(6), may submit in writing a letter, instead of a compliance plan, to the District, providing proof of exemption.

(2) Facilities required to install or modify control equipment pursuant to this rule shall submit permit to construct application(s) by no later than July 6, 1995, and shall comply with the rule no later than July 6, 1996.

(g) Recordkeeping

(1) Facilities subject to subdivision (d) shall maintain on site for a period of two years, and make available to the District upon request, a record of the results of any source testing required by the District to demonstrate that the particulate matter control device(s) are operating as required by paragraph (d)(2).

(2) Facilities seeking an exemption under paragraphs (i)(1) and/or (i)(2) or (i)(3) shall maintain for two years records of the amount and type of metal processed in those furnaces including results of analyses as required to support exemption under paragraph (i)(2). These records shall be made available to the District upon request.

(h) Alternative Emission Control

The District may approve an alternative emission control measure proposed by a facility if the facility operator can demonstrate to the satisfaction of the Executive Officer or his designee that the alternative control measure is enforceable, achieves equivalent or greater reductions in emissions and risk, and achieves the reduction within the same time period as required by this rule. The Executive Officer or his designee shall revoke this approval if the facility operator fails to adequately implement the alternative approach or the alternative approach does not reduce emissions as required.

(i) Exemptions

(1) Small Quantity Exemptions.

A facility shall be exempt from subdivisions (d) and (e), if they meet either one of the following conditions:

(A) The facility melts a total of no more than one ton per year of all non-ferrous metals,

or

(B) For facilities melting solely metals listed in Table I, [not including any metal or alloy that meets the purity exemption of paragraph (i)(2)], the eligibility for exemption shall be determined using the following formula:

$$A/A_0 + B/B_0 + C/C_0 + \ldots\ldots <= 1$$

Where A, B, C, ..., are quantities of Table I metals melted and A_0, B_0, C_0, ..., are the exemption limits listed in Table I.

(i) For each metal listed in Table I, divide the quantity melted by the specific exemption limit listed.

(ii) Sum the resulting fractions for all the metals.

(iii) If the sum does not exceed 1.0, the facility qualifies for exemption under paragraph (i)(1).

Table I

Exemption Limits For Metal Melted

Metal	Exemption Limit (tons per year)
Pure Lead	400
Hard Lead	200
Aluminum Scrap	125
Aluminum Ingot containing more than 0.004 percent cadmium or 0.002 percent arsenic by weight	125
Solder	100
Zinc Scrap	30
Copper or copper-based alloys (except scrap) containing more than 0.004 percent cadmium or 0.002 percent arsenic by weight	30
Type Metal	25

(2) Metal or Alloy Purity Exemption

Facilities or furnaces which do not melt scrap except clean aluminum scrap or rerun scrap and which melt a metal or alloy (other than metals listed in Table I) which is shown by laboratory analysis to have less than 0.004 percent of cadmium and less than 0.002 percent of arsenic by weight are exempt from subdivisions (d) and (e).

(3) Clean Aluminum Scrap

Furnaces used exclusively to process clean aluminum scrap or a mixture of clean aluminum scrap and aluminum ingot to produce extrusion billet are exempt from paragraphs (d)(1) through (d)(5).

(4) Aluminum Scrap Furnaces

The combustion chamber in a reverberatory furnace is exempt from the requirements of paragraphs (d)(1) through (d)(5) if the furnace meets the following conditions:

(A) The furnace is used solely to melt aluminum and aluminum based alloys; and,

(B) The furnace is constructed with a charging well or similar device in which feed is added to molten metal in a separate chamber.

(5) Aluminum Pouring Exemption

Ladles, launders or other equipment used to convey aluminum from a melting or holding furnace to casting equipment is exempt from the requirements of paragraphs (d)(1) through (d)(5).

(6) Rule 1420 - Emissions of Lead

Facilities that emit lead and who have demonstrated 99 percent or greater control efficiency for particulate matter or 98 percent or greater for lead pursuant to the requirement of Rule 1420 paragraph (e)(2), shall be exempt from the requirement of paragraph (d)(2) provided:

(A) The source test method used meets the requirement of paragraph (d)(4) for particulate matter or SCAQMD Method 12.1 for lead; and,

(B) The inlet temperature to the control device meets the requirement of paragraph (d)(3).

(7) Control Devices for Fugitive Emissions

Devices used solely to control fugitive emissions are exempt from the requirements of (d)(1) through (d)(5).

(j) Applicable Material Testing Methods

One of the following methods as identified in paragraphs (j)(1) through (j)(7) or an alternate method deemed acceptable by the Executive Officer or his designee shall be used. Sampling for these methods shall comply with ASTM E 88-58 (1986), "Standard Practice for Sampling Nonferrous Metals and Alloys in Cast Form for Determination of Chemical Composition."

(1) To determine the composition of alloys defined in paragraph (c) (1) and to determine the cadmium content of aluminum alloys to evaluate eligibility for exemption under paragraph (i) (2), one of the following methods shall be used:

(A) ASTM E 227-67 (1982), "Standard Method for Optical Emission Spectrometric Analysis of Aluminum and Aluminum Alloys by the Point-to-Plane Technique."

(B) ASTM E 607-90, "Standard Method for Optical Emission Spectrometric Analysis of Aluminum and Aluminum Alloys by the Point-to-Plane Technique, Nitrogen Atmosphere;" or

(C) ASTM E 1251-88, "Standard Method for Optical Emission Spectrometric Analysis of Aluminum and Aluminum Alloys by the Argon Atmosphere, Point-to-Plane Unipolar Self-Initiating Capacitor Discharge."

(2) To determine alloy composition as defined in paragraphs (c)(13) and (c)(23), ASTM E 117-64 (1985) "Standard Method for Spectrographic Analysis of Pig Lead by the Point-to-Plane Technique" shall be used.

(3) To determine alloy composition as defined in paragraph (c)(26), ASTM E 46-87 "Test Method for Chemical Analysis of Lead and Tin-Base Solder" shall be used.

(4) To determine cadmium concentration in zinc and zinc alloys to evaluate eligibility for exemption under paragraph (i)(2), ASTM E 536-84 (1988), "Standard Test Method for Chemical Analysis of Zinc and Zinc Alloys" shall be used.

(5) To determine cadmium concentration in copper and copper based alloys to evaluate eligibility for exemption under paragraph (i)(2), ASTM E 53-86a "Standard Test Method for Chemical Analysis of Copper" shall be used.

(6) To determine arsenic concentration in copper or copper based alloys to evaluate eligibility for exemption under paragraph (i)(2), ASTM E 62-89, "Standard Test Method for Chemical Analysis of Copper and Copper Alloys" shall be used.

(7) To determine arsenic content in aluminium or zinc (or any other alloy in which determination or arsenic by spectrochemical methods is compromised by interference) to evaluate eligibility for exemption under paragraph (i)(2), US-EPA Method 7061 (Revision 1, December, 1987), "Arsenic (Atomic Absorption, Gaseous Hydride)," U.S. EPA Test Methods for Evaluating Solid Waste Physical and Chemical Methods, First Update (3rd Edition), January, 1988; EPA/530/SW-846.3-1; PB 89-14876 shall be used. For aluminum alloys, sample digestion shall employ the hydroxide digestion technique listed in Attachment A.

ATTACHMENT A
Digestion of Metal Aluminum Sample for Determining Arsenic

1. Introduction:

   Metal aluminum cannot react with nitric acid or concentrated sulfuric acid. It can dissolve in dilute sulfuric acid or hydrochloric acid. Active hydrogen, generated during the acid digestion process, will reduce arsenic to AsH_3, which will escape from solution, resulting in a low or negative arsenic value. The proposed method sets up a protocol to dissolve metal alumina without loss of arsenic.

2. Reagent:

   3M NaOH, 10% $HgSO_4$ Solution, 30% H_2O_2

   1:1 H_2SO_4, Concentrated HNO_3, Tiling Copper.

3. Procedure:

   3.1. Dissolve

   3.1.1 Dissolve using NaOH (Method 1).

   Weigh 0.5 g of metal aluminum sample to a 125 ml Erlenmeyer flask, add 15 ml of 3M NaOH solution, allow to react and dissolve about 20 minutes. Again add 10 ml of 3M NaOH, continue reaction until no gas bubbles are present and the sample is dissolved completely.

   3.1.2 Dissolve using $HgSO_4$ (Method 2).

   Weigh 0.5 g of metal aluminum sample to a 125 ml Erlenmeyer flask, add 10 ml of 10% $HgSO_4$ solution and 5 ml of 30% H_2O_2. After 20 minutes, add appropriate amount of $HgSO_4$. Allow reaction to continue until no gas bubbles are present. Add metal copper strips (large surface area) into the sample solution. After 10 minutes, withdraw the copper strips and add new copper strips. Repeat until the surface of copper strips in sample solution do not change to a silver color. Withdraw all copper strips from sample solution.

   3.2 Digestion

   Add 3 ml of concentrated HNO_3, 5 ml of 1:1 H_2SO_4 into the sample solution obtained from 3.1.1 or 3.1.2. Heat slowly and evaporate the sample solution until SO_3 fumes are present for 5 minutes. Cool and dilute the sample to 50.0 ml. Determine Arsenic by Atomic Absorption method.

EXHIBIT "3"

(Adopted January 9, 1976)(Amended January 5, 1990)(Amended December 3, 2004)

RULE 203. PERMIT TO OPERATE

(a) A person shall not operate or use any equipment or agricultural permit unit, the use of which may cause the issuance of air contaminants, or the use of which may reduce or control the issuance of air contaminants, without first obtaining a written permit to operate from the Executive Officer or except as provided in Rule 202.

(b) The equipment or agricultural permit unit shall not be operated contrary to the conditions specified in the permit to operate.

EXHIBIT “4”

(Adopted October 8, 1993)(Amended August 11, 1995)
(Amended November 14, 1997)(Amended November 5, 2010)

RULE 3002. REQUIREMENTS

(a) Requirement for Title V Permit

(1) A person shall not construct, modify, relocate, or operate a Title V facility, or equipment located at a Title V facility, without first obtaining a Title V permit or permit revision that allows such construction, modification, relocation or operation, except for:

(A) Equipment exempted from permitting requirements pursuant to Rule 219 - Equipment Not Requiring a Written Permit Pursuant to Regulation II;

(B) Operation of equipment or a facility pursuant to the application shield provisions of subdivision (b) of this rule; and,

(C) Construction, modification, relocation and operation of equipment or a facility authorized by a non-Title V permit issued by the Executive Officer. The Executive Officer may issue a non-Title V permit to existing Phase One or Phase Two facilities that apply for a non-Title V permit prior to the issuance of their initial Title V permit.

(2) On and after January 2, 2011, applicable requirements for greenhouse gases shall be included in Title V permits for any facility that is otherwise required, after that date, to obtain a new, renewed, or revised Title V permit pursuant to paragraph (a)(1) of this rule.

(3) On and after July 1, 2011, any facility with a potential to emit ≥ 100,000 tpy CO_2e, on a CO_2e basis (Global Warming Potential applied) and a Potential to Emit GHGs > 100 tpy GHGs on a mass basis (no Global Warming Potential applied) shall apply for a Title V permit within 180 days after July 1, 2011, unless a Title V permit has already been applied for, and all GHG requirements that are applicable requirements (as defined in Rule 3000 (b)(4)) shall be included in the permit.

(4) On and after July 1, 2011, any new or modified facility with a Potential to Emit increase of ≥ 100,000 tpy CO_2e shall be subject to the requirements specified in paragraph (a)(1) of this rule.

(b) Application Shield

Notwithstanding subdivision (a) of this rule, it is not a violation of this rule to operate a Title V facility or equipment located at a Title V facility without a Title V permit, provided that:

(1) A timely and complete application for initial Title V permit issuance or Title V permit renewal for such facility or equipment has been filed with the Executive Officer; and,

(2) The Executive Officer has not taken final action on the application.

For the purpose of an application shield, a timely and complete application is one that has been submitted in accordance with subdivisions (a) and (c) of Rule 3003. The application shield shall not apply if the permit applicant has failed to submit information required pursuant to subdivision (d) of this rule.

(c) Duty to Comply

(1) A person shall construct and operate a Title V facility and all equipment located at a Title V facility in compliance with all terms, requirements, and conditions specified in the Title V permit at all times.

(2) Any non-compliance with a Title V facility permit term, requirement, or condition is a violation of Regulation XXX and is a violation of the federal Clean Air Act if the permit term, requirement or condition is federally enforceable. Each day during any portion of which a violation occurs is a separate offense. Any non-compliance shall be grounds for:

(A) enforcement action (under the California Health & Safety Code and the federal Clean Air Act);

(B) permit termination;

(C) permit revocation and reissuance;

(D) permit revision; and

(E) denial of a permit renewal or revision application.

(3) It shall not be a defense for a person in any of the actions listed in paragraph (c)(2) of this rule that it would have been necessary to halt or reduce the permitted activity in order to maintain compliance with the conditions of the permit, except as provided for in subdivision (g) of Rule 3002.

(4) A permit may be revised, revoked, reopened and reissued, or terminated for cause as provided in Rule 3004 - Permit Types and Content, and Rule 3005 - Permit Revisions. The filing of a request by the holder of a Title V

permit, for a permit revision, revocation and reissuance, or termination, or of a notification of planned changes or anticipated non-compliance does not stay any permit condition.

(d) Duty to Provide Timely Information

An applicant for, or holder of, a Title V permit shall furnish to the Executive Officer within a reasonable time, as specified by the Executive Officer in writing, any information that the Executive Officer requests in writing to process a permit application or to determine whether cause exists for revising, revoking and reissuing, or terminating the permit, or to determine compliance with the permit.

(e) Duty to Provide Records

A holder of a Title V permit shall furnish to the Executive Officer within a reasonable time, as specified by the Executive Officer in writing, copies of records that are required, by the permit, to be kept. Copies of information claimed to be confidential shall be submitted in a form segregated from other information, conspicuously marked "confidential" on each page, with a concise identification of the basis for the claim.

(f) Duty to Pay Fees

(1) The applicant for, or holder of, a Title V permit shall pay all required fees as specified in Regulation III - Permit Fees.

(2) Failure to pay fees in compliance with paragraph (f)(1) of this rule shall be grounds for permit expiration or revocation of the subject permit(s).

(g) Emergency Provisions

An emergency shall constitute an affirmative defense to an action brought for non-compliance with a technology-based limitation if all of the following conditions are met:

(1) Properly signed, contemporaneous operating logs or other credible evidence that demonstrates compliance with this subdivision are kept at the facility;

(2) The owner/operator of a Title V facility demonstrates that an emergency occurred and that the permit holder can identify the cause(s) of the emergency;

(3) During the period of the emergency, the facility permit holder took all reasonable steps to minimize levels of emissions that exceeded the emission standards, or other requirements in the permit;

(4) The owner/operator of a Title V facility submitted a written notice of the emergency to the District within two working days of the time when emission limitations were exceeded due to the emergency. This notice shall contain a description of the emergency, any steps taken to mitigate emissions, and corrective actions taken;

(5) The permitted facility was being operated properly (i.e., operated and maintained in accordance with the manufacturer's specifications, and in compliance with all regulatory requirements or a compliance plan) before the emergency; and

(6) The facility complies with the breakdown provision of Rule 430 - Breakdown Provisions, or subdivision (i) of Rule 2004 - Requirements, whichever is applicable.

In any enforcement proceeding, the facility permit holder seeking to establish the occurrence of an emergency shall have the burden of proof.

EXHIBIT "5"

South Coast Air Quality Management District
21865 Copley Drive, Diamond Bar, CA 91765-4178

Title Page	
Facility ID:	124838
Revision #:	32
Date:	August 09, 2013

FACILITY PERMIT TO OPERATE

EXIDE TECHNOLOGIES
2700 S INDIANA ST
VERNON, CA 90058

NOTICE

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

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

Barry R. Wallerstein, D. Env
EXECUTIVE OFFICER

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

South Coast Air Quality Management District
21865 Copley Drive, Diamond Bar, CA 91765-4178

Table of Content
Facility ID: 124838
Revision #: 32
Date: August 09, 2013

FACILITY PERMIT TO OPERATE
EXIDE TECHNOLOGIES

TABLE OF CONTENTS

FACILITY PERMIT TO OPERATE
EXIDE TECHNOLOGIES

SECTION D: FACILITY DESCRIPTION AND EQUIPMENT SPECIFIC CONDITIONS

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

[Devices subject to this condition : D97]

C1.2 The operator shall limit the material processed to no more than 178.32 ton(s) in any one day.

For the purpose of this condition, material processed shall be defined as the total weight of all materials charged to the cupola furnace. This condition shall not apply to baghouse dust generated on-site.

[**RULE 1303(b)(2)-Offset, 5-10-1996;** RULE 1401, 12-7-1990]

[Devices subject to this condition : D128]

C1.3 The operator shall limit the material processed to no more than 439.2 ton(s) in any one day.

For the purpose of this condition, material processed shall be defined as the total weight of all materials charged to the reverberatory furnace. This total weight shall be the same as the total weight of all materials charged to the rotary dryer furnace.

[**RULE 1303(b)(2)-Offset, 5-10-1996;** RULE 1401, 12-7-1990]

[Devices subject to this condition : D119]

C1.4 The operator shall limit the material processed to no more than 21.5 ton(s) in any one day.

For the purpose of this condition, material processed shall be defined as the combined total amount of carbon coke and "additional plastic and rubber" charged to the reverberatory furnace. For the purpose of this condition, "additional plastic and rubber" shall be defined as the amount of plastic and rubber material which is capable of being separated by the raw material preparation system.

[**RULE 1303(b)(2)-Offset, 5-10-1996;** RULE 1401, 12-7-1990]

FACILITY PERMIT TO OPERATE
EXIDE TECHNOLOGIES

SECTION E: ADMINISTRATIVE CONDITIONS

The operating conditions in this section shall apply to all permitted equipment at this facility unless superseded by condition(s) listed elsewhere in this permit.

1. The permit shall remain effective unless this permit is suspended, revoked, modified, reissued, denied, or it is expired for nonpayment of permit processing or annual operating fees. [201, 203, 209, 301]
   a. The permit must be renewed annually by paying annual operating fees, and the permit shall expire if annual operating fees are not paid pursuant to requirements of Rule 301(d). [301(d)]
   b. The Permit to Construct listed in Section H shall expire one year from the Permit to Construct issuance date, unless a Permit to Construct extension has been granted by the Executive Officer or unless the equipment has been constructed and the operator has notified the Executive Officer prior to the operation of the equipment, in which case the Permit to Construct serves as a temporary Permit to Operate. [202, 205]
   c. The Title V permit shall expire as specified under Section K of the Title V permit. The permit expiration date of the Title V facility permit does not supercede the requirements of Rule 205. [205, 3004]
2. The operator shall maintain all equipment in such a manner that ensures proper operation of the equipment. [204]
3. This permit does not authorize the emissions of air contaminants in excess of those allowed by Division 26 of the Health and Safety Code of the State of California or the Rules and Regulations of the AQMD. This permit cannot be considered as permission to violate existing laws, ordinances, regulations, or statutes of other governmental agencies. [204]
4. The operator shall not use equipment identified in this facility permit as being connected to air pollution control equipment unless they are so vented to the identified air pollution control equipment which is in full use and which has been included in this permit. [204]

FACILITY PERMIT TO OPERATE
EXIDE TECHNOLOGIES

SECTION E: ADMINISTRATIVE CONDITIONS

5. The operator shall not use any equipment having air pollution control device(s) incorporated within the equipment unless the air pollution control device is in full operation. [204]

6. The operator shall maintain records to demonstrate compliance with rules or permit conditions that limit equipment operating parameters, or the type or quantity of material processed. These records shall be made available to AQMD personnel upon request and be maintained for at least: [204]

   a. Three years for a facility not subject to Title V; or

   b. Five years for a facility subject to Title V.

7. The operator shall maintain and operate all equipment to ensure compliance with all emission limits as specified in this facility permit. Compliance with emission limits shall be determined according to the following specifications, unless otherwise specified by AQMD rules or permit conditions: [204]

   a. For internal combustion engines and gas turbines, measured concentrations shall be corrected to 15 percent stack-gas oxygen content on a dry basis and be averaged over a period of 15 consecutive minutes; [1110.2, 1134, 204]

   b. For other combustion devices, measured concentrations shall be corrected to 3 percent stack-gas oxygen content on a dry basis and be averaged over a period of 15 consecutive minutes; [1146, 1146.1, 204]

   c. For a large NOx source, compliance with a RECLAIM concentration limit shall be measured over a continuous 60 minutes for that source; [2012]

   d. For non-combustion sources, compliance with emission limits shall be determined and averaged over a period of 60 minutes; [204]

FACILITY PERMIT TO OPERATE
EXIDE TECHNOLOGIES

SECTION E: ADMINISTRATIVE CONDITIONS

e. For the purpose of determining compliance with Rule 407, carbon monoxide (CO) shall be measured on a dry basis and be averaged over 15 consecutive minutes, and sulfur compounds which would exist as liquid or gas at standard conditions shall be calculated as sulfur dioxide (SO2) and be averaged over 15 consecutive minutes; [407]

f. For the purpose of determining compliance with Rule 409, combustion contaminant emission measurements shall be corrected to 12 percent of carbon dioxide (CO2) at standard conditions and averaged over 15 consecutive minutes. [409]

g. For the purpose of determining compliance with Rule 475, combustion contaminant emission measurements shall be corrected to 3 percent of oxygen (O2) at standard conditions and averaged over 15 consecutive minutes or any other averaging time specified by the Executive Officer. [475]

8. All equipment operating under the RECLAIM program shall comply concurrently with all provisions of AQMD Rules and Regulations, except those listed in Table 1 of Rule 2001 for NOx RECLAIM sources and Table 2 of Rule 2001 for SOx RECLAIM sources. Those provisions listed in Tables 1 or 2 shall not apply to NOx or SOx emissions after the date the facility has demonstrated compliance with all monitoring and reporting requirements of Rules 2011 or 2012, as applicable. Provisions of the listed AQMD rules in Tables 1 or 2 which have initial implementation dates in 1994 shall not apply to a RECLAIM NOx or SOx source, respectively. [2001]

9. The operator shall, when a source test is required by AQMD, provide a source test protocol to AQMD no later than 60 days before the proposed test date. The test shall not commence until the protocol is approved by AQMD. The test protocol shall contain the following information: [204, 304]

a. Brief description of the equipment tested.

FACILITY PERMIT TO OPERATE
EXIDE TECHNOLOGIES

SECTION E: ADMINISTRATIVE CONDITIONS

b. Brief process description, including maximum and normal operating temperatures, pressures, through-put, etc.

c. Operating conditions under which the test will be performed.

d. Method of measuring operating parameters, such as fuel rate and process weight. Process schematic diagram showing the ports and sampling locations, including the dimensions of the ducts/stacks at the sampling locations, and distances of flow disturbances, (e,g. elbows, tees, fans, dampers) from the sampling locations (upstream and downstream).

e. Brief description of sampling and analytical methods used to measure each pollutant, temperature, flow rates, and moisture.

f. Description of calibration and quality assurance procedures.

g. Determination that the testing laboratory qualifies as an "independent testing laboratory" under Rule 304 (no conflict of interest).

10. The operator shall submit a report no later than 60 days after conducting a source test, unless otherwise required by AQMD Rules or equipment-specific conditions. The report shall contain the following information: [204]

a. The results of the source test.

b. Brief description of the equipment tested.

c. Operating conditions under which test will be performed.

d. Method of measuring operating parameters, such as fuel rate and process weight. Process schematic diagram showing the ports and sampling locations, including the dimensions of the ducts/stacks at the sampling locations, and distances of flow disturbances, (e.g. elbows, tees, fans, dampers) from the sampling locations (upstream and downstream).

e. Field and laboratory data forms, strip charts and analyses.

FACILITY PERMIT TO OPERATE
EXIDE TECHNOLOGIES

SECTION E: ADMINISTRATIVE CONDITIONS

f. Calculations for volumetric flow rates, emission rates, control efficiency, and overall control efficiency.

11. The operator shall, when a source test is required, provide and maintain facilities for sampling and testing. These facilities shall comply with the requirements of AQMD Source Test Method 1.1 and 1.2. [217]

12. Whenever required to submit a written report, notification or other submittal to the Executive Officer, AQMD, or the District, the operator shall mail or deliver the material to: Deputy Executive Officer, Engineering and Compliance, AQMD, 21865 E. Copley Drive, Diamond Bar, CA 91765-4182. [204]

FACILITY PERMIT TO OPERATE
EXIDE TECHNOLOGIES

SECTION I: PLANS AND SCHEDULES

This section lists all plans approved by AQMD for the purposes of meeting the requirements of applicable AQMD rules specified below. The operator shall comply with all conditions specified in the approval of these plans, with the following exceptions:

a. The operator does not have to comply with NOx or SOx emission limits from rules identified in Table 1 or Table 2 of Rule 2001(j) which become effective after December 31, 1993.

b. The operator does not have to comply with NOx or SOx emission limits from rules identified in Table 1 or Table 2 of Rule 2001(j) after the facility has received final certification of all monitoring and reporting requirements specified in Section F and Section G.

Documents pertaining to the plan applications listed below are available for public review at AQMD Headquarters. Any changes to plan applications will require permit modification in accordance with Title V permit revision procedures.

List of approved plans:

Application	Rule
374185	1407
466858	3003
481923	1420
530090	1420.1

NOTE: This section does not list compliance schedules pursuant to the requirements of Regulation XXX - Title V Permits; Rule 3004(a)(10)(C). For equipment subject to a variance, order for abatement, or alternative operating condition granted pursuant to Rule 518.2, equipment specific conditions are added to the equipment in Section D or H of the permit.

South Coast
Air Quality Management District
21865 Copley Drive, Diamond Bar, CA 91765-4178
(909) 396-2000 • www.aqmd.gov

May 7, 2008

Mr. Jack London
Exide Technologies
2700 South Indiana Street:
Los Angeles, CA 90023

Reference: Application No. 481923:

Approval of the Rule 1420 Compliance Plan for Facility ID # 124838

Dear Mr. London:

The South Coast Air Quality Management District (AQMD) has completed review of all information relating to your compliance plan submitted pursuant to Rule 1420 – Emissions Standard for Lead, for the above-described facility. This plan letter supersedes the plan letter previously issued under Application No. 374177. This amended Rule 1420 Compliance Plan is granted approval subject to the following conditions:

1. Effective immediately upon receipt of their approved amended Rule 1420 Compliance Plan, Exide Technologies shall take steps to cleanup all fugitive lead-dust pursuant to AQMD Rule 1420(c)(5) – Emissions Standard for Lead, Definitions, Fugitive Lead Dust Emissions, where the dust forming materials at the emission source has a lead content of 0.5 percent by weight or more as determined by EPA-approved methods. Areas where cleanup activities shall occur include but are not limited to:

   - Plant roadways including all vehicular and foot traffic areas
   - Plant adjacent public sidewalks and roadways
   - Raw Materials Preparation Storage Area (Battery Breaker Area)
   - Reverberatory Furnace Feed Room
   - Materials Storage and Handling Areas
   - Furnace Areas Including:
     a. Reverberatory Furnace Area
     b. Blast (Cupola) Furnace Area
     c. Refining Pots/Kettles and Casting Area
   - All building rooftops as identified in Attachment No.1

- Storage pile areas and any other areas (including those that are directly open to atmosphere or those that are only partially enclosed) where lead or lead-containing wastes that are generated from housekeeping activities is stored, disposed of, recovered or recycled. This condition does not include lead-containing wastes that are in fully enclosed buildings that are maintained under negative pressure as described in Condition No. 16.

Cleanup activities of these and other areas shall be completed no later than sixty (60) days from the date of receipt of the approved Rule 1420 Compliance Plan amendment. This condition does not include lead-containing wastes that are in fully enclosed buildings that are maintained under negative pressure as described in Condition No. 16.

2. Not later than thirty (30) days after receipt of their approved amended Rule 1420 Compliance Plan, Exide shall survey all facility structures that house, contain or control any and all lead emission points or fugitive lead-dust emissions and shall permanently repair such facility structures to ensure the structural integrity of these buildings/structures (including roofs) such that there are no gaps, breaks, separations, leak points or other possible routes for emissions of lead or lead-dust to outside ambient air. In the event that a specific repair cannot be concluded in the time period specified, Exide shall immediately notify the Executive Officer for approval, the specific repair and the approximate date that the repair will be concluded.

3. Effective immediately upon receipt of their approved amended Rule 1420 Compliance Plan, in the event that repair and/or demolition activities are undertaken to remedy those structural deficiencies identified in Condition No. 2, or for any other reason, Exide Technologies shall ensure that for the material being demolished or repaired, that the affected adjacent areas be cleaned and dust free or otherwise be adequately wetted down to suppress generation of any fugitive lead-dust emissions.

4. Not later than fifteen (15) days after receipt of their approved amended Rule 1420 Compliance Plan, Exide Technologies shall permanently remove the weather cap from the Neptune Scrubber (SOx Scrubber; Device C43) serving the reverberatory furnace (Device D119).

5. Not later than thirty (30) days after receipt of their approved amended Rule 1420 Compliance Plan, Exide Technologies shall file applications for Permit(s) to Construct to install in the South Torit Baghouse (Device ID C39) HEPA-type filter cartridges with a minimum efficiency guaranteed by the manufacturer of 99.97 percent on 0.3 micron size particles.

6. Effective immediately upon receipt of their approved amended Rule 1420 Compliance Plan, Exide Technologies shall transport all materials capable of

generating any amount of fugitive lead-dust emissions at the facility within closed conveyor systems or in closed containers. When transporting any materials capable of generating any amount of fugitive lead-dust emissions via forklift or any other mobile transportation method in open alleys or any other open or partially open areas of the Exide facility, the materials capable of generating any amount of fugitive lead-dust emissions shall be transported in closed containers and in such a manner as to prevent fugitive lead emissions from being released into the ambient atmosphere. This condition shall not apply to lead-bearing materials handled or transported within totally enclosed buildings that are maintained under negative pressure as described in Condition No. 16.

7. Not later than forty five (45) days after receipt of their approved amended Rule 1420 Compliance Plan, Exide Technologies shall maintain on site a mobile sweeper. The mobile sweeper shall be a sweeper that is PM_{10}-compliant pursuant to AQMD Rule 1186.

8. Effective immediately upon receipt of their approved amended Rule 1420 Compliance Plan, Exide shall, using the mobile sweeper specified in Condition No. 7, routinely sweep three times every calendar day, Sunday through Saturday. Each routine sweeping event shall occur at least once per operating shift and each sweeping event shall be not less than four (4) hours apart. Each routine sweeping event shall include the sweeping of all concrete, asphalted areas, and plant roadways of the Exide Technologies property, as well as facility adjacent sidewalks. Exide shall meet with the proper authorities in the City of Vernon to discuss the possibilities of sweeping city roadways, including but not limited to portions of 26th Street and Indiana Street. The AQMD shall be notified 3 working days in advance of these meetings. In addition, Exide shall, in addition to the three routine sweeping events specified above, sweep as necessary any areas of concrete, asphalted areas, and plant roadways of the Exide Technologies property where accidents, mishaps and/or process upsets result in deposition of lead bearing material and/or dust. Exide Technologies shall not be required to comply with this condition on rainy days for both routine and non-routine sweeping events. The mobile street sweeper shall be maintained and operated in accordance with all manufacturer specifications. Any mechanical malfunctions of the sweeper that either precludes or prevents its operation shall be immediately reported to the AQMD at 1.800.CUT.SMOG and reported as a breakdown pursuant to AQMD Rule 430 – Breakdown Provisions. If the sweeper is not repaired within 3 calendar days of a reported breakdown, the Executive Officer shall be notified and an alternate sweeper meeting the operating criteria and capabilities in Condition No. 7 shall be placed on site and shall be immediately operated by Exide Technologies or a selected contractor. Records shall be kept of the mobile sweeping activities to demonstrate compliance with this condition including all dates and times of operation, areas where sweeping has occurred, all maintenance and repairs performed on the sweeper, and the name and signature of the responsible person carrying out the particular activity. Such records shall be kept in a format approved by the Executive Officer or designee and made

available upon request. The breakdown reporting provisions of this condition shall apply only to the sweeper as noted and shall not require the shutdown of any other equipment(s).

9. Effective immediately upon receipt of their approved amended Rule 1420 Compliance Plan, the interior and exterior areas and surfaces of the Raw Materials Preparation Storage Area (Battery Breaker Area) shall be completely and entirely washed down with water each shift that the hammer mill (Device D1) is operated, with each cleaning being not less than four (4) hours apart. All liquids and runoff from the washing down of exterior areas and surfaces shall be discharged into Exide Technologies' storm water retention pond. Alternatively, in lieu of washing down the exterior areas and surfaces with water, the exterior areas and surfaces may be cleaned using either a certified sweeper pursuant to Condition No. 7 or an AQMD permitted HEPA vacuum having a minimum efficiency guaranteed by the manufacturer of 99.97 percent on 0.3 micron size particles.

10. Effective immediately upon receipt of their approved amended Rule 1420 Compliance Plan, dust suppression practices, including but not limited to the use of water or other AQMD approved chemical dust suppressants as specified in AQMD's Rule 403 Handbook, shall be applied in all areas where fugitive lead-dust emissions potential exists resulting from any maintenance or operations activity. In the event that dust suppression practices pose a safety risk to affected employees due to the nature of the maintenance or operations activity (e.g. electrical work, arc welding, etc.), the dust suppression practices may be suspended until such time that the safety risk (electrical work, arc welding, etc.) has been completed or removed, and once removed, the dust suppression practices shall be immediately implemented.

11. Not later than thirty (30) days after receipt of their approved amended Rule 1420 Compliance Plan, Exide Technologies shall, on a monthly basis, clean the entire roof tops of the smelting refining building, blast furnace feed building, and finished lead warehouse building and on a semiannual basis clean the roof tops of the RMPS and reverb feed buildings. Exide Technologies shall clean the roof tops in sections or all at once by washing with water or spot vacuuming them using an AQMD permitted HEPA-type vacuum with a minimum efficiency guaranteed by the manufacturer of 99.97 percent on 0.3 micron size particles. Exide shall keep a record of the dates and times of the cleanings. After six (6) months of such roof cleanings, Exide may file a Rule 1420 Plan amendment application to request that the Executive Officer change the frequency of the roof cleanings.

12. Effective immediately upon receipt of their approved amended Rule 1420 Compliance Plan, throughout each operating day, as appropriate and necessary to prevent fugitive lead dust emissions, Exide Technologies shall spot clean all traffic areas where any visible dust has accumulated including any visible dust

that has accumulated outside of all office areas. The spot cleaning shall be accomplished using a wet mopping technique or by using an AQMD permitted HEPA-type vacuum with a minimum efficiency guaranteed by the manufacturer of 99.97 percent on 0.3 micron size particles.

13. Effective immediately upon receipt of their approved amended Rule 1420 Compliance Plan, at least one time each operating day, Exide Technologies shall inspect, and as necessary, empty and clean out all drums containing Personal Protective Equipment (PPE) and dispose of all contaminated PPE as hazardous waste.

14. Effective immediately upon receipt of their approved amended Rule 1420 Compliance Plan, all materials capable of generating any amount of fugitive lead-dust emissions shall be stored inside an enclosure or, if stored outside, shall be sufficiently covered with plastic or a tarp to prevent lead-bearing dust from entering ambient air.

15. Effective immediately upon receipt of their approved amended Rule 1420 Compliance Plan, those Exide Technologies staff responsible for compliance with Rule 1420 - Emissions Standard for Lead, housekeeping requirements, shall receive training in all Rule 1420 housekeeping provisions and requirements before commencing with any Rule 1420 housekeeping duties, and future training shall be conducted yearly thereafter. Any new employees that will be responsible for carrying out any Rule 1420 housekeeping activities shall be trained within 60 days of date of hire and before participating in any housekeeping activities. Training records, including staff names of trainees, shall be retained for 5 years on site in a format approved by the Executive Officer or designee and made available upon request.

16. Effective immediately upon receipt of their approved amended Rule 1420 Compliance Plan, process fugitive lead-dust emissions generated at Exide Technologies from the smelter/refining building and the blast furnace feed room shall only be generated within a total enclosure subject to general ventilation that maintains the enclosure at a lower than ambient pressure to ensure in-draft through any and all doorways, windows, passages or openings of the enclosure. Process fugitive lead-dust emissions generated from the reverb furnace feed room shall be contained within a partial enclosure and shall be subject to the requirements of 40 CFR 63.545(c)(5).

17. Not later than thirty (30) days after receipt of their approved amended Rule 1420 Compliance Plan, Exide Technologies shall install at each leeward wall(s) of each of the total enclosures identified in Condition No. 16 (smelter/refining building and the blast furnace feed room), a differential pressure gauge to measure on an ongoing basis, the pressure difference between the inside and outside of the enclosure. The gauge shall be certified by the manufacturer to be capable of

measuring the pressure differential in the range of 0.02 to 0.2 millimeters of mercury (Hg).

18. Not later than seven (7) days after installation of the differential pressure gauges described in Condition No. 17, which shall include testing and 'debugging', Exide Technologies shall demonstrate to the satisfaction of the Executive Officer or designee that the inside of each total enclosure, as described in Condition Nos. 16 and 17, is maintained at a negative pressure as compared to the outside of the enclosure by ensuring that the differential pressure measured by each of the gauges installed pursuant to Condition No.17 is no less than 0.02 millimeters of mercury (Hg) when all of the enclosure doorways and openings are in the position they are in during normal operations. The pressure reading of each gauge at each wall shall be recorded three times every calendar day, Sunday through Saturday. Each pressure reading recording event shall occur at least once per operating shift and each recording event shall not be less than four (4) hours apart. The record shall be in a format approved by the Executive Officer or designee and made available upon request. After six (6) months of recording the differential pressures, Exide may file a Rule 1420 Plan amendment application to request that the Executive Officer change the frequency of the recording of the differential pressures.

19. In the event the 0.02 millimeter mercury pressure standard in Condition No. 18 is violated, Exide Technologies shall, within one hour of discovery of the violation, contact the AQMD at 1.800.CUT.SMOG and report the situation as a breakdown pursuant to Rule 430 – Breakdown Provisions, and take immediate steps to remedy the situation. The breakdown reporting provisions of this condition shall apply only to the pressure differential gauge as noted and shall not require the shutdown of any other equipment(s).

20. Not later than thirty (30) days after receipt of their approved amended Rule 1420 Compliance Plan, Exide Technologies shall use a propeller anemometer to demonstrate that there is in-draft at all doorways and openings of each of the total enclosures described in Condition No. 16. The propeller anemometer shall either be permanently installed at each doorway or opening or a hand held propeller anemometer shall be used. The demonstration shall occur at each doorway and opening of each enclosure at least once per operating shift and each demonstration shall not be less than four (4) hours apart and shall demonstrate that in-draft occurs across the entire doorway or opening. The anemometer shall be calibrated in accordance with manufacturer's recommendations and records of in-draft demonstrations shall be kept in a format approved by the Executive Officer or designee and made available upon request. After six (6) months of anemometer in-draft demonstrations, Exide may file a Rule 1420 Compliance Plan amendment application to request that the Executive Officer change the frequency of the anemometer in-draft demonstrations or that the in-draft demonstrations no longer be required.

21. Not later than fifteen (15) days after receipt of their approved amended Rule 1420 Compliance Plan, Exide Technologies shall, pursuant to Rule 1420 (g), submit to the AQMD for review and approval the appropriate air dispersion modeling protocol for establishing three (3) to four (4), as determined appropriate by AQMD, on-site fence line ambient lead monitors, and at least two (2) off-site ambient lead monitors in accordance with the requirements of 40 CFR Parts 50, 53 and 58. "Not later than sixty (60) days after AQMD's approval of the dispersion modeling protocol, Exide Technologies shall complete the dispersion modeling, establish the location of the on-site fence line ambient lead monitors and off-site ambient lead monitors, and submit a report containing this information to AQMD for approval. After placement of the on-site fence line and off-site monitors and after six months of data collection, Exide may file a Rule 1420 Compliance Plan amendment to reduce the number of ambient lead monitors.

22. Not later than 30 (thirty) days after the AQMD approval of the proposed locations of the fence line ambient lead monitors and the off-site ambient lead monitors in Condition No. 21, Exide Technologies shall install the monitors at those approved locations and immediately commence collecting and reporting lead sampling data from the ambient lead monitors in the manner prescribed in Rule 1420(g). The sampling data shall include the continuous recording of wind speed and wind direction during sampling periods pursuant to Rule 1420(g)(6). In the event that there is a malfunction or breakdown of any of the six ambient lead monitors or the equipment used to record wind speed and direction, Exide Technologies shall, within four hours of when the operator knew or reasonably should have known of a malfunction or breakdown, contact the AQMD at 1.800.CUT.SMOG and report the situation as a breakdown pursuant to Rule 430 – Breakdown Provisions, and take immediate steps to remedy the situation. The breakdown reporting provisions of this condition shall apply only to the ambient lead monitors and off-site monitors as noted and shall not require the shutdown of any other equipment(s).

23. Effective immediately upon receipt of their approved amended Rule 1420 Compliance Plan, Exide Technologies shall, within three (3) business days of the sampling devices collecting any 24-hour sample(s) at any of the six monitors, obtain the laboratory results reflecting the ambient lead concentrations of the collected sample(s). In the event that any of the results of any of the daily collected samples exceeds the established allowable federal ambient lead concentration, Exide shall notify the Executive officer within four hours and immediately conduct an investigation of the exceedance. The investigation shall identify all potential sources/causes of the exceedance(s) including process abnormalities, housekeeping breaches, or any other such source or cause. Exide Technologies shall maintain a record of the date and time of the exceedance(s), the results of the investigations, and the steps taken to ensure the reported exceedance(s) does not reoccur. Records shall be in a format approved by the Executive Officer or designee and made available upon request. After six (6)

months of obtaining results in three business days, Exide may file a Rule 1420 Compliance Plan amendment application to request that the Executive Officer change the three (3) business day time frame for obtaining laboratory results.

24. Not later than thirty (30) days after receipt of their approved amended Rule 1420 Compliance Plan, Exide Technologies shall update The Standard Operating Procedures (SOP), NESHAP Compliance Plan for Fugitive Sources, previously submitted by GNB Technologies Inc., in July 1997, to reflect current Exide Technologies, Inc., ownership status and modified to reflect all applicable operating practices now required by this Rule 1420 Compliance Plan.

25. Not later than fifteen (15) days after receipt of their approved amended Rule 1420 Compliance Plan, Exide Technologies shall retain the services of an Environmental Manager whose responsibility shall be to assure ongoing and sustained compliance with the terms and conditions of this agreement, and all applicable AQMD Rules and Regulations including: Rule 201, Permit to Construct, Rule 203 – Permit to Operate, Rule 401 – Visible Emissions, Rule 402 – Public Nuisance, Rule 403 – Visible Emissions, Rule 1158 – Storage, Handling, and Transport of Coke, Coal and Sulfur, Rule 1420 – Emissions Standard for Lead, and all relevant and applicable state and federal standards including but not limited to State of California Air Toxics Control Measure for Lead, National Ambient Air Quality Standards for Lead, National Emissions Standards for Hazardous Air Pollutants, 40CFR Part 63, Subpart X and federal Title V, Section J provisions and requirements. The Environmental Manager shall be empowered with decision making authority to expeditiously employ sufficient mitigation measures to gain facility compliance in the event of equipment breakdown or failure, fugitive lead-dust emissions, insufficient housekeeping, or any other situation that either causes or will cause non-compliance with any of the aforementioned conditions, rules or regulations. Records of all actions performed by the Environmental Manager including the date and time of incident occurrence, full written explanation of the nature and extent of the incident and both short- and long-term corrective action taken to remedy the situation. Records shall be kept in a format approved by the Executive Officer or designee and made available upon request.

26. Effective immediately upon receipt of their approved amended Rule 1420 Compliance Plan, where not elsewhere specified in these conditions, Exide shall keep, in a format approved by the Executive Officer or his designee, records to demonstrate compliance with all conditions of this Rule 1420 Compliance Plan. Each record shall include dates and times of activities required by the conditions of this Plan, and shall include the name and signature of the responsible person keeping the records. The records shall be kept for a minimum of five years and shall be made available to AQMD personnel upon request.

27. The AQMD may at any time amend this plan to incorporate and impose additional conditions, including but not limited to sampling and monitoring requirements, for the purpose of achieving compliance with all applicable federal, state, and AQMD rules and regulations. Failure to comply with all conditions, terms, and agreements contained in this Rule 1420 Compliance Plan could result in additional enforcement action.

It is your responsibility to fully comply with all other applicable Rule 1420 requirements, all other applicable AQMD Rules and Regulations and with all laws, ordinances, and regulations of other government agencies which are applicable to the operation of the equipment.

This plan shall be incorporated into the written Standard Operating Plan (SOP) required by 40 CFR 63 Subpart X. Please ensure that a copy of this letter is kept on site with your facility permit to facilitate compliance determination. Should you have any questions regarding this plan approval, please contact Thomas Liebel at (909) 396-2554.

Very truly yours,

Jay Chen, P.E.
Senior Engineering Manager
Refinery and Waste Management Permitting

JC:TL

cc: Edwin L. Pupka, Compliance
File

May 7, 2008 - FINAL

South Coast
Air Quality Management District
21865 Copley Drive, Diamond Bar, CA 91765-4178
(909) 396-2000 • www.aqmd.gov

January 27, 2012

Corey Vodvarka
Plant Manager
Exide Technologies
2700 South Indiana Street
Vernon, CA 90058

Reference: Application No. 530090

Approval of the Rule 1420.1 Compliance Plan for Facility ID # 124838

Dear Mr. Vodvarka:

The South Coast Air Quality Management District (AQMD) has received your Application No. 530090, submitted on December 16, 2011, for a Rule 1420.1 (Emission Standards for Lead-Acid Battery Recycling Facilities) Compliance Plan, pursuant to Rule 1420.1(g), for your facility located at 2700 South Indiana Street, Vernon, California 90058. AQMD staff has evaluated and approved your Rule 1420.1 Compliance Plan subject to the following conditions.

CONDITIONS

1. Exide shall implement all lead mitigation measures described in the plan resubmitted by Exide on January 20, 2012, unless otherwise specified below.

2. Exide shall install a minimum of six (6) boot wash stations at the exits of the total containment buildings at this facility. The installation of the boot wash stations shall be completed not later than June 30, 2012. Written notification shall be provided to the AQMD when installation is complete.

3. Exide shall designate one or more forklifts to be exclusively used inside of the total containment buildings so that the probability of tracking lead bearing materials outside of the containment buildings is lowered when heavy moving equipment is operated at this facility. The first forklift dedicated to indoor use only shall be implemented not later than June 30, 2012. Written notification shall be provided to the AQMD when the new forklift(s) are operational. For the purpose of this condition, any forklift operated inside of a containment building shall be completely washed and decontaminated inside of a total containment building so as to be visually free of all lead contamination prior to transferring this forklift outside of the containment building for maintenance, repair, or other purposes. A written record of equipment washing/decontamination shall be kept with regards to each forklift transferred out of a total containment building for the purposes stated in this condition and this record shall be signed by supervision or management level staff and presented to AQMD personnel upon request.

4. On and after January 1, 2012, beginning with the 30-day period of January 1, 2012 through January 30, 2012, if monitored ambient lead concentrations exceed 0.15 $\mu g/m^3$, but no more than 0.23 $\mu g/m^3$, on a rolling 30 day average at any AQMD or AQMD-approved ambient monitor, Exide shall implement the following mandatory daily process curtailments:

   A. Reduce the amount charged to the reverberatory furnace by 15% of the daily average charged over the prior 90 days;

   B. The mandatory curtailments contained within this condition shall begin within 48 hours of the time when Exide receives the sampling results (and in the case of an AQMD monitor, the quality assurance and O&M data for the monitor). Exide shall calculate the above-referenced averages based on the total materials charged in the relevant time period above divided by the number of days when there were materials charged and shall provide supporting documentation to the District to justify the calculated averages prior to the required time of implementation. These mandatory curtailments shall remain in effect until the monitoring results at the affected monitoring station reflect 15 consecutive 30-calendar day averages of less than 0.15 $\mu g/m^3$.

5. On and after January 1, 2012, beginning with the 30-day period of January 1, 2012 through January 30, 2012, if monitored ambient lead concentrations exceed 0.23 $\mu g/m^3$, but no more than 0.30 $\mu g/m^3$, on a rolling 30 day average at any AQMD or AQMD-approved ambient monitor. Exide shall implement the following mandatory daily process curtailments:

   A. Reduce the amount charged to the reverberatory furnace by 25% of the daily average charged over the prior 90 days;

   B. The mandatory curtailments contained within this condition shall begin within 48 hours of the time when Exide receives the sampling results (and in the case of an AQMD monitor, the quality assurance and O&M data for the monitor). Exide shall calculate the above-referenced averages based on the total materials charged in the relevant time period above divided by the number of days when there were materials charged and shall provide supporting documentation to the District to justify the calculated averages prior to the required time of implementation. These mandatory curtailments shall remain in effect until the monitoring results at the affected monitoring station reflect 15 consecutive 30-calendar day averages of less than 0.15 $\mu g/m^3$.

6. On and after January 1, 2012, beginning with the 30-day period of January 1, 2012 through January 30, 2012, if monitored ambient lead concentrations exceed 0.30 $\mu g/m^3$ on a rolling 30 day average at any AQMD or AQMD-approved ambient monitor, Exide shall implement the following mandatory daily process curtailments:

A. Reduce the amount charged to the reverberatory furnace by 50% of the daily average charged over the prior 90 days;

B. The mandatory curtailments contained within this condition shall begin within 48 hours of the time when Exide receives the sampling results (and in the case of an AQMD monitor, the quality assurance and O&M data for the monitor). Exide shall calculate the above-referenced averages based on the total materials charged in the relevant time period above divided by the number of days when there were materials charged and shall provide supporting documentation to the District to justify the calculated averages prior to the required time of implementation. These mandatory curtailments shall remain in effect until the monitoring results at the affected monitoring station reflect 30 consecutive 30-calendar day averages of less than 0.15 $\mu g/m^3$ or the monitoring results at the affected monitoring station reflect ten consecutive days below 0.12 $\mu g/m^3$ and no other monitor causes a violation of Rule 1420.1.

7. Exide shall complete construction of the baghouse area Total Containment Building no later than March 31, 2012. Exide shall notify the Executive Officer of the AQMD in writing within 48 hours of completion of the construction.

8. On or after completion of construction of the baghouse area Total Containment Building, but no later than March 31, 2012, if monitored ambient lead concentrations exceed 0.15 $\mu g/m^3$ on a rolling 30 day average at any AQMD or AQMD-approved ambient monitor, Exide shall commence implementing the specific lead emission mitigation measures listed below in this condition. Each of these mitigation measures may be implemented individually or in any combination based on the specific situation and information available at the time. Within 15 days of each occurrence, Exide shall submit to the AQMD for approval the selected measure(s) to be implemented along with a description of the specific situation and available information that justifies the specific selection. An implementation timeline shall also be included and shall be established based on Exide's best effort for implementation. The selected measure(s) shall be implemented as approved by the AQMD. These specific individual mitigation measures are as follows:

A. Install an additional room ventilation baghouse or dust collector, equipped with a second stage high efficiency particulate air (HEPA) filter, with sufficient blower capacity to move a minimum of 50,000 CFM of air from one or more of the following locations:

a. The battery crusher room in the north end of the RMPS building.
b. The truck loading and unloading dock on the south end of the RMPS building.
c. The furnace room in the smelter building.
d. The cupola feed room in the south end of the smelter building.

As an alternative to adding additional ventilation with individual baghouses or dust collectors, Exide may install a single larger air pollution control system with at least 200,000 CFM of blower capacity to cover all four of these locations.

B. Install second stage HEPA filters on one or more of the following air pollution control systems:

a. The hard lead refinery baghouse (device C47).
b. The soft lead refinery baghouse (device C46).
c. The MAC baghouses venting the RMPS building (devices C156, C157).
d. The cupola furnace feed room baghouse (device C48).

C. All new HEPA filter installations performed pursuant to parts A and B of this condition shall comply with the following requirements:

a. The HEPA filters used in this equipment shall be certified, in writing, by the manufacturer to have a minimum control efficiency of 99.97 percent on 0.3 micron particles.

b. Copies of the HEPA filter certifications shall be kept and maintained on file for a minimum of 5 years and shall be provided to District personnel upon request.

D. Following completion of all required mitigation measures listed in parts A and B of this condition, Exide shall evaluate the following additional mitigation measures:

Install an additional total or partial enclosure(s) of one or more of the following locations:

a. Reverberatory furnace A-pipe.

b. Cupola furnace A-pipe.

c. Additional area enclosure(s) to be determined.

E. The mitigation measures listed in part D of this condition shall not be used to fulfill the requirements of the first paragraph of this condition unless all mitigation measures in parts A and B of this condition have first been implemented. However, Exide may voluntarily implement the measures in part D of this condition as additional voluntary measures prior to exhausting all required measures listed in parts A and B of this condition. An exception to this requirement may be made in special cases where the AQMD, upon examining all available information, has determined that an A-pipe, or other piece of equipment as applicable, is the cause for an ambient lead concentration limit exceedance. In all cases, Exide shall obtain written permission from the AQMD, and written

Permits to Construct, where applicable, prior to the commencement of construction of such enclosure(s) listed in part D of this condition.

9. Prior to implementing parts A and B of Condition No. 8, Exide shall first submit the required permit applications, additional information and associated fees to the AQMD and obtain the required written Permits to Construct required prior to commencement of construction.

10. For the purpose of compliance with the incremental mitigation measures in Condition No. 8, when one requirement is triggered by a violation of the 0.15 $\mu g/m^3$ rolling 30 day average lead concentration limit, a second and subsequent mitigation measure may not be required for additional violations of the 0.15 $\mu g/m^3$ rolling 30 day average lead concentration limit, until after the ongoing mitigation measure has been implemented. Exide shall notify the AQMD in writing within 48 hours of completion of each mitigation measure in Condition No. 8.

11. The specific selection and implementation of any required mitigation measure described in these conditions is subject to written approval from the AQMD. Written approval from the AQMD shall take into consideration the nature and location from each monitoring station of any event determined to be associated, or apparently associated (based on available data) with (an) ambient lead concentration exceedance(s) triggering the implementation of a required mitigation measure.

In addition to compliance with the mitigation measures described in the submitted compliance plan, and the modified mitigation measures described in the conditions of this plan approval letter, Exide Technologies shall comply with all applicable requirements of Rule 1420.1, 40 CFR 63 Subpart X, all applicable AQMD Rules and Regulations, and all laws, ordinances, and regulations of other governmental agencies which are applicable to the operation of this facility. This plan approval letter has been incorporated into Section I of your Title V facility permit and any changes to the plan shall be done in accordance with Title V permit revision requirements pursuant to Regulation XXX.

Should you have any questions regarding this plan approval, please contact Mr. Marco Polo at (909) 396-2633.

Very truly yours,

Jay Chen, P.E.
Senior Engineering Manager
Engineering and Compliance

JC/CT/TGL/MAP

cc: Mohsen Nazemi
Jill Whynot
Nancy Feldman
Ed Pupka
Application File

Exide105e8.doc

Compliance Plan
SCAQMD Rule 1420.1

Prepared for:
Exide Technologies
Vernon, California

Prepared by:
ENVIRON International Corporation
Irvine and Los Angeles, California

Date:
January 2012

Project Number:
07-26544A

Contents

Contents (Continued)

List of Tables

List of Figures

List of Appendices

P:\E\Exide\1420.1-Compliance Plan-2011_CompPlan\Exide 1420-1 Compliance Plan.docx

1 Executive Summary

Exide Technologies, Inc.'s (Exide) Rule 1420.1(g) Compliance Plan describes additional lead emission reduction and control measures to assure compliance with the National Ambient Air Quality Standard of 0.15 $\mu g/m^3$ on a three-month rolling average and Rule 1420.1(d)(2) averaged over 30 consecutive days after January 1, 2012, if Exide does not demonstrate compliance with those standards.

Exide submitted its initial Compliance Plan in August 2011. On December 15, 2011, Exide submitted a revised Compliance Plan in order address the South Coast Air Quality Management District's December 1, 2011 correspondence (correspondence attached hereto as Appendix B). Exide and the District thereafter engaged in further communication regarding measures to be implemented, and Exide now submits this second revised Compliance Plan at the District's request. Exide has worked in good faith with the District throughout this process.

Exide has diligently undertaken lead emission reduction measures that fall into two general categories: (a) measures required by South Coast Air Quality Management District Rule 1420.1 ("Rule-Required Measures"), and (b) Rule 1420.1(g) Compliance Plan additional lead emission reduction Measures ("Rule Compliance Plan Additional Lead Emission Reduction Measures").

The Rule Compliance Plan Additional Lead Emission Reduction Measures can be further divided into two sub-categories: (i) additional lead emission reduction measures that Exide has already proactively implemented ("Compliance Plan Early Action Measures" or "Early Action Measures"), and (ii) additional lead emission reduction measures that Exide will implement if it does not satisfy the ambient standards beginning with and after January 2012 ("Compliance Plan Contingent Measures" or "Contingent Measures").

Though many of these Rule-Required Measures and Compliance Plan Early Action Measures are complete (and have greatly reduced ambient air lead concentrations), several have only recently been implemented or are still in progress. Therefore, the full emissions-reduction impact of these measures is yet to come, and Exide is reasonably assured that it will comply with the ambient standards after January 1, 2012. Indeed, Exide is satisfying emissions standards as of the date of this January 2012 Compliance Plan submittal. If Exide does not satisfy the NAAQS standard in the future, Exide is prepared to implement the additional Compliance Plan Contingent measures to achieve compliance.

1.1 Rule Required Measures

Exide has worked diligently to implement all measures required by Rule 1420.1. These Rule-Required Measures include:

- Exide has completed construction of total enclosures of the battery breaking areas, the materials and storage and handling areas, the dryer and dryer areas, the smelting furnaces and furnace areas, the agglomerating furnace, and the refining and casting areas. [Rule 1420.1(e)]
- Exide has completed work to vent its lead point sources, such as the reverb and blast furnace and lead refining kettles, to baghouses and other air pollution emissions controls. [Rule 1420.1(f)(1)]

- Exide has succeeded in reducing total facility mass lead emissions from all lead point sources to below 0.045 pounds of lead per hour. [Rule 1420.1(f)(2)]
- Exide has installed secondary emissions controls (a HEPA after-filter) on its existing rotary kiln dryer to reduce point source lead emissions. [Rule 1420.1(f)(3)]
- Exide has installed secondary HEPA after-filters between the North and South Torit baghouses outlet and the existing fan inlet. [Rule 1420.1(f)(4)]
- Exide has installed PTFE filter bags in the MAC baghouse. [Rule 1420.1(f)(5)].

These completed Rule-Required Measures have allowed Exide to significantly reduce ambient air concentrations to levels approaching the NAAQS standard. Because certain of the Rule-Required Measures have only just been completed, the full positive impact of these measures has yet to appear in Exide's ambient monitoring results.

1.2 Compliance Plan Early Action Measures

In addition to 1420.1 Rule-Required Measures, Exide has voluntarily implemented several additional Compliance Plan Early Action Measures designed to achieve the NAAQS. Exide voluntarily undertook these Compliance Plan Early Action Measures (not all of which are complete, with the full positive impact still to come) in an abundance of caution even before it submitted the initial Compliance Plan in August 2011. Exide has diligently continued to work on these Compliance Plan Early Action Measures throughout 2011 and 2012, even as the Compliance Plan was being reviewed by the District. In other words, many of these Compliance Plan Early Action Measures have or already are being implemented proactively as "additional lead emission reduction measures" under Rule 1420.1(g).

These additional Compliance Plan Early Action Measures include:

- Exide has obtained the necessary permits and approvals to fully enclose its "Baghouse Row" (an area of nine baghouses between the furnace and feed prep building) which will be ventilated so as to provide the necessary in-draft velocity and negative pressure for the new enclosure. The design of this enclosure has been completed and the construction air permit received. Construction of the enclosure has commenced and is well underway. The enclosure, which is a major capital project designed to significantly reduce point-source emissions, was initially expected to be complete by the end of 2011. However, due to unexpected delays in material delivery (i.e. steel for the enclosure), Exide now expects to complete the enclosure by March 31, 2012. Exide's air modeling demonstrates that the Baghouse Row enclosure will succeed in achieving the NAAQS.
- Exide has already diligently and voluntarily undertaken and/or implemented the following Compliance Plan Early Action Measures as proactive "additional lead emissions reduction measures":
  1) Installed doors between the shipping and smelting building areas to enhance negative pressure in the smelting building.
  2) Installed an automated door on the Southeast end of the feed corridor connecting the reverb and blast feed rooms to reduce the amount of time that door is open.
  3) Installed a new vehicle wheel wash station in the west yard of the plant.

4) Completely resurfaced the west yard of the facility to enhance the effectiveness of pavement cleaning activities.

5) Installed MERV 15 rated cartridge filters in the North and South Torit collectors

6) Upgrading Dry Sweepers to a combination hybrid dry sweeper / wet scrubbing ride-on pavement cleaning unit for use on plant yard paved areas to enhance pavement cleaning efforts. [Completed by October 2011]. Placed an order for a second scrubber/sweeper in December 2011.

7) Install ventilated negative pressure enclosure for "Baghouse Row" [to be completed by March 2012]

8) Modifying the railcar dock at the south end of the smelting building to allow the direct receipt of industrial battery plates into the blast furnace feed room. [to be completed by March 31, 2012]

9) Replacing strip curtains with doors on north and south end of RMPS building. [completed by December 31, 2011]

10) Installing a new vehicle and equipment decontamination and wash area at the north end of Baghouse Row as part of the Baghouse Row enclosure construction. [completed by December 31, 2011]

11) Discontinued use of the mobile equipment wash area at the south end of the plant in December. Closure to be completed pending DTSC Permitted Unit closure requirements.

12) Focused housekeeping on roofs and other horizontal surfaces in Baghouse Row. [ongoing during 2011-2012] A second contractor has been added to perform this service and other cleaning services related to fugitive dust control efforts.

In addition to those measures already implemented or in progress, Exide has agreed to implement the following (either by its own suggestion or at the District's request):

13) Exide will be installing two backup diesel generators to supply sufficient electrical power to drive the exhaust fans for the two metallurgical furnace process off-gas baghouses and the two Torit collection systems in the event of a power outage. This will ensure that off-gases from the furnaces themselves continue to be drawn through fabric filtration during such outages. By continuing to drive the Torit fans suction can be maintained on the main smelting building enclosure during such upset events. Exide will submit any air permit applications necessary for installation of the diesel engines associated with these generators by May 2012. [voluntary work, to be completed by June 2012]

14) Exide will install a minimum of six (6) boot wash stations at the exits of the total containment buildings [as requested by District, to be completed by June 30, 2012]

15) Exide will designate one or more forklifts to be used exclusively inside of total containment buildings [as requested by District, to be completed by June 30, 2012]

Exide's diligent actions have already dramatically lowered ambient lead emission concentrations. By continuing its additional Compliance Plan Early Action Measures and completing the Baghouse Row enclosure, Exide reasonably expects to achieve and maintain the 0.15 $\mu g/m^3$ ambient lead standard.

1.3 Compliance Plan Contingent and Future Measures

Exide's diligent and aggressive voluntary Compliance Plan Early Action Measures are expected to reduce lead emissions to satisfy the NAAQS. Should it not achieve the NAAQS, Exide will be prepared to promptly implement additional compliance measures on a contingent basis to further reduce fugitive emissions. These measures include:

- Application of an elastomeric coating to the roof of the battery breaker building to enhance the maintainability of the roof and prevent the development of pinhole leaks over time.

Finally, pursuant to Rule 1420.1, Exide has considered other reduction options, including but not limited to whether process changes such as reduced throughput limits and conditional curtailments would assist in achieving NAAQS requirements. Exide has demonstrated that there is no relationship between throughput rates and ambient lead concentrations at its facility, such that reduced throughput (even on a conditional basis) would not be expected to further reduce emissions to achieve the NAAQS. [See Section 5.2.6, infra] Exide therefore does not believe it is appropriate to include throughput and conditional curtailments as self-implementing "additional lead emissions reductions measures" in this Compliance Plan. Nonetheless, Exide submitted a possible structure for conditional curtailments in its revised Compliance Plan (submitted December 2011), modeled to reflect the District Hearing Board's preference (stated in its 2008 order) for reasonable and proportional curtailments. Exide and the District have continued to discuss potential curtailment options in December and January, and Exide has now in good faith agreed to the curtailment structure reflected in this second revised Compliance Plan.

In summary, Exide has diligently completed Rule-Required Measures and has proactively and voluntarily undertaken other Compliance Plan Early Action Measures (some recently implemented, others not yet complete) designed to achieve the NAAQS and Rule 1420.1 (d)(2) ambient concentration limit after January 1, 2012. These actions have greatly reduced emissions (and Exide is currently in compliance with emissions standards), but their full effect is not yet known and will not be known until the end of April 2012. Exide has verified through air modeling that its completion of certain measures (especially full enclosures of all process areas) will result in ambient compliance. However, if Exide continues to exceed the ambient concentration limits in 2012, Exide is prepared to promptly implement additional Compliance Plan Contingent Measures to reduce emissions.

For ease of reference, a complete chart listing all Additional Compliance Plan Lead Emission Reduction Measures (both Early Action Measures and Contingent Measures) and their completion dates and implementation schedule can be found at Appendix A. Appendix A also includes graphics indicating the location of each activity. In addition, Appendix C sets forth the negotiated and District-approved conditions that Exide must satisfy.

2 Introduction

2.1 Facility Location

The Exide facility (SCAQMD ID # 124838) is located at 2700 South Indiana Street, Vernon, California. Exide is a secondary lead smelter that recycles lead batteries and other lead-bearing scrap materials. Figure 1 shows the facility and its vicinity. The land use in the immediate vicinity (up to 1.5 kilometers [km] radius) of the facility is industrial and the topography around the facility is primarily flat. The facility's layout showing the locations of the various buildings and the stacks are presented on Figure 2.

2.2 Process Description

Spent lead-acid batteries and other lead-bearing scrap materials are delivered to the facility by trucks, where the batteries and scraps are crushed, separated, and smelted to recover lead and propylene.

The spent lead-acid batteries and lead-bearing scrap are first broken apart and separated into the plastic, lead, and acid components. The plastic is recovered, and the acid is sent to a holding tank. The lead-containing components are transferred into one of the feed rooms, where they are then fed by conveyor to either the Reverbertory (Reverb) furnace (Device D119) or the Blast furnace (Device D128), which are each used to heat the lead until it reaches a molten state.

The lead refining kettles are used to purify the hot, molten lead that is produced during the smelting process. Each kettle sits inside a brick-lined pit, housing natural gas-fired burners. The burners heat the air between the burners and the kettle, thereby heating the kettle. The kettles are continuously heated; however, there are usually only two or three kettles that contain material at any one time. The molten lead in the kettles is repeatedly heated, agitated with a mixer, and allowed to cool, with periodic stirring and additions of refining agents.

The refined lead is then formed into ingots, which are subsequently transferred to the Finished Lead Storage Building.

2.3 Rule 1420.1 Requirements

On November 12, 2008, the United States EPA published the Final Rule in the Federal Register revising the NAAQS for lead from 1.5 $\mu g/m^3$ to 0.15 $\mu g/m^3$ measured on a three-month rolling average.

On November 5, 2010, the SCAQMD Governing Board adopted Rule 1420.1 (Emissions Standards for Lead from Large Lead-Acid Battery Recycling Facilities). Rule 1420.1(d)(2) prohibits a covered facility from discharging lead emissions exceeding 0.15 $\mu g/m^3$ averaged over any 30 consecutive days. The Rule requires covered facilities to implement certain practices and emission control measures to attain the Lead NAAQS standard with the 30-day period starting January 1, 2012.

Pursuant to Rule 1420.1(g), starting on July 1, 2011, if the facility discharges lead emissions that exceed 0.12 $\mu g/m^3$ averaged over any 30 consecutive days, the facility shall submit a

Compliance Plan that contains a description of additional lead emission reduction measures to achieve the ambient lead concentration of 0.15 $\mu g/m^3$ averaged over any 30 consecutive days.

3 Rule 1420.1 Required Measures

Rule 1420.1 establishes several requirements intended to ensure compliance with the revised Lead ambient air quality standard of 0.15 $\mu g/m^3$. Rule 1420.1(e) specifies the requirements for Total Enclosures. Rule 1420.1(f) specifies the requirements for Lead Point Source Emission Controls.

Exide has complied with the mandatory provisions of Rule 1420.1, as set forth below. This work has significantly reduced both fugitive and point source lead emissions to levels approaching the NAAQS.

3.1 Total Enclosures Required by Rule 1420.1

Rule 1420.1(e) requires that the following areas be enclosed within a total enclosure as defined by Rule 1420.1(c)(25):

(A) Battery breaking areas;

(B) Materials storage and handling areas, excluding areas where unbroken lead-acid batteries and finished lead products are stored;

(C) Dryer and dryer areas including transition pieces, charging hoppers, chutes, and skip hoists conveying any lead-containing material;

(D) Smelting furnaces and smelting furnace areas charging any lead-containing material;

(E) Agglomerating furnaces and agglomerating furnace areas charging any lead-containing material; and

(F) Refining and casting areas.

As of July 1, 2011 Exide has enclosed all required areas. Table 1 summarizes this work.

Table 1. Total Enclosures at Exide

Control Device Description	Equipment/Area Controlled
Total enclosure around RMPS area	Fugitive emissions in RMPS area
Total enclosure around dryer	Fugitive emissions from rotary dryer furnace (D115)
Total enclosure around smelting and refining processes	Fugitive emissions from smelting and refining processes
Total enclosure around South Corridor between Smelting and Refining building and Reverb Furnace Feed Room	Fugitive emissions in South Corridor
Partial enclosure/tunnel for truck washing station	Minimize lead-contaminated water from spraying outside truck washing station

3.2 Lead Point Source Emission Controls Required by Rule 1420.1

Rule 1420.1(f) requires that each lead control device meet certain requirements. Exide's compliance with these Rule requirements is summarized below.

3.2.1 Lead Point Sources Vented to Emission Controls [Rule 1420.1(f)(1)]

Exide currently employs multiple types of air pollution control (APC) equipment and other emission reduction measures in order to reduce the amount of process lead emissions. A list of the currently permitted, installed and fully operational control equipment (as of the date of this plan) is provided in Table 2.

Table 2. Currently Permitted Control Equipment at Exide

Control Device Description	Equipment/Area Controlled
Baghouses/Dust Collectors/Scrubbers	
C40 – baghouse; C41 – baghouse;	Reverb furnace (D119)
C44 – afterburner; C45 – baghouse	Blast furnace (D128)
C42 – venturi scrubber; C43 – tray scrubber; S139 – stack	APC 1 (C40, C41), APC 2 (C44, C45)
Hard Lead baghouse	Lead refining kettles and dross hoppers (D7 – D20), Blast furnace tapping ports and launders (D129 – D134), rotary dryer furnace enclosure (C177)
Soft Lead baghouse	Lead refining kettles and dross hoppers (D24 – D37), Reverb furnace feeders (D117, D118), Reverb furnace tapping ports and launders (D120 – D125), fugitive emissions from Quench Chamber cleanout door (D149)
Material Handling baghouse	Central Vacuum System A (C159, C160), Central Vacuum System B (C162, C163), Blast Furnace feed hopper (D126)
C165 – packed bed scrubber; C172 – HEPA filter; S166 – stack	Raw Material Preparation System (RMPS) building (C175), Hammermill (D1), Hammermill feed conveyor (D2), Mud holding tanks (D3 – D5)
North Torit baghouse	Fugitive emissions from the Smelting and Refining building, fugitive emissions from the pending Baghouse Row building
South Torit baghouse	Fugitive emissions from the Smelting and Refining building, fugitive emissions from the pending Baghouse Row building
C143 – cyclone; C144 – baghouse; S145 – stack	Rotary dryer furnace (D115) and screw conveyors (D114, D116)
C156, C157 – MAC baghouses; S158 - stack	RMPS building (C175), lead refining kettle burner stack emissions, rotary dryer hoppers (D109, D110) and conveyors (D111 – D113), South Corridor building (C182)
C159 – cyclone; C160 – baghouse	Fugitive emissions in Blast Furnace Feed Room
C162 – cyclone; C163 – baghouse	Fugitive emissions in Blast Furnace Feed Room

3.2.2 Facility-Wide Emission Limits [Rule 1420.1(f)(2)]

1420.1(f)(2) requires that the total facility mass lead emissions from all point sources shall not exceed 0.045 pounds of lead per hour, a level determined from District dispersion modeling at the time of promulgation of Rule 1420.1 as sufficient to maintain ambient concentration impacts from stack sources below one half the ambient limit. Exide has taken diligent actions to achieve (and even go substantially below) these limits.

As shown in Table 3, the facility-wide Pb emissions from all point sources at Exide are currently below the 0.045 lbs/hr limit.

Rule 1420.1(f)(2) also requires that no single source have lead emissions in excess of 0.01 lbs/hr. As shown in Table 3, all individual sources have a lead emission rate that is less than 0.01 lbs/hr and is in compliance with this section of the Rule.

Table 3. Current Facility-wide Pb Emission Rates

AQMD Device ID	Control Device Description	Area Served	Source Test Date	Source Test Measured (dscfm)	Pb Emissions (lbs/hr)
C38	North Torit	General Ventilation	9/2011	90,694	0.00374
C39	South Torit	General Ventilation	8/23/2011	97,118	0.00321
C156/C157	MAC BHs	GV: RMPS, Kettle Burners, Reverb Feed	8/1-9/1/2011	90,727	0.00339
C48	Material Handling BH	GV: Material Handling & Blast Feed Room	10/12/2010	95,858	0.00115
C165/C172	RMPS MAPCO Demister / HEPA	RMPS	11/10-12/2010	17,270	0.000358
C144/C143	Kiln Dryer BH / Cyclone	Kiln (Rotary Dryer)	9/2011	9,723	0.00202
C42/C43	Neptune-Venturi Scrubber	Blast & Reverb furnaces	9/8/2010	18,059	0.000175
C46	Hard Lead BH	Hard Lead	10/4,5,7/2010	101,832	0.00102
C47	Soft Lead BH	Soft Lead	10/2010	85,435	0.000851
Total				**606,716**	**0.016**
					<0.045 limit

3.2.3 Installation of Secondary Controls on Dryer [Rule 1420.1(f)(3)]

On 12/3/2010 Exide submitted a permit application (A/N 516866) to install a HEPA after-filter between the existing rotary kiln dryer baghouse (C144) outlet and the existing fan inlet. Exide completed the HEPA installation by June 30, 2011. Exide therefore reasonably expects that this unit will comply with the requirements of Rule 1420.1(d)(3)(A) and will further reduce the point source lead emissions from the facility in 2011-2012.

3.2.4 Installation of Secondary HEPA Controls [Rule 1420.1(f)(4)]

On 5/13/2011 Exide submitted a permit application (A/N 520575 & A/N 50577) to install a HEPA after-filter between the existing North and South Torit baghouses (C38 &C39) outlet and the existing fan inlet. Exide completed the duct work and HEPA installation on August 9, 2011. Exide completed a source test on this unit by the end of the month. As with the secondary controls on the dryer (Section 3.2.3 above), Exide reasonably expects that this recent addition will further reduce lead emissions in 2011-2012.

3.2.5 Installation of PTFE Filter Bags [Rule 1420.1(f)(5)]

Exide submitted Permit applications (A/N's 520478 & 520501) on 3/31/2011 to install upgraded polytetrafluoroethylene membrane-type (PTFE) filter bags on the MAC baghouses. Exide completed the upgrade and the baghouse leak tested in June 2011. Exide completed a source test on this unit in September 2011.

3.2.6 Summary: Impact of Exide's Rule-Required Measures

Exide's efforts to comply with the mandatory provisions of Rule 1420.1 have resulted in significant reductions of both fugitive and point source lead emissions, with stack emissions, for example, being reduced by approximately one half on a facility-wide basis since the promulgation of the Rule. Because Exide only recently completed several of the required measures, their full positive impact has yet to be fully realized. Thus, Exide expects to show even further emissions reductions and further improvement to ambient levels by the end of 2011 and early 2012 and is expected to demonstrate and maintain compliance once the Baghouse Enclosure is complete.

Exide's actions have significantly reduced ambient lead concentrations (see Table 4), and these reductions are expected to continue into the future. Exide reasonably expects that full compliance will be achieved once the Baghouse Row enclosure is complete.

Table 4. Ambient Air Monitoring Results (30-day Average)

Month	Rail	SE	SW	NE	OSN	MID
July 2011	0.06	0.06	0.08	0.68	0.55	0.21
August 2011	0.07	0.06	0.09	0.70	0.47	0.18
September 2011	0.03	0.06	0.08	0.23	0.25	0.14
October 2011	0.04	0.06	0.18	0.22	0.17	0.14
November 2011	0.03	0.08	0.16	0.18	0.19	0.26
December 2012	0.03	0.05	0.09	0.08	0.11	0.12
January 1-17, 2012	0.03	0.05	0.09	0.07	0.10	0.11

4 Ambient Air Quality Modeling

US EPA's AERMOD dispersion model was used to evaluate the impacts that the Pb reduction Rule-Required Measures and those Early Action Measures currently under construction would have on the ambient Pb concentrations measured at the monitors located at and around the fenceline of the Vernon facility. Inputs to AERMOD included:

- Pb emission rates (lbs/hr) from Point Sources using the rates measured from source tests conducted in late 2010 and early 2011 at the facility;
- Stack heights for the North Torit, South Torit, and MAC Baghouse were increased from 79 feet to 120 feet for and the building parameters reflect the presence of the new Baghouse Row enclosure; and
- Roadway fugitive emissions from the 2007 ATIR were included in this dispersion modeling. Emissions from all other fugitive sources were set to zero to reflect the effect of the pending construction of the "Baghouse Row" enclosure is completed.

Table 5. Source Parameters of AERMOD Runs

Source ID	UTM Coordinates (m) X	UTM Coordinates (m) Y	Emission Rate (g/s)	Release Height (m)	Temp (K)	Velocity (m/s)	Stack Diameter (m)
MAPCO	389705.7	3763538	8.05E-05	19.35	299.48	4.55	1.09
MAT_STOR	389722.7	3763488	1.18E-03	34.14	300.93	14.14	2.13
SOFTLEAD	389750.0	3763554	8.38E-04	34.14	318.15	14.10	2.03
HARDLEAD	389729.9	3763505	8.35E-04	34.14	311.76	17.17	2.03
DRYER_BH	389769.8	3763525	1.32E-03	36.60	375.22	7.47	0.91
NEPTUNE	389751.4	3763527	2.20E-05	34.14	332.89	8.27	1.16
NOR_CART	389790.5	3763550	3.60E-04	36.60	298.50	11.29	2.13
SOU_CART	389789.3	3763547	5.29E-04	36.60	298.89	15.29	2.13
MAC_BH	389740.1	3763479	2.36E-04	36.60	307.44	18.06	1.82
			0.0054	**g/s**			
			0.043	**lbs/hr**			

The modeling results are summarized in Table 6 below.

Table 6. Lead Concentrations at the Monitors Predicted by AERMOD (µg/m^3)

SW_Monitor	SE_Monitor	NE_Monitor	On-Site N	REHRIG	Railway	CP_Monitor
0.00765	0.00338	0.0437	0.02403	0.04657	0.01339	0.0071

For these modeling runs, the emission rates were based on source tests from late 2010 through early 2011. Additional source testing has been in progress as part of the update for the AB2588 HRA. The emission rates that were used in this modeling did not reflect the improvements due to the recent modifications to the air pollution control equipment. The total facility-wide emission rate for all stationary sources used in the modeling was 0.043 lbs/hr. This is greater than the 0.016 lbs/hr facility-wide rate when the most recent source tests are taken into account, but it is still less than the 0.045 lbs/hr limit set by the rule – indicating that the 0.045 lbs/hr facility-wide point source limit established in the Rule is adequate to insure compliance with the ambient standards.

Thus, the modeling results presented in this Plan reflect a worst case scenario when the Vernon plant is emitting lead at a rate just below the Rule limit. As the actual facility-wide emission rate is even less than the modeled rate, the ambient impacts would be less than what is reported here. Figure 3 shows the location of the nearest residential receptors, with the nearest receptor over 0.5 miles from the Vernon fenceline.

The modeling results show that once all enclosures have been constructed and fugitive emissions become insignificant; the ambient Pb concentrations at the monitors will be well below the limit of 0.15 $\mu g/m^3$ established by the Rule. In particular, the above results show that stack emission impacts are well below the 0.15 $\mu g/m^3$ target concentration. Should the measures already planned and underway for completion by the end of 2011 fail to achieve the 0.15 $\mu g/m^3$ lead concentration at the monitors on a 30-day average after January 1, 2012, this modeling makes it clear that the issue is not with impacts from stack emissions, but rather fugitive emissions. Any contingent measures (including curtailments) implemented in response to exceedances after January 1, 2012 should, therefore, be directed to fugitive sources.

5 Additional Compliance Plan Lead Emission Reduction Measures

Rule 1420.1(g)(2) requires that the Compliance Plan include the following elements:

(A) A description of additional lead emission reduction measures to achieve the ambient lead concentration including, but not limited to, requirements for the following:

- (i) Housekeeping, inspection, and maintenance activities;
- (ii) Additional total enclosures;
- (iii) Modifications to lead control devices;
- (iv) Installation of multi-stage lead control devices;
- (v) Process changes including reduced throughput limits; and
- (vi) Conditional curtailments including, at a minimum, information specifying the curtailed processes, process amounts, and length of curtailment.

(B) The locations within the facility and method(s) of implementation for each lead reduction measure of subparagraph (g)(2)(A); and

(C) An implementation schedule for each lead emission reduction measure of subparagraph (g)(2)(A) to be implemented if lead emissions discharged from the facility contribute to ambient air concentrations of lead that exceed 0.15 $\mu g/m^3$ averaged over any 30 consecutive days measured at any monitor pursuant to subdivision (j) or at any District-installed monitor. The schedule shall also include a list of the lead reduction measures of subparagraph (g)(2)(A) that can be implemented immediately prior to plan approval.

As previously explained Exide has undertaken various Compliance Plan Early Action Measures (Section 5.1, *et. seq.*) and also proposes Compliance Plan Contingent Measures (Section 5.2, *et. seq.*) to be implemented if Exide has not satisfied the NAAQS beginning in January 2012. A complete list of all Exide's Compliance Plan Lead Emission Reduction Measures is set forth at Appendix A.

5.1 Compliance Plan Early Action Measures

In addition to the control measures required by Rule 1420.1, Exide has proactively undertaken certain additional Compliance Plan Measures that will reduce fugitive lead emissions, which are the primary source of measured concentrations. Exide diligently undertook these measures in an abundance of caution before it formally submitted this Compliance Plan. Exide's Early Action Measures are, in effect, pre-qualified and self-implemented "additional lead emission reduction measures" under Rule 1420.1(g).

Exide has not completed all of these measures, and implementation of others began recently. Exide has therefore not yet realized the full emissions-reducing impact of these voluntary measures. Thus, the exceedance of the 0.12 $\mu g/m^3$ level triggering this Compliance Plan does not reflect the expected lower lead concentrations to be achieved in 2012. Exide reasonably expects that continued implementation of these Compliance Plan Early Action Measures will

result in compliance with the ambient standards upon completion of the baghouse enclosure, making implementation of any additional Compliance Plan Contingent Measures unnecessary.

5.1.1 "Baghouse Row" Permit Application and Installation

On March 31, 2011, Exide submitted several permit applications (A/Ns 520468, 520577, 520575, 520501, 520478, 520477, & 522622) to enclose the area at the facility known as "Baghouse Row". Exide operates 9 baghouses in this area, which is between the smelting furnace building and feed prep building. Construction permits have been issued as a result of these applications, design completed, and construction of the enclosure has commenced. The enclosure was previously scheduled to be completed before the end of 2011.

Due to unanticipated material supply delays outside Exide's control, the Baghouse enclosure will not be complete until March 31, 2012. Exide will work diligently to ensure completion by this date or sooner if possible.

Exide has established an additional budget of $250K to fund 30 hours/week of additional OT for the next 15 weeks (from December 10, 2011 through March 31, 2012) to accelerate the completion of the Baghouse Row Enclosure and mitigate any risk from weather delays.

The nine baghouses are represented in Exide's Title V permit as devices C40 and C41 (Reverb Furnace baghouses), C45 (Blast Furnace baghouse), C46 (Hard Lead baghouse), C47 (Soft Lead baghouse), C48 (Material Handling baghouse), C144 (Rotary Dryer baghouse), and C156 and C157 (MAC baghouses). These baghouses control emissions from various parts of Exide's processes, such as the raw material handling, refining, and smelting processes.

The area where the baghouses are located is currently open to the atmosphere. Exide is planning on building an enclosure around the baghouses in order to reduce fugitive lead emissions. The air inside the enclosure will be vented to existing air pollution control devices which consists of Torit cartridge collectors C38 and C39, respectively. The existing ventilation capacity is expected to be adequate to provide the necessary in-draft velocity and negative pressure for the new enclosure.

The height of the new enclosure will be 79 feet. In order to conform to current building codes, the height of the stacks for C144 (Rotary Dryer), C156 and C157 (MAC Baghouses), C38 (North Torit), and C39 (South Torit) must be increased to 120 feet, which will minimize the effects of building downwash while still meeting stack height rule limits. Exide will also install a differential pressure monitoring system on the new enclosure in compliance with Rule 1420.1. Overall, the voluntary modification to enclose "Baghouse Row" is expected to significantly reduce emissions. Indeed, Section 4 outlined Exide's ambient air modeling, demonstrating that ambient lead concentrations at all monitors will be less than 0.15 $\mu g/m^3$ once all enclosures are fully-operational.

5.1.2 Additional Voluntary Fugitive Source Control Compliance Plan Early Action Measures Completed by June 2011

Exide undertook additional Compliance Plan Early Action Measures to reduce fugitive emissions from other locations at the Vernon plant, as summarized in Table 7 below. These measures were underway by July 2011 and will all be completed prior to January 1, 2012 (with the

exception of the Baghouse Row enclosure and related actions). As previously stated, these are "additional lead emissions reductions measures" under Rule 1420.1(g) that Exide has proactively and voluntarily initiated on an early action basis before submitting this formal Compliance Plan.

Table 7. Additional Early Pb Emission Reduction Measures

	Action	Completion Date
1	Install door(s) between shipping and smelting to enhances negative pressure in refining/smelting and reduce draft from shipping.	Oct 2010
2	Install an automated door on the southeast end of the corridor to reduce the amount of time that the door is open	Nov 2010
3	Install a new vehicle wheel wash station in the west yard of the plant	Jun 2011
4	Completely resurface the west yard of the facility to enhance the effectiveness of pavement cleaning activities	Jul 2011
5	Installed MERV 15 rated cartridge filters in the North and South Torit collectors	July 2011
6	Upgraded ride-on yard sweeper to a combination dry sweeper / wet scrubbing unit for cleaning of plant yard pavement. Added additional sweeper/scrubber.	Oct-Dec. 2011
7	Install ventilated negative pressure enclosure for "Baghouse Row"	March/April, 2012
8	Modify railcar dock at the south end of the smelting building to allow receiving of industrial plates and dedicated inside and outside forklifts.	Dec 2011
9	Replace strip curtains with doors at north and south end of RMPS building	Dec 2011
10	Install new vehicle and equipment decontamination and wash area at the north end of baghouse row as part of the baghouse row enclosure construction	Dec 2011
11	Discontinued use of mobile equipment wash area at south of plant. Final closure pending DTSC approval.	pending DTSC approval
12	Focused housekeeping and other horizontal surfaces in Baghouse Row, pending completion of enclosure of area. Secured services of second contractor	Nov 2010-Dec 2011

Certain of the measures were only recently implemented, and their positive effect on emissions is expected to increase as Exide continues to improve its procedures (*i.e.* improved housekeeping on roofs and horizontal surfaces). With these voluntary fugitive reduction Compliance Plan Early Action Measures, along with the required Rule-Required Measures and the pending "Baghouse Row" enclosure, Exide has seen emission reductions during the second half of 2011 and expects further reductions upon completion of these pending measures.

In addition to the items listed in Table 7, Exide has agreed to implement the following items in the near future, either of its own volition or as part of discussions with the District that took place after Exide submitted its revised Compliance Plan on December 15, 2011:

Table 7a Additional Pending Pb Emission Reduction Measures

Action	Completion Date
13. [Voluntary Measure] Exide will be installing two backup diesel generators to supply sufficient electrical power to drive the exhaust fans for the two metallurgical furnace process offgas baghouses and the two Torit collection systems in the event of a power outage. This will ensure that off-gases from the furnaces themselves continue to be drawn through fabric filtration during such outages and by continuing to drive the Torit fans suction can be maintained on the main smelting building enclosure during such upset events. Exide will submit the air permit applications necessary for the installation of the diesel engines associated with these generators by May 2012 and expects to complete installation of these systems by June 2012.	Jun 2012
14. [District-Required Measure] Exide will install a minimum of six (6) boot wash stations at the exits of the total containment buildings.	Jun 2012
15. [District-Required Measure] Exide will designate one or more forklifts to be used exclusively inside of total containment buildings. This Measure relates to and expands upon Measure No. 8 in Table 7.	Jun 2012

5.2 Compliance Plan Contingent and Future Measures

Exide reasonably believes that various measures already completed or underway will allow it to achieve the NAAQS and Rule 1420.1(d)(2) ambient limit. However, if Exide continues to exceed these standards after January 2012, it will undertake further additional "lead reduction measures" (Compliance Plan Contingent Measures) as set forth in this Section.

5.2.1 Additional Compliance Plan Contingent Measures to Achieve the Ambient Lead Concentration

Additional lead emission reduction Compliance Plan Contingent Measures evaluated and proposed to achieve the ambient lead concentration as required by Rule 1420.1(g)(2)(A) are described below.

5.2.2 Additional Compliance Plan Contingent Measures Housekeeping, Inspection, and Maintenance [Rule 1420.1(g)(2)(A)(i)]

In addition to continuing and increasing those already-implemented measures set forth in Table 7, if Exide has not satisfied the ambient standards it will perform the additional maintenance activities actions summarized in Table 8 below.

Table 8. Additional Pb Compliance Plan Contingent Measures

	Action	Completion Date	Emission Source
1	Apply elastomeric coating to the roof and sidewalls of the battery breaker building to enhance maintainability of the roof and prevent development of pinhole leaks over time.	June 2012	Fugitive

5.2.3 Additional Compliance Plan Total Enclosure Measures [Rule 1420.1(g)(2)(A)(ii)]

Once Exide installs the total enclosure for "Baghouse Row" as described in Section 5.1.1, all lead point sources at the Vernon plant will be operating inside total enclosures that will be vented to existing lead control devices.

In addition, a significant portion of the plant property will also be contained within total enclosures. Any fugitive dust generated on these operating areas will be contained and vented to existing lead control devices.

As a result, Exide does not envision that any additional total enclosures (beyond that already described for the enclosure of "Baghouse Row") will be available to be enclosed that would reduce Pb emissions.

5.2.4 Modifications to Lead Control Devices [Rule 1420.1(g)(2)(A)(iii)]

5.2.5 Installation of Multi-Stage Lead Control Devices [Rule 1420.1(g)(2)(A)(iv)]

The secondary HEPA filters were not yet installed on the North and South Torits by July 1, 2011 so their emission reduction benefits were not being fully felt at the ambient monitors when the original Compliance Plan was submitted. The installation was completed by the end of July with subsequent source tests being performed approximately one month later.

Section 4 outlined the ambient modeling Exide performed demonstrating that ambient Pb concentrations at all monitors will be less than 0.15 $\mu g/m^3$ once all enclosures are fully operational. As a result, installation of additional multi-stage lead control devices will not be needed to meet the ambient Pb concentration.

5.2.5a Negotiated Potential Contingent and Future Measures

Though Exide maintains that such measures may not be necessary or appropriate (as set forth in sections 5.2.3 – 5.2.5), after discussion with the District, Exide has nonetheless agreed to certain potential contingent measures that may be implemented in the event of a future exceedance. These potential contingent future measures are governed by Conditions 8-11 in Appendix C.

5.2.6 Process Changes, including Reduced Throughput Limits [Rule 1420.1(g)(2)(A)(v)]

Upon careful consideration, Exide has not identified any issues with its basic processes or lead processing equipment and technologies that are hindering achieving the ambient standard. Fundamental process changes are not, therefore, proposed as Contingent Measures. However, as highlighted elsewhere in this Plan, Exide has proposed additional enclosures of those processes and equipment which Exide has modeled to be effective in achieving the NAAQS. With these enclosures (as well as Exide's other required and voluntary actions under 1420.1), Exide does not expect throughput limits to be necessary.

In order to assess whether process changes or throughput reductions may be necessary or effective, Exide plotted the daily ambient air measurements since 2010 from the specified monitors against the corresponding throughput rates for that day (Figure 4). For this exercise,

throughput is taken as the sum of the reverberatory furnace and blast furnace charging rates. Figure 5 is a bar chart that shows the average daily ambient air measurement for different ranges of daily production rates (tons/day).

All graphs clearly show that, for the plant configurations that existed during the time period represented by these charts, there is no correlation between throughput rate and the measurements taken from the various ambient monitors. At relatively low production rates (< 200 tons/day), the average reading from the indicated monitors is essentially the same as the readings at higher production rates (> 200 tons/day).

As Exide has demonstrated in the past, baghouses and other mechanical filtration devices are constant outlet concentration devices, not constant control efficiency devices. Their emission rates are determined by the concentration of contaminants bleeding through the filtration media which, once the filter media is "loaded" on the inlet side, remains relatively constant and independent of variations of inlet concentrations to the collector. Thus, emissions from such collectors also do not vary with the underlying process rates giving rise to those inlet concentration loadings. Therefore, if the ventilation fan serving a given baghouse is on, emissions are relatively constant and independent of process rates.

Given the demonstrated lack of any relationship between throughput rates and ambient monitor results at this facility, and the underlying principles of operation of the lead emission control devices at this facility, we believe that reduced throughput limits will not reduce lead concentrations at ambient monitors and are not an appropriate element for inclusion as a Compliance Plan measure.

Nonetheless, in its December 2011 revised Compliance Plan Exide suggested an approach that would have reduced throughput limits on a conditional basis. Exide has since negotiated certain conditional curtailments with the District, which are set forth in Section 5.2.7.

5.2.7 Conditional Curtailments [Rule 1420.1(g)(2)(A)(vi)]

As stated in Section 3.1 and elsewhere in this Plan, once Exide completes the installation of the total enclosures, emissions from fugitive sources are not expected to be a major contributor to lead concentrations.

Installation of upgrades at the point sources will ensure compliance with the emission limit established by Rule 1420.1(f)(2). As was stated in Section 3.2.2, the facility-wide Pb emission rate from all point sources from the most recent source tests is much less than the 0.045 lbs/hr limit established by the rule.

Reductions in process throughput will not reduce the lead concentration measured at ambient monitors as was described in section 5.2.6.

Reduction in emissions will be accomplished through the significant reduction in fugitive emissions, the installation of total enclosures and upgrades to the point sources. For the same reasons that "reduced throughput limits" are not an appropriate measure for reducing ambient impacts from this facility, neither are "conditional curtailments" involving processing or

production rates or activities Exide has demonstrated repeatedly using actual data from this facility that ambient monitor concentrations have no relationship to process throughput rates.

As stated above in Section 4, dispersion modeling indicates that stack emissions would not be the cause should 30-day ambient concentrations exceed 0.15 $\mu g/m^3$ after completion of the Baghouse Row enclosure. Accordingly, should any activities at the site be conditionally curtailed in response to such an occurrence, the curtailed activities should only be those associated with the potential generation of fugitive emissions rather than process activities that are enclosed and ventilated to point sources.

However, Exide recognizes that the District has requested additional process/throughput curtailment options. Therefore, in order to address the issues raised in the District's December 1, 2011 correspondence, and in the spirit of good faith cooperation with the District, Exide proposed a structure for conditional curtailments in its December 2011 revised Compliance Plan, to be implemented in the event that ambient concentrations exceed the 0.15 $\mu g/m^3$ standard measured over 30 consecutive days. Exide continues to maintain that, if implemented, a curtailment structure must be reasonable and proportional, must conform to the Hearing Board's 2008 Order (3151-18) and other Hearing Board precedent, and must allow Exide a reasonable due process opportunity to identify and correct episodic causes for potential ambient exceedances without submitting to curtailment.

After its December 2011 submittal, Exide and the District continued to engage in discussions regarding conditional curtailments. In the spirit of good faith, Exide has agreed to implement the following (set forth in Appendix C):

1. On and after January 1, 2012, beginning with the 30-day period of January 1, 2012 through January 30, 2012, if monitored ambient lead concentrations exceed 0.15 $\mu g/m^3$, but no more than 0.23 $\mu g/m^3$, on a rolling 30 day average at any AQMD or AQMD-approved ambient monitor, Exide shall implement the following mandatory daily process curtailments:

    A. Reduce the amount charged to the reverberatory furnace by 15% of the daily average charged over the prior 90 days;

    B. The mandatory curtailments contained within this condition shall begin within 48 hours of the time when Exide receives the sampling results (and in the case of an AQMD monitor, the quality assurance and O&M data for the monitor). Exide shall calculate the above-referenced averages based on the total materials charged in the relevant time period above divided by the number of days when there were materials charged and shall provide supporting documentation to the District to justify the calculated averages prior to the required time of implementation. These mandatory curtailments shall remain in effect until the monitoring results at the affected monitoring station reflect 15 consecutive 30-calendar day averages of less than 0.15 $\mu g/m^3$.

2. On and after January 1, 2012, beginning with the 30-day period of January 1, 2012 through January 30, 2012, if monitored ambient lead concentrations exceed 0.23 $\mu g/m^3$, but no more than 0.30 $\mu g/m^3$, on a rolling 30 day average at any AQMD or AQMD-approved ambient monitor, Exide shall implement the following mandatory daily process curtailments:

   A. Reduce the amount charged to the reverberatory furnace by 25% of the daily average charged over the prior 90 days;

   B. The mandatory curtailments contained within this condition shall begin within 48 hours of the time when Exide receives the sampling results (and in the case of an AQMD monitor, the quality assurance and O&M data for the monitor). Exide shall calculate the above-referenced averages based on the total materials charged in the relevant time period above divided by the number of days when there were materials charged and shall provide supporting documentation to the District to justify the calculated averages prior to the required time of implementation. These mandatory curtailments shall remain in effect until the monitoring results at the affected monitoring station reflect 15 consecutive 30-calendar day averages of less than 0.15 $\mu g/m^3$.

3. On and after January 1, 2012, beginning with the 30-day period of January 1, 2012 through January 30, 2012, if monitored ambient lead concentrations exceed 0.30 $\mu g/m^3$ on a rolling 30 day average at any AQMD or AQMD-approved ambient monitor, Exide shall implement the following mandatory daily process curtailments:

   A. Reduce the amount charged to the reverberatory furnace by 50% of the daily average charged over the prior 90 days;

   B. The mandatory curtailments contained within this condition shall begin within 48 hours of the time when Exide receives the sampling results (and in the case of an AQMD monitor, the quality assurance and O&M data for the monitor). Exide shall calculate the above-referenced averages based on the total materials charged in the relevant time period above divided by the number of days when there were materials charged and shall provide supporting documentation to the District to justify the calculated averages prior to the required time of implementation. These mandatory curtailments shall remain in effect until the monitoring results at the affected monitoring station reflect 30 consecutive 30-calendar day averages of less than 0.15 $\mu g/m^3$ or the monitoring results at the affected monitoring station reflect ten consecutive days below 0.12 $\mu g/m^3$ and no other monitor causes a violation of Rule 1420.1.

4. Exide may avoid the mandatory curtailments set forth in Conditions 1 through 3 by seeking a waiver from the Executive Officer. Such request for waiver must be supported by substantial and credible evidence that Exide is not the cause of the exceedance or that Exide has definitely identified and corrected the cause of the exceedance. The foregoing shall not prevent Exide from seeking relief from these requirements upon application to the Hearing Board.

5.3 Implementation Schedule for All Additional Compliance Plan Lead Emission Reduction Measures (Early Action Measures and Contingent Measures)

For ease of reference, a complete chart listing all Additional Compliance Plan Lead Emission Reduction Measures (both Early Action Measures and Contingent Measures) and their completion dates and implementation schedule can be found at Appendix A. Appendix A also includes graphics indicating the location of each activity. In addition, Appendix C sets forth the negotiated and District-approved conditions that Exide must satisfy.

6 Conclusion

The Plan described herein demonstrates that the combination of measures already undertaken (both Rule Required and voluntary Compliance Plan Early Action Measures) at the Exide Vernon facility and measures for which applications have already been submitted will be sufficient to assure future compliance with the ambient standard of 0.15 $\mu g/m^3$ established in Rule 1420.1. The primary elements of the Plan are the installation of secondary filtration on selected sources (the kiln dryer baghouse and the Torit cartridge collectors) and, most significantly, the construction of an additional large enclosure to house the facility's baghouse operational area. Completion of the pending enclosure will occur by the end of March 2012. Dispersion modeling indicates that with the completion of these projects, Exide will comply with the ambient standards (both federal and Rule 1420.1). If Exide continues to exceed the NAAQS in 2012, Exide is prepared to promptly implement additional voluntary Contingent Measures to reduce emissions.

Figures

Figure 4a - Charge: Reverb + Blast v. On-site N

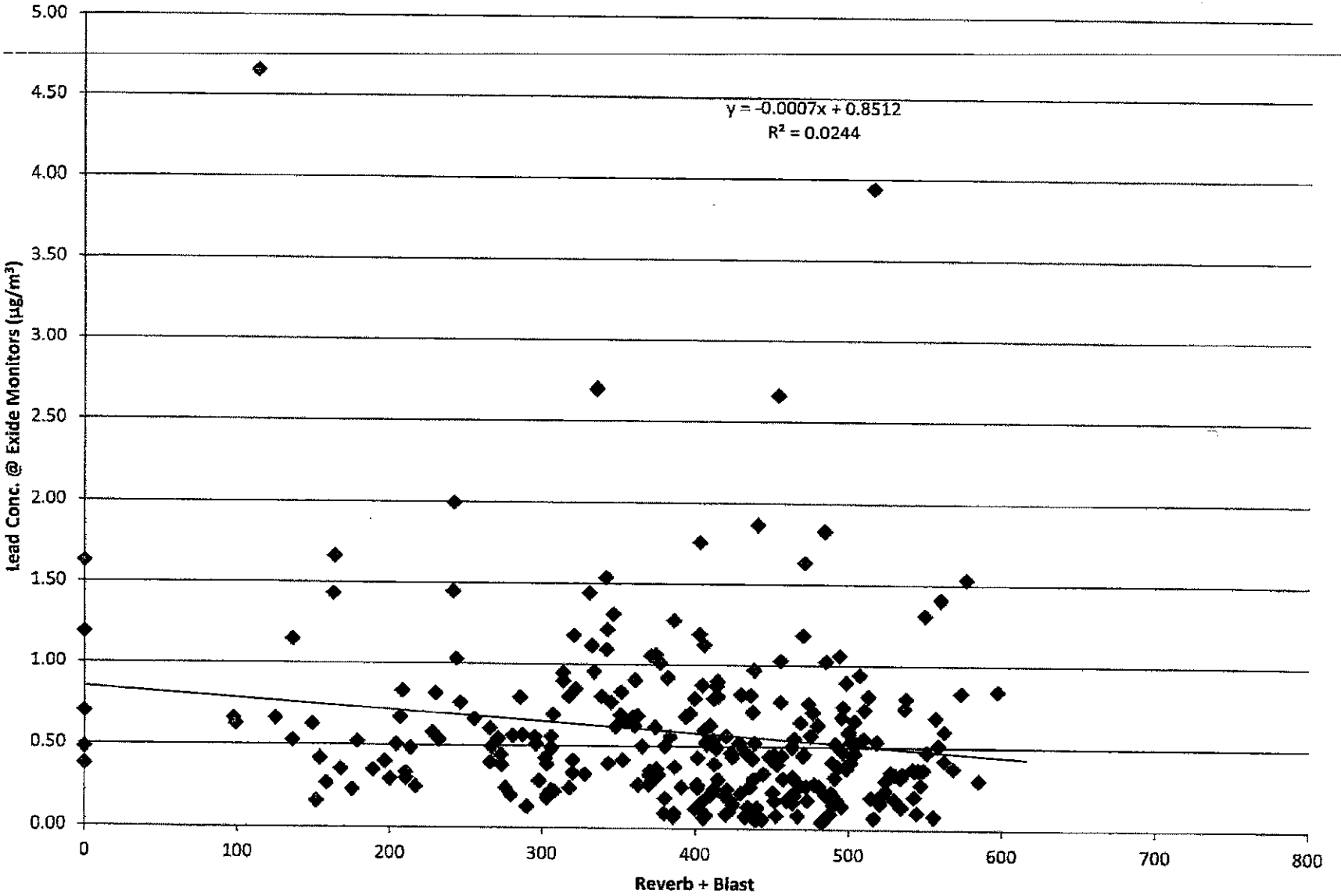


Figure 4b - Charge: Reverb + Blast v. Concentration MID

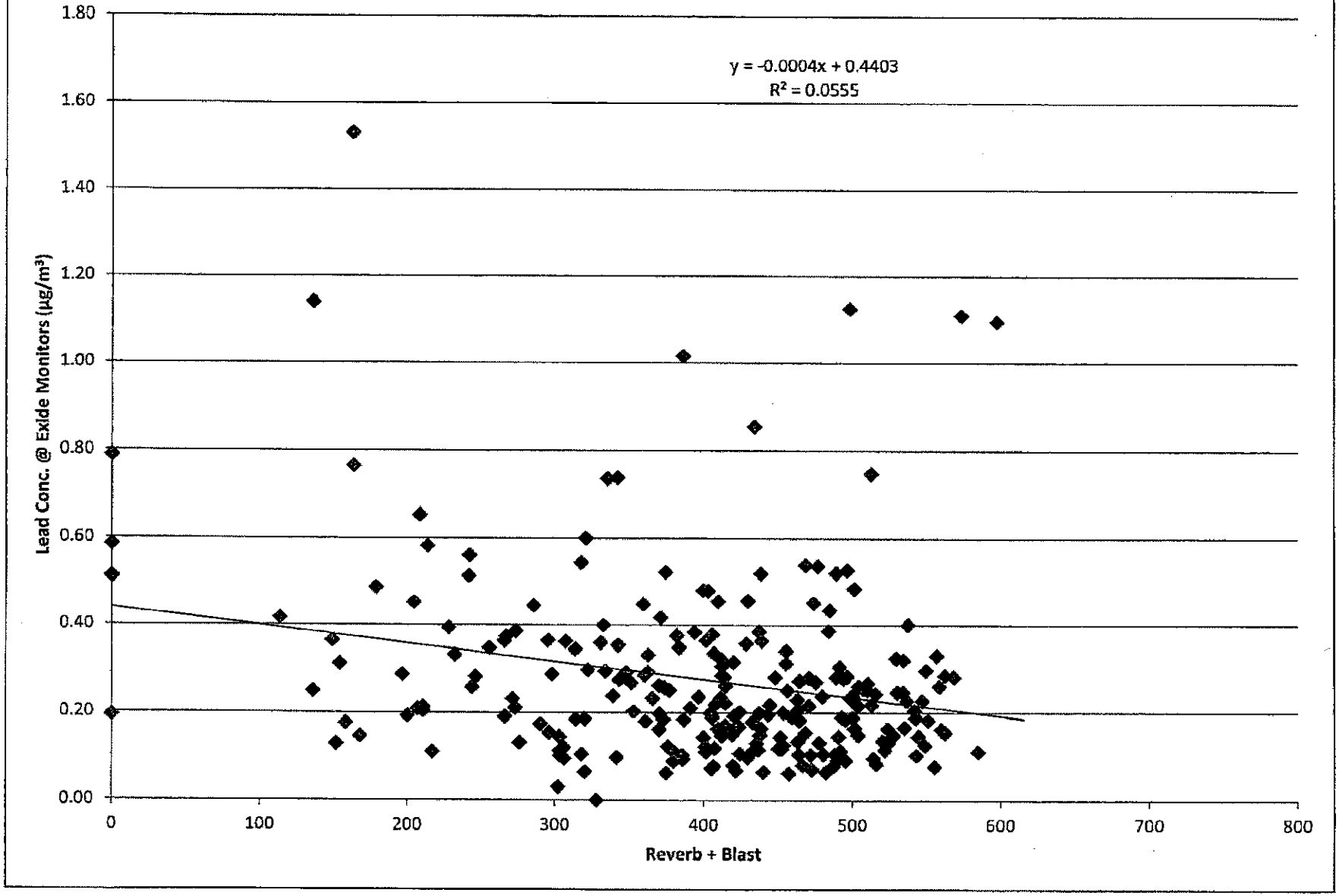


Figure 4c - Charge: Reverb + Blast v. Concentration NE

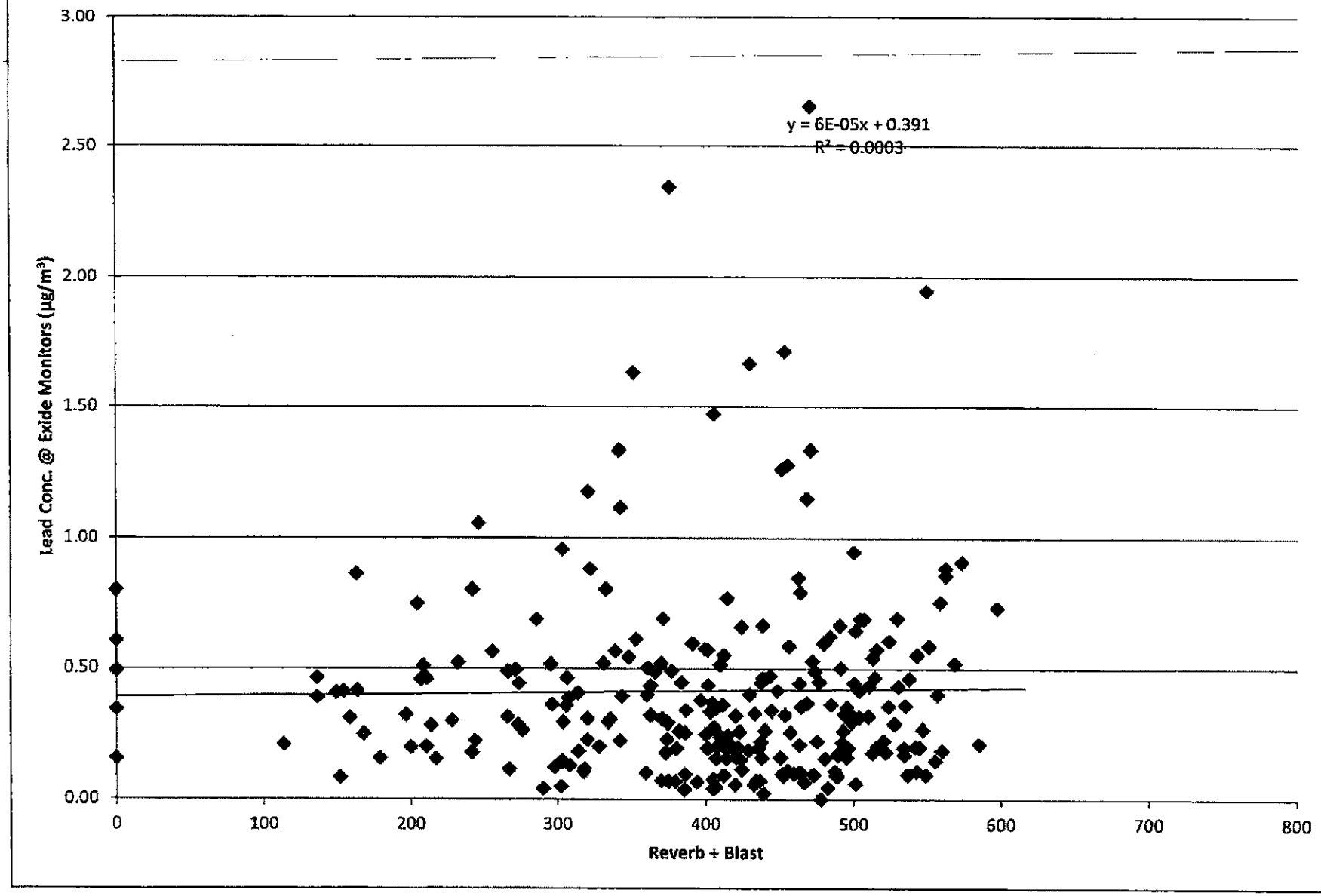


Figure 4d - Charge: Reverb + Blast v. Concentration Rehrig

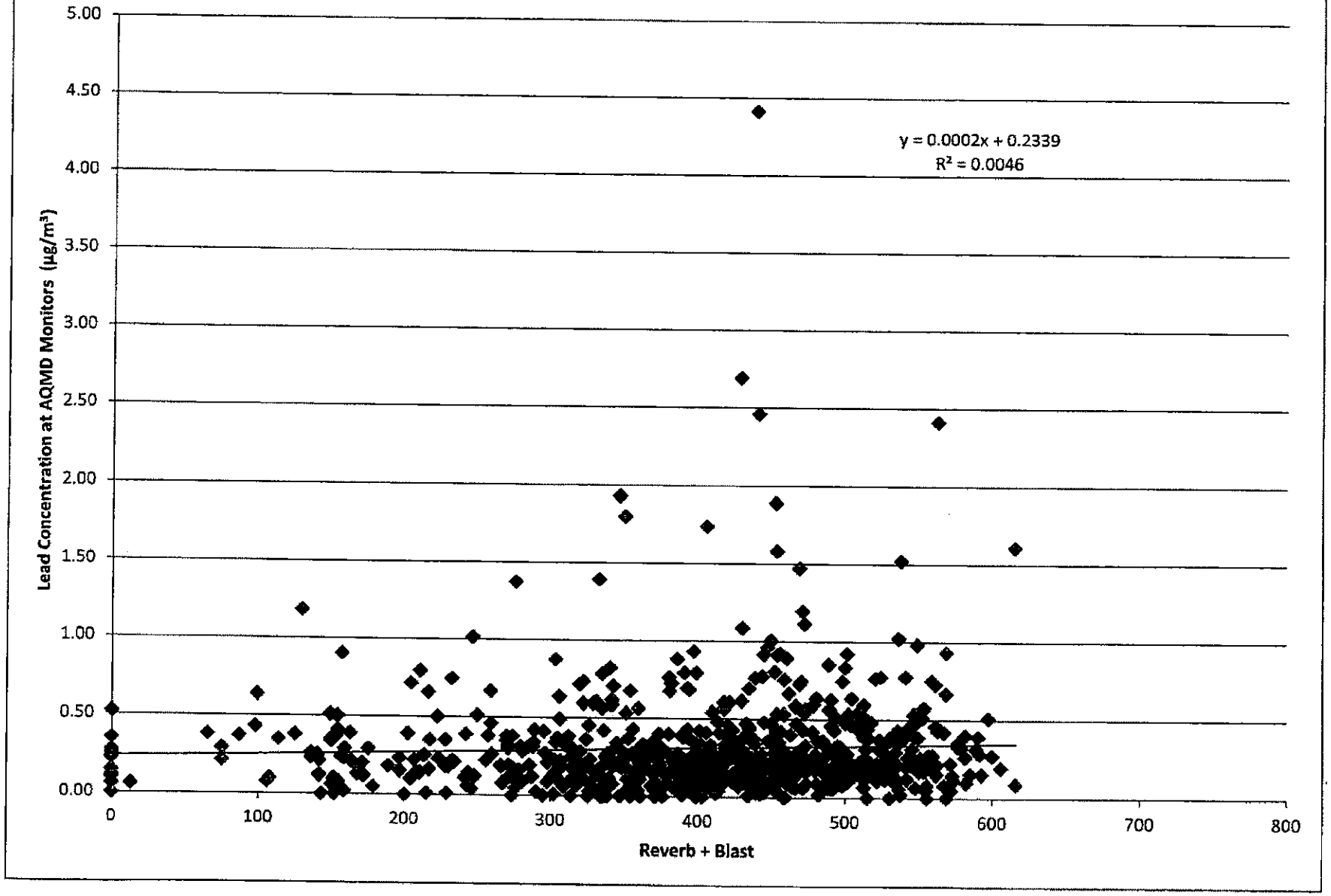


Figure 4e - Production: Reverb + Blast v. Concentration On-site N

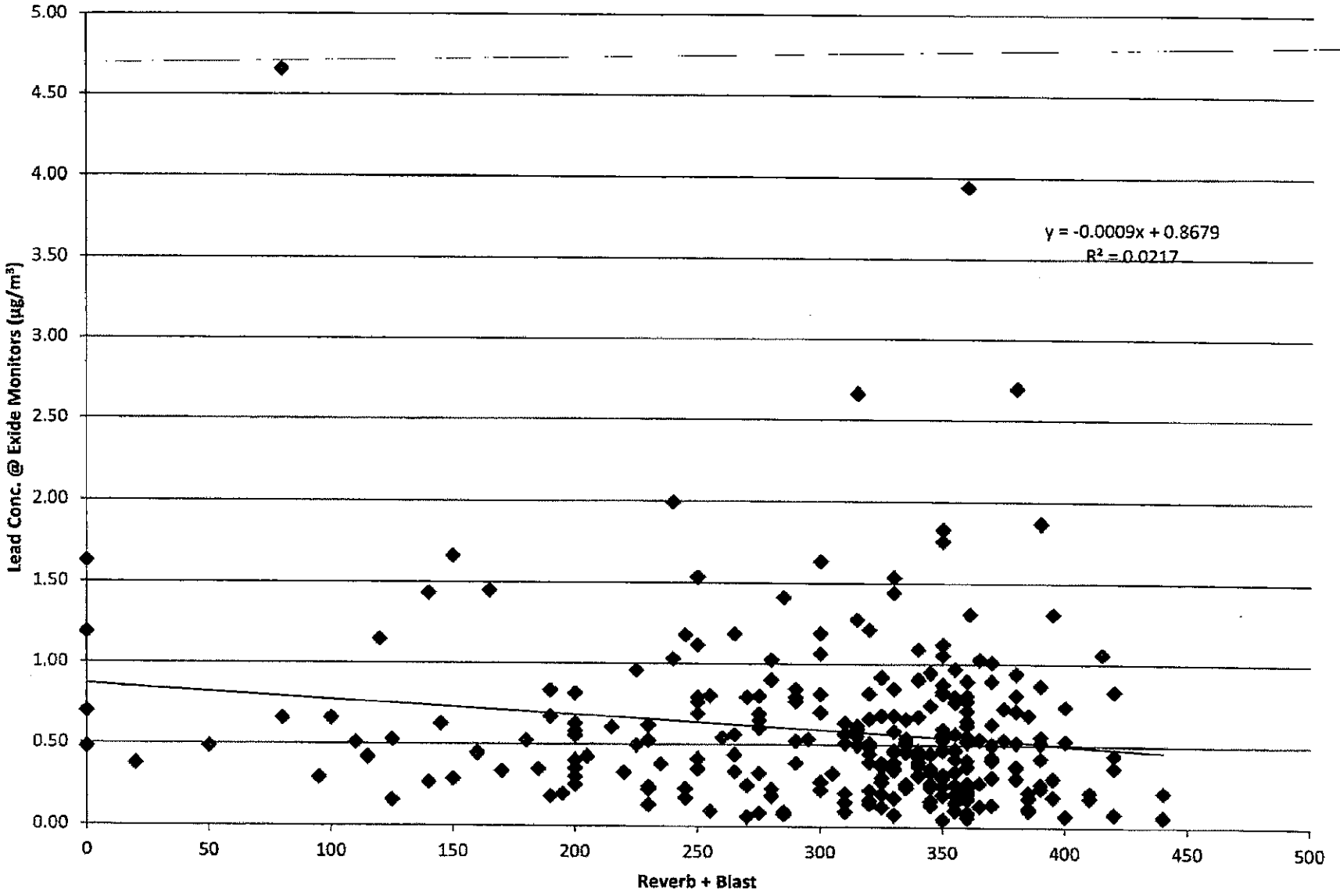


Figure 4f - Production: Reverb + Blast v. Concentration MID

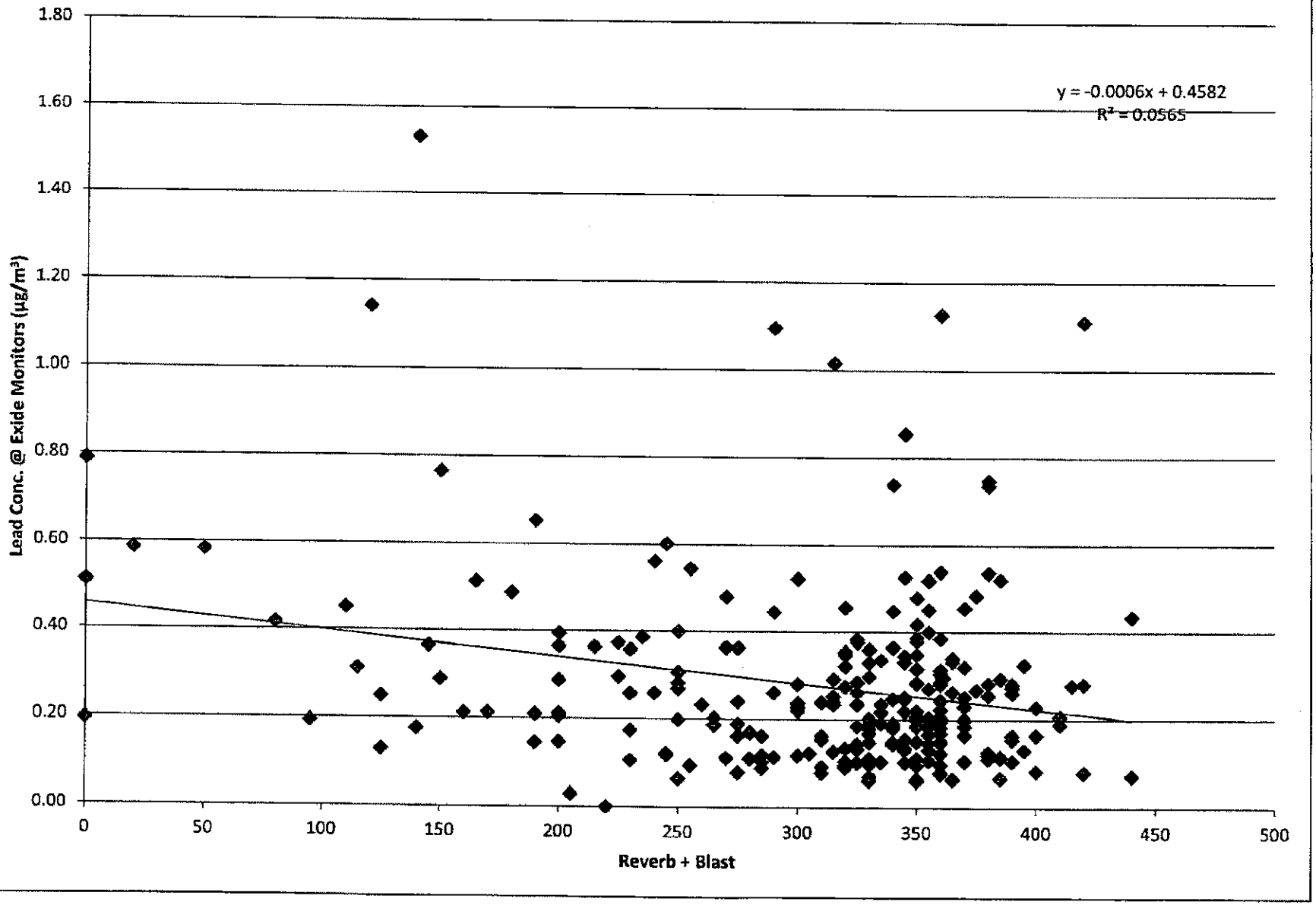


Figure 4g - Production: Reverb + Blast v. Concentration NE

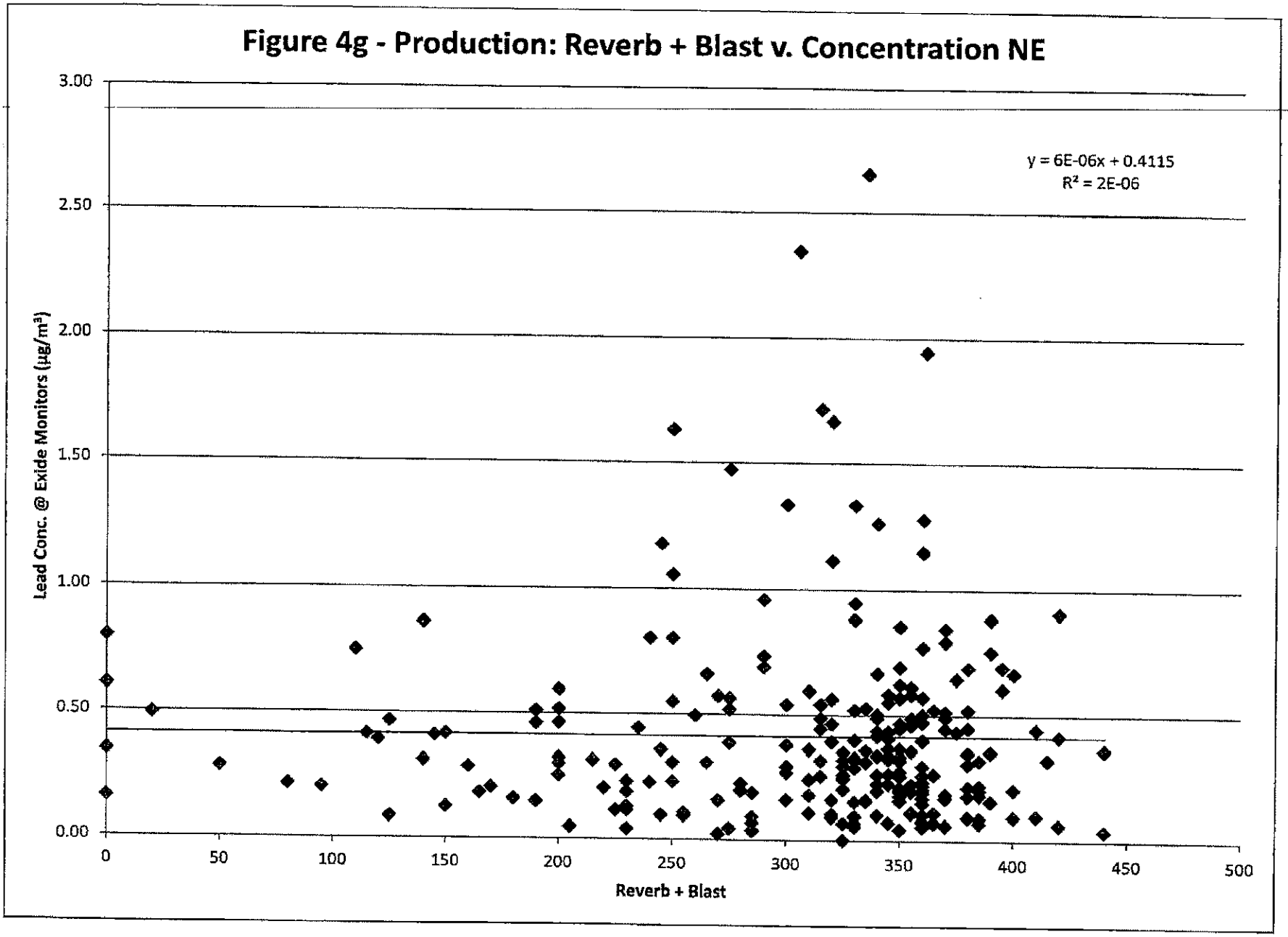
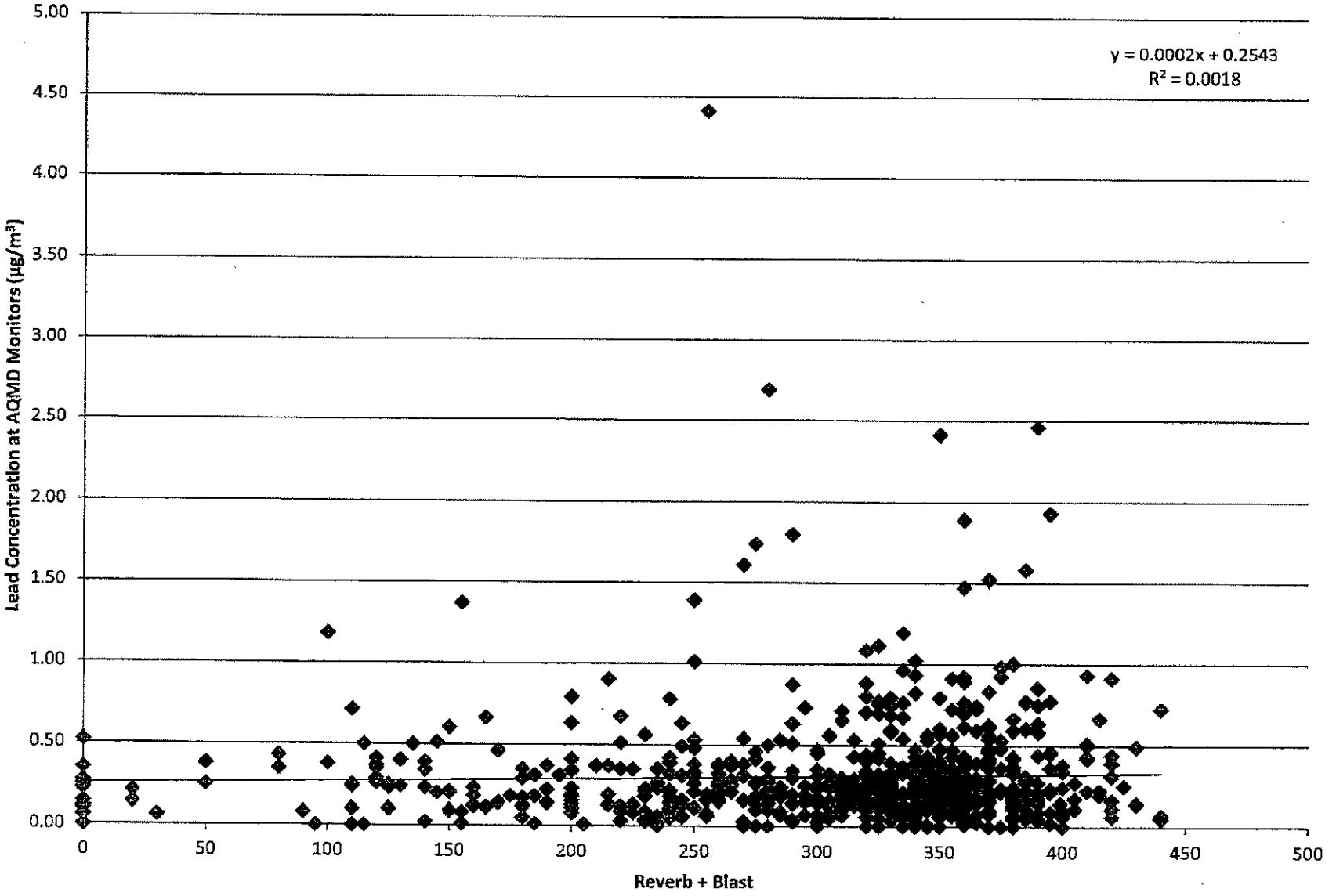


Figure 4h - Production: Reverb + Blast v. Concentration Rehrig



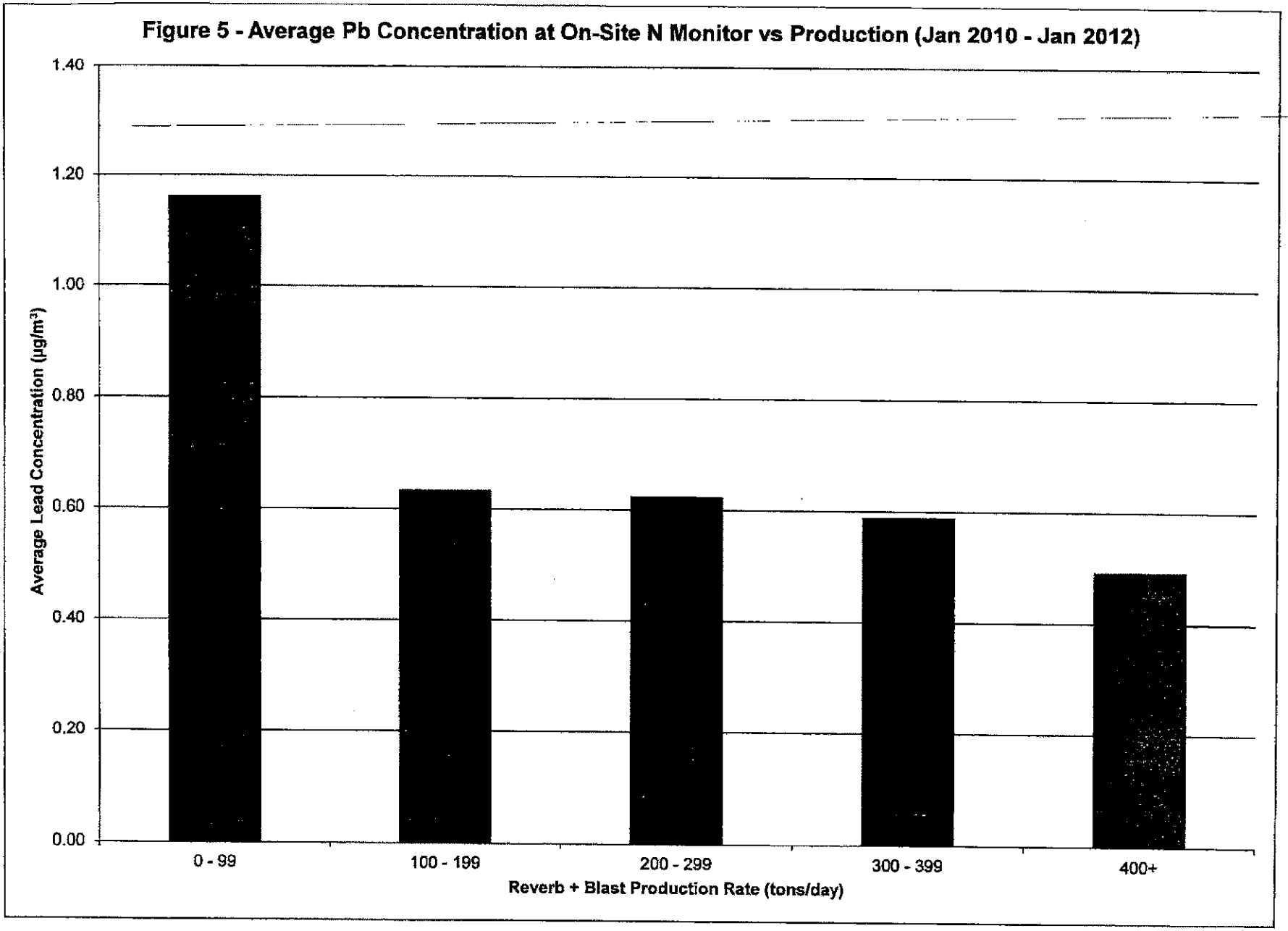


Figure 5 - Average Pb Concentration at On-Site N Monitor vs Production (Jan 2010 - Jan 2012)
1.40
1.20
1.00
0.80
0.60
0.40
0.20
0.00
Average Lead Concentration (µg/m³)
0 - 99
100 - 199
200 - 299
300 - 399
400+
Reverb + Blast Production Rate (tons/day)

Appendix A

List of Compliance Plan Measures

Appendix A – List of Compliance Plan Measures (1-20-2012)

	Action	Completion Date
1	Install door(s) between shipping and smelting to enhances negative pressure in refining/smelting and reduce draft from shipping.	Oct 2010
2	Install an automated door on the southeast end of the corridor connecting the reverb and blast feed rooms to reduce the amount of time that the door is open	Nov 2010
3	Install a new vehicle wheel wash station in the west yard of the plant	Jun 2011
4	Completely resurface the west yard of the facility to enhance the effectiveness of pavement cleaning activities	Jul 2011
5	Installed MERV 15 rated cartridge filters in the North and South Torit collectors	Jul 2011
6	Upgraded ride-on yard sweeper to a wet scrubbing unit for cleaning of plant yard pavement	Oct 2011
7	Install ventilated negative pressure enclosure for "Baghouse Row"	March/April 2012
8	Modify railcar dock at the south end of the smelting building to allow receiving of industrial plates and dedicated inside and outside forklifts.	Jun 2012
9	Replace strip curtains with doors at north and south end of RMPS building	Dec 2011
10	Install new vehicle and equipment decon and wash area at the north end of baghouse row as part of the baghouse row enclosure construction	Dec 2011
11	Eliminate and close mobile equipment wash area at south of plant	ASAP (Notify DTSC, pending DTSC approval)
12	Focused housekeeping and other horizontal surfaces in Baghouse Row, pending completion of enclosure of area	Nov 2010- Dec 2011
13	Install two backup diesel generators to supply electrical power to drive the fans serving the two process furnace exhaust baghouses and the two Torit collectors during power outages	Jun 2012
14	Install at least six (6) boot wash stations at exist of total containment buildings	June 2012
15	Designate one or more forklifts for exclusive use inside total containment buildings	June 2012
16	Apply elastomeric coating to the roof as well as vertical and horizontal surfaces of the battery breaker building to enhance the maintainability of the roof and prevent the development of pinhole leaks over time	Contingent Measure, per 5.2.2

Appendix A – List of Compliance Plan Measures (1-20-2012)

	Action	Completion Date
17	Curtailment of specific activities	Contingent. Per 5.2.7 and Appendix C Conditions 4-6
18	Potential Contingent Measures	Contingent. Per Appendix C, Conditions 8-11

FACILITY PERMIT TO OPERATE
EXIDE TECHNOLOGIES

SECTION K: TITLE V Administration

GENERAL PROVISIONS

1. This permit may be revised, revoked, reopened and reissued, or terminated for cause, or for failure to comply with regulatory requirements, permit terms, or conditions. [3004(a)(7)(C)]

2. This permit does not convey any property rights of any sort or any exclusive privilege. [3004(a)(7)(E)]

Permit Renewal and Expiration

3. (A) Except for solid waste incineration facilities subject to standards under section 129(e) of the Clean Air Act, this permit shall expire five years from the date that this Title V permit is issued. The operator's right to operate under this permit terminates at midnight on this date, unless the facility is protected by an application shield in accordance with Rule 3002(b), due to the filing of a timely and complete application for a Title V permit renewal, consistent with Rule 3003. [3004(a)(2), 3004(f)]

   (B) A Title V permit for a solid waste incineration facility combusting municipal waste subject to standards under Section 129(e) of the Clean Air Act shall expire 12 years from the date of issuance unless such permit has been renewed pursuant to this regulation. These permits shall be reviewed by the Executive Officer at least every five years from the date of issuance. [3004(f)(2)]

4. To renew this permit, the operator shall submit to the Executive Officer an application for renewal at least 180 days, but not more than 545 days, prior to the expiration date of this permit. [3003(a)(6)]

Duty to Provide Information

5. The applicant for, or holder of, a Title V permit shall furnish, pursuant to Rule 3002(d) and (e), timely information and records to the Executive Officer or designee within a reasonable time as specified in writing by the Executive Officer or designee. [3004(a)(7)(F)]

Payment of Fees

6. The operator shall pay all required fees specified in Regulation III - Fees. [3004(a)(7)(G)]

FACILITY PERMIT TO OPERATE
EXIDE TECHNOLOGIES

SECTION K: TITLE V Administration

Reopening for Cause

7. The Executive Officer will reopen and revise this permit if any of the following circumstances occur:

   (A) Additional regulatory requirements become applicable with a remaining permit term of three or more years. Reopening is not required if the effective date of the requirement is later than the expiration date of this permit, unless the permit or any of its terms and conditions has been extended pursuant to paragraph (f)(4) of Rule 3004.

   (B) The Executive Officer or EPA Administrator determines that this permit contains a material mistake or that inaccurate statements were made in establishing the emissions standards or other terms or conditions of this permit.

   (C) The Executive Officer or EPA Administrator determines that the permit must be revised or revoked to assure compliance with the applicable requirements. [3005(g)(1)]

COMPLIANCE PROVISIONS

8. The operator shall comply with all regulatory requirements, and all permit terms and conditions, except:

   (A) As provided for by the emergency provisions of condition no. 17 or condition no. 18, or

   (B) As provided by an alternative operating condition granted pursuant to a federally approved (SIP-approved) Rule 518.2.

   Any non-compliance with any federally enforceable permit condition constitutes a violation of the Federal Clean Air Act and is grounds for enforcement action; for permit termination, revocation and reissuance, or revision; or denial of a permit renewal application. Non-compliance may also be grounds for civil or criminal penalties under the California State Health and Safety Code. [3004(a)(7)(A)]

FACILITY PERMIT TO OPERATE
EXIDE TECHNOLOGIES

SECTION K: TITLE V Administration

9. The operator shall allow the Executive Officer or authorized representative, upon presentation of appropriate credentials to:

   (A) Enter the operator's premises where emission-related activities are conducted, or records are kept under the conditions of this permit;

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

   (C) Inspect at reasonable times, any facilities, equipment (including monitoring and air pollution control equipment), practices, or operations regulated or required under the permit; and

   (D) Sample or monitor at reasonable times, substances or parameters for the purpose of assuring compliance with the facility permit or regulatory requirements. [3004(a)(10)(B)]

10. All terms and conditions in this permit, including any provisions designed to limit a facility's potential to emit, are enforceable by the EPA Administrator and citizens under the federal Clean Air Act, unless the term or condition is designated as not federally enforceable. Each day during any portion of which a violation occurs is a separate offense. [3004(g)]

11. A challenge to any permit condition or requirement raised by EPA, the operator, or any other person, shall not invalidate or otherwise affect the remaining portions of this permit. [3007(b)]

12. The filing of any application for a permit revision, revocation, or termination, or a notification of planned changes or anticipated non-compliance does not stay any permit condition. [3004(a)(7)(D)]

13. It shall not be a defense for a person in an enforcement action, including those listed in Rule 3002(c)(2), that it would have been necessary to halt or reduce the permitted activity in order to maintain compliance with the conditions of this permit, except as provided for in "Emergency Provisions" of this section. [3004(a)(7)(H)]

FACILITY PERMIT TO OPERATE
EXIDE TECHNOLOGIES

SECTION K: TITLE V Administration

14. The operator shall not build, erect, install, or use any equipment, the use of which, without resulting in a reduction in the total release of air contaminants to atmosphere, reduces or conceals an emission which would otherwise constitute a violation of Chapter 3 (commencing with Section 41700) of Part 4, of Division 26 of the California Health and Safety Code or of AQMD rules. This rule shall not apply to cases in which the only violation involved is of Section 41700 of the California Health and Safety Code, or Rule 402 of AQMD Rules. [408]

15. Nothing in this permit or in any permit shield can alter or affect:

    (A) Under Section 303 of the federal Clean Air Act, the provisions for emergency orders;

    (B) The liability of the operator for any violation of applicable requirements prior to or at the time of permit issuance;

    (C) The applicable requirements of the Acid Rain Program, Regulation XXXI;

    (D) The ability of EPA to obtain information from the operator pursuant to Section 114 of the federal Clean Air Act;

    (E) The applicability of state or local requirements that are not "applicable requirements", as defined in Rule 3000, at the time of permit issuance but which do apply to the facility, such as toxics requirements unique to the State; and

    (F) The applicability of regulatory requirements with compliance dates after the permit issuance date. [3004(c)(3)]

16. For any portable equipment that requires an AQMD or state permit or registration, excluding a) portable engines, b) military tactical support equipment and c) AQMD-permitted portable equipment that are not a major source, are not located at the facility for more than 12 consecutive months after commencing operation, and whose operation does not conflict with the terms or conditions of this Title V permit: 1) the facility operator shall keep a copy of the AQMD or state permit or registration; 2) the equipment operator shall comply with the conditions on the permit or registration and all other regulatory requirements; and 3) the facility operator shall treat the permit or registration as a part of its Title V permit, subject to recordkeeping, reporting and certification requirements. [3004(a)(1)]

FACILITY PERMIT TO OPERATE
EXIDE TECHNOLOGIES

SECTION K: TITLE V Administration

EMERGENCY PROVISIONS

17. An emergency[1] constitutes an affirmative defense to an action brought for noncompliance with a technology-based emission limit only if:

(A) Properly signed, contemporaneous operating records or other credible evidence demonstrate that:

(1) An emergency occurred and the operator can identify the cause(s) of the emergency;

(2) The facility was operated properly (i.e. operated and maintained in accordance with the manufacturer's specifications, and in compliance with all regulatory requirements or a compliance plan), before the emergency occurred;

(3) The operator took all reasonable steps to minimize levels of emissions that exceeded emissions standard, or other requirements in the permit; and,

(4) The operator submitted a written notice of the emergency to the AQMD within two working days of the time when the emissions limitations were exceeded due to the emergency. The notice shall contain a description of the emergency, any steps taken to mitigate emissions, and corrective actions taken; and

(B) The operator complies with the breakdown provisions of Rule 430 – Breakdown Provisions, or subdivision (i) of Rule 2004 – Requirements, whichever is applicable. [3002(g), 430, 2004(i)]

18. The operator is excused from complying with any regulatory requirement that is suspended by the Executive Officer during a state of emergency or state of war emergency, in accordance with Rule 118 - Emergencies. [118]

---

1 "Emergency" means any situation arising from sudden and reasonably unforeseeable events beyond the control of the operator, including acts of God, which: (A) requires immediate corrective action to restore normal operation; and (B) causes the facility to exceed a technology-based emission limitation under the permit, due to unavoidable increases in emissions attributable to the emergency; and (C) is not caused by improperly designed equipment, lack of preventative maintenance, careless or improper operation, or operator error.

FACILITY PERMIT TO OPERATE
EXIDE TECHNOLOGIES

SECTION K: TITLE V Administration

RECORDKEEPING PROVISIONS

19. In addition to any other recordkeeping requirements specified elsewhere in this permit, the operator shall keep records of required monitoring information, where applicable, that include:

    (A) The date, place as defined in the Title V permit, and time of sampling or measurements;

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

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

    (D) The analytical techniques or methods used;

    (E) The results of such analyses; and

    (F) The operating conditions as existing at the time of sampling or measurement. [3004(a)(4)(B)]

20. The operator shall maintain records pursuant to Rule 109 and any applicable material safety data sheet (MSDS) for any equipment claimed to be exempt from a written permit by Rule 219 based on the information in those records. [219(t)]

21. The operator shall keep all records of monitoring data required by this permit or by regulatory requirements for a period of at least five years from the date of the monitoring sample, measurement, report, or application. [3004(a)(4)(E)]

REPORTING PROVISIONS

22. The operator shall comply with the following requirements for prompt reporting of deviations:

    (A) Breakdowns shall be reported as required by Rule 430 – Breakdown Provisions or subdivision (i) of Rule 2004 - Requirements, whichever is applicable.

FACILITY PERMIT TO OPERATE
EXIDE TECHNOLOGIES

SECTION K: TITLE V Administration

(B) Other deviations from permit or applicable rule emission limitations, equipment operating conditions, or work practice standards, determined by observation or by any monitoring or testing required by the permit or applicable rules that result in emissions greater than those allowed by the permit or applicable rules shall be reported within 72 hours (unless a shorter reporting period is specified in an applicable State or Federal Regulation) of discovery of the deviation by contacting AQMD enforcement personnel assigned to this facility or otherwise calling (800) CUT-SMOG.

(C) A written report of such deviations reported pursuant to (B), and any corrective actions or preventative measures taken, shall be submitted to AQMD, in an AQMD approved format, within 14 days of discovery of the deviation.

(D) All other deviations shall be reported with the monitoring report required by condition no. 23. [3004(a)(5)]

23. Unless more frequent reporting of monitoring results are specified in other permit conditions or in regulatory requirements, the operator shall submit reports of any required monitoring to the AQMD at least twice per year. The report shall include a) a statement whether all monitoring required by the permit was conducted; and b) identification of all instances of deviations from permit or regulatory requirements. A report for the first six calendar months of the year is due by August 31 and a report for the last six calendar months of the year is due by February 28. [3004(a)(4)(F)]

24. The operator shall submit to the Executive Officer and to the Environmental Protection Agency (EPA), an annual compliance certification. For RECLAIM facilities, the certification is due when the Annual Permit Emissions Program (APEP) report is due and shall cover the same reporting period. For other facilities, the certification is due on March 1 for the previous calendar year. The certification need not include the period preceding the date the initial Title V permit was issued. Each compliance certification shall include:

(A) Identification of each permit term or condition that is the basis of the certification;

FACILITY PERMIT TO OPERATE
EXIDE TECHNOLOGIES

SECTION K: TITLE V Administration

(B) The compliance status during the reporting period;

(C) Whether compliance was continuous or intermittent;

(D) The method(s) used to determine compliance over the reporting period and currently, and

(E) Any other facts specifically required by the Executive Officer to determine compliance.

The EPA copy of the certification shall be sent to: Director of the Air Division Attn: Air-3 USEPA, Region IX 75 Hawthorne St. San Francisco, CA 94105 [3004(a)(10)(E)]

25. All records, reports, and documents required to be submitted by a Title V operator to AQMD or EPA shall contain a certification of accuracy consistent with Rule 3003(c)(7) by a responsible official (as defined in Rule 3000). [3004(a)(12)]

PERIODIC MONITORING

26. All periodic monitoring required by this permit pursuant to Rule 3004(a)(4)(c) is based on the requirements and justifications in the AQMD document "Periodic Monitoring Guidelines for Title V Facilities" or in case-by-case determinations documented in the TitleV application file. [3004(a)(4)]

EXHIBIT “6”

(Adopted November 5, 2010)

RULE 1420.1. EMISSIONS STANDARD FOR LEAD FROM LARGE LEAD-ACID BATTERY RECYCLING FACILITIES

(a) Purpose

(1) The purpose of this rule is to protect public health by reducing exposure and emissions of lead from large lead-acid battery recycling facilities, and to help ensure attainment of the National Ambient Air Quality Standard for Lead.

(b) Applicability

(1) This rule applies to all persons who own or operate a lead-acid battery recycling facility that has processed more than 50,000 tons of lead a year in any one of the five calendar years prior to November 5, 2010, or annually thereafter, hereinafter a large lead-acid battery recycling facility. Applicability shall be based on facility lead processing records required under subdivision (m) of this rule, and Rule 1420 – Emissions Standards for Lead. Compliance with this rule shall be in addition to other applicable rules such as Rule 1420.

(c) Definitions

For the purposes of this rule, the following definitions shall apply:

(1) AGGLOMERATING FURNACE means a furnace used to melt flue dust that is collected from a lead control device, such as a baghouse, into a solid mass.

(2) AMBIENT AIR for purposes of this rule means outdoor air.

(3) BATTERY BREAKING AREA means the plant location at which lead-acid batteries are broken, crushed, or disassembled and separated into components.

(4) DRYER means a chamber that is heated and that is used to remove moisture from lead-bearing materials before they are charged to a smelting furnace.

(5) DRYER TRANSITION PIECE means the junction between a dryer and the charge hopper or conveyor, or the junction between the dryer and the smelting furnace feed chute or hopper located at the ends of the dryer.

(6) DUCT SECTION means a length of duct including angles and bends which is contiguous between two or more process devices (e.g., between a

furnace and heat exchanger; baghouse and scrubber; scrubber and stack; etc.).

(7) EMISSION COLLECTION SYSTEM means any equipment installed for the purpose of directing, taking in, confining, and conveying an air contaminant, and which at minimum conforms to design and operation specifications given in the most current edition of *Industrial Ventilation, Guidelines and Recommended Practices,* published by the American Conference of Government and Industrial Hygienists, at the time a complete permit application is on file with the District.

(8) FUGITIVE LEAD-DUST means any solid particulate matter containing lead that is in contact with ambient air and has the potential to become airborne.

(9) FURNACE AND REFINING/CASTING AREA means any area of a large lead-acid battery recycling facility in which:

(a) Smelting furnaces or agglomerating furnaces are located; or

(b) Refining operations occur; or

(c) Casting operations occur.

(10) LEAD-ACID BATTERY RECYCLING FACILITY means any facility, operation, or process in which lead-acid batteries are disassembled and recycled into elemental lead or lead alloys through smelting.

(11) LEAD means elemental lead, alloys containing elemental lead, or lead compounds, calculated as elemental lead.

(12) LEAD CONTROL DEVICE means any equipment installed in the ventilation system of a lead point source or emission collection system for the purposes of collecting and containing lead emissions.

(13) LEAD POINT SOURCE means any process, equipment, or total enclosure used in the lead-acid battery recycling operation, including, but not limited to, agglomerating furnaces, dryers, and smelting furnaces, that pass through a stack or vent designed to direct or control its exhaust flow prior to release to the atmosphere.

(14) LEEWARD WALL means the furthest exterior wall of a total enclosure that is opposite the windward wall.

(15) MAINTENANCE ACTIVITY means any of the following activities conducted outside of a total enclosure that generates fugitive lead-dust:

(a) building construction, renovation, or demolition;

(b) replacement or repair of refractory, filter bags, or any internal or

external part of equipment used to process, handle, or control lead-containing materials;

(c) replacement of any duct section used to convey lead-containing exhaust;

(d) metal cutting or welding that penetrates the metal structure of any equipment, and its associated components, used to process lead-containing material, such that lead dust within the internal structure or its components can become fugitive lead-dust; or

(e) resurfacing, repair, or removal of ground, pavement, concrete, or asphalt.

(16) MATERIALS STORAGE AND HANDLING AREA means any area of a large lead-acid battery recycling facility in which lead-containing materials including, but not limited to, broken battery components, reverberatory furnace slag, flue dust, and dross, are stored or handled between process steps. Areas may include, but are not limited to, locations in which materials are stored in piles, bins, or tubs, and areas in which material is prepared for charging to a smelting furnace.

(17) MEASURABLE PRECIPITATION means any on-site measured rain amount of greater than 0.01 inches in any complete 24-hour calendar day (i.e., midnight to midnight).

(18) PARTIAL ENCLOSURE for purposes of this rule means a structure comprised of walls or partitions on at least three sides or three-quarters of the perimeter that surrounds areas where maintenance activity is conducted, in order to prevent the generation of fugitive lead-dust.

(19) PROCESS means using lead or lead-containing materials in any operation including, but not limited to, the charging of lead-containing materials to smelting furnaces, lead refining and casting operations, and lead-acid battery breaking.

(20) RENOVATION for purposes of this rule means the altering of a building or permanent structure, or the removal of one or more of its components that generates fugitive lead-dust emissions.

(21) SENSITIVE RECEPTOR means any residence including private homes, condominiums, apartments, and living quarters; education resources such as preschools and kindergarten through grade twelve (k-12) schools; daycare centers; and health care facilities such as hospitals or retirement and nursing homes. A sensitive receptor includes long term care

hospitals, hospices, prisons, and dormitories or similar live-in housing.

(22) SLAG means the inorganic material by-product discharged, in molten state, from a lead smelting furnace that has a lower specific gravity than lead metal and contains lead compounds. This shall include, but not limited to, lead sulfate, lead sulfide, lead oxides, and lead carbonate consisting of other constituents charged to a smelting furnace which are fused together during the pyrometallurgical process.

(23) SMELTING means the chemical reduction of lead compounds to elemental lead or lead alloys through processing in high temperatures greater than 980° C.

(24) SMELTING FURNACE means any furnace where smelting takes place including, but not limited to, blast furnaces, reverberatory furnaces, rotary furnaces, and electric furnaces.

(25) TOTAL ENCLOSURE means a permanent containment building/structure, completely enclosed with a floor, walls, and a roof to prevent exposure to the elements, (e.g., precipitation, wind, run-on), with limited openings to allow access and egress for people and vehicles, that is free of cracks, gaps, corrosion, or other deterioration that could cause or result in fugitive lead-dust.

(26) WINDWARD WALL means the exterior wall of a total enclosure which is most impacted by the wind in its most prevailing direction determined by a wind rose using data required under paragraph (j)(5) of this rule, or other data approved by the Executive Officer.

(d) General Requirements

The owner or operator of a large lead-acid battery recycling facility shall be subject to the following requirements:

(1) Prior to January 1, 2012, emissions shall not be discharged into the atmosphere which contribute to ambient air concentrations of lead that exceed 1.5 micrograms per cubic meter ($\mu g/m^3$) pursuant to District Rule 1420.

(2) On and after January 1, 2012, emissions shall not be discharged into the atmosphere which contribute to ambient air concentrations of lead that exceed 0.15 $\mu g/m^3$ averaged over any 30 consecutive days. The ambient air concentrations of lead shall be determined by monitors pursuant to subdivision (j) or at any District-installed monitor.

(3) No later than July 1, 2011, install, maintain, and operate total enclosures pursuant to subdivision (e) and lead point source emission control devices pursuant to subdivision (f). The owner or operator of a large lead-acid battery recycling facility shall comply with both subparagraphs (d)(3)(A) and (d)(3)(B):

(A) Submit complete permit applications for all construction and necessary equipment within 30 days of November 5, 2010.

(B) Complete all construction within 180 days of receiving Permit to Construct approvals from the Executive Officer, or by July 1, 2011, whichever is earlier.

(C) The Executive Officer may approve a request for an extension of the compliance deadline date if the facility can demonstrate that it timely filed all complete permit applications and is unable to meet the deadline due to reasons beyond the facility's control. The request shall be submitted to the Executive Officer no less than 30 days before the compliance deadline date.

(4) On and after July 1, 2011 submit a Compliance Plan pursuant to subdivision (g) if emissions are discharged into the atmosphere which contribute to ambient air concentrations of lead that exceed 0.12 ($\mu g/m^3$) averaged over any 30 consecutive days determined by monitors pursuant to subdivision (j) or at any District-installed monitor.

(e) Total Enclosures

(1) Enclosure Areas

The owner or operator of a large lead-acid battery recycling facility shall enclose within a total enclosure the following areas in groups or individually:

(A) Battery breaking areas;

(B) Materials storage and handling areas, excluding areas where unbroken lead-acid batteries and finished lead products are stored;

(C) Dryer and dryer areas including transition pieces, charging hoppers, chutes, and skip hoists conveying any lead-containing material;

(D) Smelting furnaces and smelting furnace areas charging any lead-containing material;

(E) Agglomerating furnaces and agglomerating furnace areas charging

any lead-containing material; and

(F) Refining and casting areas.

(2) Total Enclosure Lead Emissions Control

The owner or operator of a large lead-acid battery recycling facility shall vent each total enclosure to an emission collection system that ducts the entire gas stream to a lead control device pursuant to subdivision (f).

(3) Total Enclosure Ventilation

Ventilation of the total enclosure at any opening including, but not limited to, vents, windows, passages, doorways, bay doors, and roll-ups shall continuously be maintained at a negative pressure of at least 0.02 mm of Hg (0.011 inches H_2O) measured pursuant to paragraph (e)(4).

(4) Digital Differential Pressure Monitoring Systems

The owner or operator of a large lead-acid battery recycling facility shall install, operate, and maintain a digital differential pressure monitoring system for each total enclosure as follows:

(A) A minimum of one building digital differential pressure monitoring system shall be installed and maintained at each of the following three walls in each total enclosure having a total ground surface area of 10,000 square feet or more:

(i) The leeward wall;

(ii) The windward wall; and

(iii) An exterior wall that connects the leeward and windward wall at a location defined by the intersection of a perpendicular line between a point on the connecting wall and a point on its furthest opposite exterior wall, and intersecting within plus or minus ten ($\pm$10) meters of the midpoint of a straight line between the two other monitors specified in clauses (e)(4)(A)(i) and (e)(4)(A)(ii). The midpoint monitor shall not be located on the same wall as either of the other two monitors described in clauses (e)(4)(A)(i) or (e)(4)(A)(ii).

(B) A minimum of one building digital differential pressure monitoring system shall be installed and maintained at the leeward wall of each total enclosure that has a total ground surface area of less than 10,000 square feet.

(C) Digital differential pressure monitoring systems shall be certified

by the manufacturer to be capable of measuring and displaying negative pressure in the range of 0.01 to 0.2 mm Hg (0.005 to 0.11 inches H_2O) with a minimum accuracy of plus or minus 0.001 mm Hg (0.0005 inches H_2O).

(D) Digital differential pressure monitoring systems shall be equipped with a continuous strip chart recorder or electronic recorder approved by the Executive Officer. If an electronic recorder is used, the recorder shall be capable of writing data on a medium that is secure and tamper-proof. The recorded data shall be readily accessible upon request by the Executive Officer. If software is required to access the recorded data that is not readily available to the Executive Officer, a copy of the software, and all subsequent revisions, shall be provided to the Executive Officer at no cost. If a device is required to retrieve and provide a copy of such recorded data, the device shall be maintained and operated at the facility.

(E) Digital differential pressure monitoring systems shall be calibrated in accordance with manufacturer's specifications at least once every 12 calendar months or more frequently if recommended by the manufacturer.

(F) Digital differential pressure monitoring systems shall be equipped with a backup, uninterruptible power supply to ensure continuous operation of the monitoring system during a power outage.

(5) In-draft Velocity

The in-draft velocity of the total enclosure shall be maintained at $\geq$ 300 feet per minute at any opening including, but not limited to, vents, windows, passages, doorways, bay doors, and roll-ups. In-draft velocities for each total enclosure shall be determined by placing an anemometer, or an equivalent device approved by the Executive Officer, at the center of the plane of any opening of the total enclosure.

(f) Lead Point Source Emissions Controls

(1) The owner or operator of a large lead-acid battery recycling facility shall vent emissions from each lead point source to a lead control device that meets the requirements of this subdivision and is approved by the Executive Officer.

(2) The total facility mass lead emissions from all lead point sources shall not exceed 0.045 pounds of lead per hour. The maximum emission rate for any single lead point source shall not exceed 0.010 pounds of lead per hour. The total facility and maximum emission rates shall be determined using the most recent source tests conducted by the facility or the District.

(3) The owner or operator of a large lead-acid battery recycling facility shall install a secondary lead control device that controls lead emissions from the exhaust of the primary lead control device used for a dryer. The secondary lead control device shall be fitted with dry filter media, and the secondary lead control device shall only be used to vent the primary lead control device used for the dryer. An alternative secondary lead control method that is equally or more effective for the control of lead emissions may be used if a complete application is submitted as part of the permit application required under paragraph (d)(3) and approved by the Executive Officer.

(4) For any lead control device that uses filter media other than a filter bag(s), including, but not limited to, HEPA and cartridge-type filters, the filter(s) used shall be rated by the manufacturer to achieve a minimum of 99.97% capture efficiency for 0.3 micron particles.

(5) For any lead control device that uses a filter bag(s), the filter bag(s) used shall be polytetrafluoroethylene membrane-type, or any other material that is equally or more effective for the control of lead emissions, and approved for use by the Executive Officer.

(6) Each emission collection system and lead control device shall, at minimum, be inspected, maintained, and operated in accordance with the manufacturer's specifications.

(g) Compliance Plan

On and after July 1, 2011, the owner or operator of a large lead-acid battery recycling facility shall submit a Compliance Plan if emissions are discharged into the atmosphere which contribute to ambient air concentrations of lead that exceed 0.12 $\mu g/m^3$ averaged over any 30 consecutive days determined by monitors pursuant to subdivision (j) or at any District-installed monitor shall:

(1) Notify the Executive Officer in writing within 72 hours of when the facility knew or should have known of exceeding an ambient air lead concentration of 0.12 $\mu g/m^3$ averaged over any 30 consecutive days.

Notification shall only be required for the first time the ambient air lead concentration of 0.12 $\mu g/m^3$ is exceeded;

(2) Submit, within 30 calendar days of exceeding an ambient air lead concentration of 0.12 $\mu g/m^3$ averaged over any 30 consecutive days, a complete Compliance Plan to the Executive Officer for review and approval, subject to plan fees as specified in Rule 306. The Compliance Plan shall, at a minimum, include the following:

(A) A description of additional lead emission reduction measures to achieve the ambient lead concentration of 0.15 $\mu g/m^3$ averaged over any 30 consecutive days, as required under paragraph (d)(2), including, but not limited to, requirements for the following:

(i) Housekeeping, inspection, and maintenance activities;

(ii) Additional total enclosures;

(iii) Modifications to lead control devices;

(iv) Installation of multi-stage lead control devices;

(v) Process changes including reduced throughput limits; and

(vi) Conditional curtailments including, at a minimum, information specifying the curtailed processes, process amounts, and length of curtailment.

(B) The locations within the facility and method(s) of implementation for each lead reduction measure of subparagraph (g)(2)(A); and

(C) An implementation schedule for each lead emission reduction measure of subparagraph (g)(2)(A) to be implemented if lead emissions discharged from the facility contribute to ambient air concentrations of lead that exceed 0.15 $\mu g/m^3$ averaged over any 30 consecutive days measured at any monitor pursuant to subdivision (j) or at any District-installed monitor. The schedule shall also include a list of the lead reduction measures of subparagraph (g)(2)(A) that can be implemented immediately prior to plan approval.

(3) The Executive Officer shall notify the owner or operator in writing whether the Compliance Plan is approved or disapproved. Determination of approval status shall be based on, at a minimum, submittal of information that satisfies the criteria set forth in paragraph (g)(2). If the Compliance Plan is disapproved, the owner or operator shall resubmit the Compliance Plan, subject to plan fees specified in Rule 306, within 30

calendar days after notification of disapproval of the Compliance Plan. The resubmitted Compliance Plan shall include any information necessary to address deficiencies identified in the disapproval letter. If the resubmitted Compliance Plan is denied, the operator or owner may appeal the denial by the Executive Officer to the Hearing Board under Rule 216 – Appeals and Rule 221 - Plans.

(4) The owner or operator shall implement measures based on the schedule in the approved Compliance Plan if lead emissions discharged from the facility contribute to ambient air concentrations of lead to exceed 0.15 $\mu g/m^3$ averaged over any 30 consecutive days measured at any monitor pursuant to subdivision (j) or at any District-installed monitor.

(5) The owner or operator may make a request to the Executive Officer to modify or update an approved Compliance Plan.

(h) Housekeeping Requirements

No later than 30 days after November 5, 2010, the owner or operator of a large lead-acid battery recycling facility shall control fugitive lead-dust by conducting all of the following housekeeping practices:

(I) Clean by wet wash or a vacuum equipped with a filter(s) rated by the manufacturer to achieve a 99.97% capture efficiency for 0.3 micron particles in a manner that does not generate fugitive lead-dust, the following areas at the specified frequencies, unless located within a total enclosure vented to a lead control device. Days of measurable precipitation in the following areas occurring within the timeframe of a required cleaning frequency may be counted as a cleaning:

(A) Monthly cleanings of roof tops on structures $\leq$ 45 feet in height that house areas associated with the storage, handling or processing of lead-containing materials; and

(B) Quarterly cleanings, no more than 3 calendar months apart, of roof tops on structures > 45 feet in height that house areas associated with the storage, handling or processing of lead-containing materials; and

(C) Weekly cleanings of all areas where lead-containing wastes generated from housekeeping activities are stored, disposed of, recovered or recycled.

(D) Initiate immediate cleaning, no later than one hour, after any

maintenance activity or event including, but not limited to, accidents, process upsets, or equipment malfunction, that causes deposition of fugitive lead-dust onto areas specified in subparagraph (h)(1)(A) through (h)(1)(C). Immediate cleanings of roof tops shall be completed within 72 hours if the facility can demonstrate that delays were due to safety or timing issues associated with obtaining equipment required to implement this requirement.

(2) Inspect all total enclosures and facility structures that house, contain or control any lead point source or fugitive lead-dust emissions at least once a month. Any gaps, breaks, separations, leak points or other possible routes for emissions of lead or fugitive lead-dust to ambient air shall be permanently repaired within 72 hours of discovery. The Executive Officer may approve a request for an extension beyond the 72-hour limit if the request is submitted before the limit is exceeded.

(3) Upon receipt, any lead-acid battery that is cracked or leaking shall be immediately sent to the battery breaking area for processing or stored pursuant to paragraph (h)(6).

(4) Pave, concrete, asphalt, or otherwise encapsulate all facility grounds as approved by the Executive Officer. Facility grounds used for plant life that are less than a total surface area of 100 square feet shall not be subject to encapsulation. Facility grounds requiring removal of existing pavement, concrete, asphalt or other forms of encapsulation, necessary for maintenance purposes shall not require encapsulation while undergoing work, and shall be re-encapsulated immediately after all required work is completed. All work shall be conducted in accordance with subdivision (i).

(5) Remove any weather cap installed on any stack that is a source of lead emissions.

(6) Store all materials capable of generating any amount of fugitive lead-dust including, but not limited to, slag and any other lead-containing waste generated from housekeeping requirements of subdivision (h) and maintenance activities of subdivision (i), in sealed, leak-proof containers, unless located within a total enclosure.

(7) Transport all materials capable of generating any amount of fugitive lead-dust including, but not limited to, slag and any other waste generated from

housekeeping requirements of subdivision (h), within closed conveyor systems or in sealed, leak-proof containers, unless located within a total enclosure.

(8) Initiate removal of any lead-containing material, including sludge, from the entire surface area of any surface impoundment pond or reservoir holding storm water runoff or spent water from housekeeping activities within 1 hour after the water level is $\leq$ 1 inch above the bottom of the pond or reservoir. Removal of lead-containing material is required to be completed as soon as possible, and no later than six calendar days after the time initiation of the removal was required. Thereafter, surfaces shall be washed down weekly in a manner that does not generate fugitive lead-dust until the pond or reservoir is used again for holding water.

(9) Maintain and Use an Onsite Mobile Vacuum Sweeper or Vacuum

The owner or operator of a large lead-acid battery recycling facility shall maintain an onsite mobile vacuum sweeper that is in compliance with District Rule 1186, or a vacuum equipped with a filter(s) rated by the manufacturer to achieve a 99.97% capture efficiency for 0.3 micron particles to conduct the following sweeping activities:

(A) Vacuum sweep all paved, concreted or asphalted facility areas subject to vehicular or foot traffic three times per day and occurring at least once per operating shift with each event not less than four hours apart, unless located within a total enclosure vented to a lead control device.

(B) Immediately vacuum sweep any area specified in subparagraph (h)(9)(A), no later than one hour after any maintenance activity or event including accidents, process upsets, or equipment malfunction that results in the deposition of fugitive lead-dust.

(C) Vacuum sweeping activities specified in paragraph (h)(9) shall not be required during days of measurable precipitation.

(i) Maintenance Activity

(1) Beginning November 5, 2010, the owner or operator of a large lead-acid battery recycling facility shall conduct any maintenance activity in a negative air containment enclosure, vented to a permitted negative air machine equipped with a filter(s) rated by the manufacturer to achieve a 99.97% capture efficiency for 0.3 micron particles, that encloses all

affected areas where fugitive lead-dust generation potential exists, unless located within a total enclosure or approved by the Executive Officer. Any maintenance activity that cannot be conducted in a negative air containment enclosure due to physical constraints, limited accessibility, or safety issues when constructing or operating the enclosure shall be conducted:

(A) In a partial enclosure, barring conditions posing physical constraints, limited accessibility, or safety issues;

(B) Using wet suppression or a vacuum equipped with a filter(s) rated by the manufacturer to achieve a 99.97% capture efficiency for 0.3 micron particles, at locations where the potential to generate fugitive lead-dust exists prior to conducting and upon completion of the maintenance activity. Wet suppression or vacuuming shall also be conducted during the maintenance activity barring safety issues;

(C) While collecting 24-hour samples at monitors for every day that maintenance activity is occurring notwithstanding paragraph (j)(2); and

(D) Shall be stopped immediately when instantaneous wind speeds are $\geq$ 25 mph. Maintenance work may be continued if it is necessary to prevent the release of lead emissions.

(2) Store or clean by wet wash or a vacuum equipped with a filter(s) rated by the manufacturer to achieve a 99.97% capture efficiency for 0.3 micron particles, all lead-contaminated equipment and materials used for any maintenance activity immediately after completion of work in a manner that does not generate fugitive lead-dust.

(j) Ambient Air Monitoring and Sampling Requirements

Prior to January 1, 2011, ambient air monitoring and sampling shall be conducted pursuant to District Rule 1420. No later than January 1, 2011, the owner or operator of a large lead-acid battery recycling facility shall conduct ambient air monitoring and sampling as follows:

(1) Collect samples from a minimum of four sampling sites. Locations for sampling sites shall be approved by the Executive Officer.

(A) Locations for sampling sites shall be based on maximum expected ground level lead concentrations, at or beyond the property line, as

determined by Executive Officer-approved air dispersion modeling calculations and emission estimates from all lead point sources and fugitive lead-dust sources, and other factors including, but not limited to, population exposure and seasonal meteorology.

(B) The Executive Officer may require one or more of the four sampling sites to be at locations that are not based on maximum ground level lead concentrations, and that are instead at locations at or beyond the property line that are representative of upwind or background concentrations.

(C) Sampling sites at the property line may be located just inside the fence line on facility property if logistical constraints preclude placement outside the fence line at the point of maximum expected ground level lead concentrations.

(2) Collect 24-hour, midnight-to-midnight, samples at all sites for 30 consecutive days from the date of initial sampling, followed by one 24-hour, midnight-to-midnight, sample collected at least once every three calendar days, on a schedule approved by the Executive Officer.

(3) Submit samples collected pursuant to paragraphs (j)(1) and (j)(2) to a laboratory approved under the SCAQMD Laboratory Approval Program for analysis within three calendar days of collection and calculate ambient lead concentrations for individual 24-hour samples within 15 calendar days of the end of the calendar month in which the samples were collected. Duplicate samples shall be made available and submitted to the District upon request by the Executive Officer.

(4) Sample collection shall be conducted using Title 40, CFR 50 Appendix B - *Reference Method for the Determination of Suspended Particulate Matter in the Atmosphere (High Volume Method)*, or U.S. EPA-approved equivalent methods, and sample analysis shall be conducted using Title 40, CFR 50 Appendix G - *Reference Method for the Determination of Lead in Suspended Particulate Matter Collected from Ambient Air*, or U.S. EPA-approved equivalent methods.

(5) Continuously record wind speed and direction data at all times using equipment approved by the Executive Officer at a minimum of one location and placement approved by the Executive Officer.

(6) Ambient air quality monitoring shall be conducted by persons approved by the Executive Officer and sampling equipment shall be operated and

maintained in accordance with U.S. EPA-referenced methods.

(7) All ambient air quality monitoring systems required by this subdivision shall be equipped with a backup, uninterruptible power supply to ensure continuous operation of the monitoring system during a power outage.

(8) Cleaning activities including, but not limited to, wet washing and misting, that result in damage or biases to samples collected shall not be conducted within 10 meters of any sampling site required under this subdivision.

(9) On and after January 1, 2012, if the owner or operator of a large lead-acid battery recycling facility exceeds an ambient air lead concentration 0.15 $\mu g/m^3$ measured pursuant to paragraph (d)(2), the owner or operator shall:

(A) Begin daily ambient air monitoring and sampling no later than three calendar days of the time the facility knew or should have known of the exceedance. Conduct daily ambient air monitoring and sampling for sixty (60) consecutive days at each sampling site that measured an exceedance with paragraph (d)(2).

(B) The 60 consecutive-day period shall be restarted for any subsequent exceedance.

(k) Source Tests

(1) The owner or operator of a large lead-acid battery recycling facility shall conduct a source test of all lead point sources at least annually to demonstrate compliance with the control standards specified in subdivision (f). If the results of the most recent source test for a lead point source demonstrating compliance with the lead emission standard of subdivision (f) demonstrate emissions of 0.0025 pounds of lead per hour or less, the next test for that lead point source shall be performed no later than 24 months after the date of the most recent test.

(2) The owner or operator of a large lead-acid battery recycling facility with an existing lead control device in operation before November 5, 2010 shall conduct a source test for it no later than January 1, 2011. The owner or operator of a large lead-acid battery recycling facility with a new or modified lead control device with initial start-up on or after November 5, 2010 shall conduct the initial source test for it within 60 calendar days after initial start-up.

(3) Prior to the owner or operator of a large lead-acid battery recycling facility conducting a source test pursuant to paragraph (k)(1) or (k)(2),

shall submit a pre-test protocol to the Executive Officer for approval at least 60 calendar days prior to conducting the source test. The pre-test protocol shall include the source test criteria of the end user and all assumptions, required data, and calculated targets for testing the following:

(A) Target lead control standard;

(B) Preliminary lead analytical data;

(C) Planned sampling parameters; and

(D) Information on equipment, logistics, personnel, and other resources necessary for an efficient and coordinated test.

(4) The owner or operator of a large lead-acid battery recycling facility shall notify the Executive Officer in writing one week prior to conducting any source test required by paragraph (k)(1) or (k)(2).

(5) The owner or operator of a large lead-acid battery recycling facility shall notify the Executive Officer within three business days, including Mondays, of when the facility knew or should have known of any source test result that exceeds any of the emission standards specified in paragraph (f)(2). Notifications shall be made to 1-800-CUT-SMOG.

(6) Source tests shall be conducted while operating at a minimum of 80% of equipment maximum capacity and in accordance with any of the following applicable test methods:

(A) SCAQMD Method 12.1 - *Determination of Inorganic Lead Emissions from Stationary Sources Using a Wet Impingement Train*

(B) ARB Method 12 – *Determination of Inorganic Lead Emissions from Stationary Sources*

(C) EPA Method 12 – *Determination of Inorganic Lead Emissions from Stationary Sources*

(D) ARB Method 436 – *Determination of Multiple Metal Emissions from Stationary Sources*

(7) The average of triplicate samples, obtained according to approved test methods specified in paragraph (k)(6), shall be used to determine compliance.

(8) The operator may use alternative or equivalent source test methods as defined in U.S. EPA 40 CFR 60.2, approved in writing by the Executive Officer, the Air Resources Board, and the U.S. EPA.

(9) The operator shall use a test laboratory approved under the SCAQMD Laboratory Approval Program for the source test methods cited in this subdivision. If there is no approved laboratory, then approval of the testing procedures used by the laboratory shall be granted by the Executive Officer on a case-by-case basis based on SCAQMD protocols and procedures.

(10) When more than one source test method or set of source test methods are specified for any testing, the application of these source test methods to a specific set of test conditions is subject to approval by the Executive Officer. In addition, a violation established by any one of the specified source test methods or set of source test methods shall constitute a violation of the rule.

(11) An existing source test conducted on or after January 1, 2009 for lead control devices existing before November 5, 2010 may be used as the initial source test specified in paragraph (k)(1) to demonstrate compliance with the control standard of subdivision (f) upon Executive Officer approval. The source test shall meet, at a minimum, the following criteria:

(A) The test is the most recent conducted since January 1, 2009;

(B) The test demonstrated compliance with the control standard of subdivision (f); and

(C) The test is representative of the method to control emissions currently in use; and

(D) The test was conducted using applicable and approved test methods specified in paragraphs (k)(6), (k)(8), or (k)(9).

(l) New Facilities

The owner or operator of a large lead-acid battery recycling facility beginning construction or operations on or after November 5, 2010 shall:

(1) Demonstrate to the satisfaction of the Executive Officer that the facility is not located in an area that is zoned for residential or mixed use; and

(2) Demonstrate to the satisfaction of the Executive Officer that the facility is not located within 1,000 feet from the property line of a sensitive receptor, a school under construction, park, or any area that is zoned for residential or mixed use. The distance shall be measured from the property line of the new facility to the property line of the sensitive

receptor.

(3) Submit complete permit applications for all equipment required by this rule prior to beginning construction or operations, and otherwise on or before the time required by District rules.

(m) Recordkeeping

(1) The owner or operator of a large lead-acid battery recycling facility shall keep records of the following:

(A) Daily records indicating amounts of lead-containing material processed, including, but not limited to, purchase records, usage records, results of analysis, or other District-approved verification to indicate processing amounts;

(B) Results of all ambient air lead monitoring, meteorological monitoring, and other data specified by subdivision (j); and

(C) Records of housekeeping activities completed as required by subdivision (h), maintenance activities of subdivision (i), and lead control device inspection and maintenance requirements of paragraph (f)(6), including the name of the person performing the activity, and the dates and times on which specific activities were completed.

(D) Records of unplanned shutdowns of any smelting furnace including the date and time of the shutdown, description of the corrective measures taken, and the re-start date and time.

(2) The owner or operator of a large lead-acid battery recycling facility shall maintain all records for five years, at least two years onsite.

(n) Reporting

(1) Ambient Air Monitoring Reports

(A) Beginning no later than January 1, 2011, the owner or operator of a large lead-acid battery recycling facility shall report by the 15th of each month to the Executive Officer, the results of all ambient air lead and wind monitoring for each preceding month, or more frequently if determined necessary by the Executive Officer. The report shall include the results of individual 24-hour samples and 30-day averages for each day within the reporting period.

(B) Any exceedances of ambient air lead concentrations specified in

paragraph (d)(2) shall be reported with a notification made to the 1-800-CUT-SMOG within 24 hours of receipt of the completed sample analysis required in paragraph (j)(3), followed by a written report to the Executive Officer no later than three calendar days after the notification. The written report shall include the causes of the exceedance and the specific corrective actions implemented.

(2) Shutdown, Turnaround, and Maintenance Activity Notification

The owner or operator of a large lead-acid battery recycling facility shall:

(A) Notify the Executive Officer and the public within one hour after an unplanned shutdown of any lead control device has occurred. The notification shall include the associated processes or equipment vented by the shutdown lead control device. If the unplanned shutdown involves a breakdown pursuant to Rule 430, the breakdown notification report required by Rule 430 shall serve in lieu of this notification to the Executive Officer.

(B) Notify the Executive Officer and the public at least ten calendar days prior to a planned turnaround or shutdown of any smelting furnace, battery breaker, or lead control device that result in lead emissions. The notification shall specify the subject equipment and the start and end date of the turnaround or shutdown period.

(C) Notify the Executive Officer at least ten calendar days prior to the beginning of maintenance activity, as defined in paragraph (c)(15), that is conducted routinely on a monthly or less frequent basis. The notification and report required under subparagraph (n)(2)(E) shall include, at a minimum, the following:

(i) Dates, times, and locations of activities to be conducted;

(ii) Description of activities;

(iii) Name of person(s)/company conducting the activities;

(iv) Lead abatement procedures, including those specified in subdivision (i), to be used to minimize fugitive lead-dust emissions; and

(v) Date of expected re-start of equipment.

(D) Notify the public at least ten calendar days prior to the beginning of building construction, renovation, or demolition, and resurfacing, repair, or removal of ground pavement, concrete or asphalt if such activities are conducted outside of a total enclosure

and generate fugitive lead-dust. The notification shall include, at a minimum, the following:

(i) Dates, times, and locations of activities to be conducted;

(ii) Description of activities;

(iii) Date of expected re-start of equipment.

(E) Provide the notification to the Executive Officer required under subparagraphs (n)(2)(A), (n)(2)(B), and (n)(2)(C) to 1-800-CUT-SMOG followed by a written notification report to the Executive Officer no later than three business days, including Mondays, after the unplanned shutdown occurred.

(F) Provide notification to the public required under subparagraphs (n)(2)(A), (n)(2)(B), and (n)(2)(D) through a facility contact or pre-recorded notification center that is accessible 24 hours a day, 7 days a week, and through electronic mail using a list of recipients provided by the Executive Officer. Another method of notification to the public may be used provided it is approved by the Executive Officer.

(G) Install a sign indicating the phone number for the facility contact or pre-recorded notification center that meets the following requirements, unless otherwise approved in writing by the Executive Officer:

(i) Installed within 50 feet of the main entrance of the facility and in a location that is visible to the public;

(ii) Measures at least 48 inches wide by 48 inches tall;

(iii) Displays lettering at least 4 inches tall with text contrasting with the sign background; and

(iv) Located between 6 and 8 feet above grade from the bottom of the sign.

(3) Initial Facility Status Report

(A) Initial Facility Status Report Due Date

The owner or operator of a large lead-acid battery recycling facility existing before November 5, 2010 shall submit an initial facility status report to the Executive Officer no later than January 1, 2011. Large lead-acid battery recycling facilities beginning construction or initial operations after November 5, 2010 shall submit the initial compliance status report upon start-up.

(B) The initial facility status report shall contain the information identified in Appendix 1.

(4) Ongoing Facility Status Report

The owner or operator of a large lead-acid battery recycling facility shall submit a summary report to the Executive Officer to document the ongoing facility status.

(A) Frequency of Ongoing Facility Status Reports

The report shall be submitted annually on or before February 1 for all sources and shall include information covering the preceding calendar year.

(B) The content of ongoing facility status reports shall contain the information identified in Appendix 2.

(5) Adjustments to the Timeline for Submittal and Format of Reports

The Executive Officer may adjust the timeline for submittal of periodic reports, allow consolidation of multiple reports into a single report, establish a common schedule for submittal of reports, or accept reports prepared to comply with other state or local requirements. Adjustments shall provide the same information and shall not alter the overall frequency of reporting.

(o) On and after July 1, 2011, if emission are discharged into the atmosphere which contribute to ambient air concentrations of lead that exceed 0.12 $\mu g/m^3$, averaged over any 30 consecutive days, determined by monitors pursuant to subdivision (j) or at any District-installed monitor, the owner or operator of a large lead-acid battery recycling facility shall submit a study addressing the technical, economic and physical feasibility of achieving a total facility mass lead emission rate of 0.003 pounds per hour from all lead point sources. The study shall be submitted within 30 calendar days after exceeding 0.12 $\mu g/m^3$, averaged over any 30 consecutive days.

Appendix 1 – Content of Initial Facility Status Reports

Initial compliance status reports shall contain, at a minimum, the following information:

1. Facility name, District Facility ID number, facility address, owner/operator name, and telephone number.
2. The distance from the property line of the facility to the property line of the nearest commercial/industrial building and sensitive receptor.
3. Worker and sensitive receptor locations, if they are located within one-quarter mile from the center of the facility.
4. Building parameters
    - Stack heights in feet (point sources); or
    - Building area in square feet (volume sources).
5. A description of the types of lead processes performed at the facility.
6. The following information shall be provided for each of the last five calendar years prior to November 5, 2010:
    - Annual amount of lead-containing material processed;
    - The maximum and average daily and monthly operating schedules;
    - The maximum and average daily and monthly lead-processing rates for all equipment and processes;
    - The maximum and average daily and annual emissions of lead from all emission points and fugitive lead-dust sources.
7. The approximate date of intended source tests for all lead control devices, as required by subdivision (k) of this rule.
8. Engineering drawings, calculations or other methodology to demonstrate compliance with paragraphs (d)(1) through (d)(3) and (k).
9. Air dispersion modeling calculations using procedures approved by the Executive Officer to determine the location of sampling sites as required by subdivision (j).
10. All information necessary to demonstrate means of compliance with subdivision (j).
11. The name, title, and signature of the responsible official certifying the accuracy of the report, attesting to whether the source has complied with the provisions of this rule.
12. The date of the report.

Appendix 2 – Content of Ongoing Facility Status Reports

Ongoing facility status reports shall, at a minimum, contain the following information:

1. Facility name, District Facility ID number, facility address, owner/operator name, and telephone number.
2. The beginning and ending dates of the calendar year for the reporting period.
3. The following information shall be provided for each of the last 12 calendar months of the reporting period:
    - Annual amounts of lead-containing material processed;
    - The maximum and average daily and monthly lead-processing rates for all equipment and processes;
    - The maximum and average daily and annual emissions of lead from all emission points and fugitive lead-dust sources.
4. Worker and sensitive receptor distances, if they are located within ¼ of mile from the center of the facility and facility maximum operating schedule, if changed since submittal of the initial compliance status report or prior year's ongoing compliance status and emission reports.
5. A description of any changes in monitoring, processes, or controls since the last reporting period.
6. The name, title, and signature of the responsible official certifying the accuracy of the report.
7. The date of the report.

EXHIBIT “7”

(Adopted October 8, 1993)(Amended August 11, 1995)
(Amended November 14, 1997) (Amended December 12, 1997)

RULE 3004. PERMIT TYPES AND CONTENT

(a) Permit Content for Non-RECLAIM Facilities

Each Title V permit shall include:

(1) Emissions limitations and those operational requirements that assure compliance with all regulatory requirements at the time of permit issuance.

(2) The permit expiration date and a statement that the facility's right to operate terminates on the permit expiration date unless the facility is protected by an application shield pursuant to subdivision (b) of Rule 3002 due to the filing of a timely and complete application for renewal.

(3) The origin and authority of each permit term or condition, and the identification of any difference in form from the applicable requirement upon which the term or condition is based.

(4) Monitoring, recordkeeping, and reporting requirements, as follows:

(A) All emissions monitoring and analysis procedures or test methods required by regulatory requirements;

(B) Monitoring and recordkeeping sufficient to substantiate the facility's compliance with the terms and conditions of Title V permit. With respect to recordkeeping, the permit shall require, where applicable, records of required monitoring information that include, but not limited to, the following:

(i) the date, place as defined in the permit, 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;

(v) the results of such analyses; and

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

(C) Where the applicable requirement does not require periodic monitoring or testing, the permit shall include periodic monitoring or recordkeeping sufficient to yield reliable data from a relevant time period that is representative of the source's compliance with

the terms of the permit. Recordkeeping provisions may be sufficient to meet the requirements of this subparagraph;

(D) Requirements concerning the use, maintenance, and, where appropriate, installation of monitoring and recordkeeping equipment or methods;

(E) Keeping all records of required monitoring data specified in permits, regulatory requirements and District monitoring protocols or rules for a period of at least five years from the date of the monitoring sample, measurement, report, or application; and,

(F) Submittal, to the Executive Officer, of reports of any required monitoring at least every six months. All instances of deviations from permit requirements shall be clearly identified in such reports.

(5) A requirement for prompt reporting, as defined by District protocol or rule or permit condition, of deviations from permit requirements, including those attributable to upset conditions, the probable cause of such deviations, and any corrective actions or preventive measures taken.

(6) A severability clause consistent with subdivision (b) of Rule 3007.

(7) Provisions stating the following:

(A) The holder of the Title V permit shall comply with all regulatory requirements and facility permit conditions, except as provided for in subdivision (g) of Rule 3002 or in an alternative operating condition imposed pursuant to Rule 518.2;

(B) Any non-compliance with subparagraph (a)(7)(A) of this rule, shall be a violation of the federal Clean Air Act pursuant to paragraph (c)(2) of Rule 3002;

(C) The facility permit may be revised, revoked, reopened and reissued, or terminated for cause, including, but not limited to, failure to comply with regulatory requirements, permit terms or conditions;

(D) The filing of any application for permit revision, revocation, or termination, or of a notification of planned changes or anticipated non-compliance, does not stay any permit condition;

(E) The permit does not convey any property rights of any sort or any exclusive privilege;

(F) The applicant for, or holder of, a Title V permit shall furnish timely information and records to the Executive Officer when requested pursuant to subdivision (d) or (e) of Rule 3002 ;

(G) The applicant for, or holder of, a Title V permit shall pay all required fees specified in Regulation III - Permit Fees;

(H) It shall not be a defense for a person in an enforcement action, including those listed in paragraph (c)(2) of Rule 3002, that it would have been necessary to halt or reduce the permitted activity in order to maintain compliance with the conditions of this permit, except as provided for in subdivision (g) of Rule 3002; and,

(I) The conditions under which the permit will be reopened as specified in paragraph (g)(1) of Rule 3005.

(8) Provisions for alternative operating scenarios consistent with regulatory requirements, and including the requirement to maintain a contemporaneous log of the scenario under which the facility is operating.

(9) If requested by the applicant, terms and conditions for trading of emissions increases and decreases in a permitted facility, provided that regulatory requirements allow such trading without a case-by-case approval of each emission trade. Such terms and conditions:

(A) Shall include all terms required by subdivisions (a) and (b) of this rule to determine compliance;

(B) May extend the permit shield described in subdivision (c) of this rule to all terms and conditions that allow such emission trading; and,

(C) Must meet all applicable requirements and requirements of this regulation.

(10) Compliance requirements, including:

(A) Compliance certification, testing, monitoring, reporting, and recordkeeping requirements sufficient to assure compliance with the terms and conditions of the permit, consistent with paragraph (a)(4) of this rule.

(B) Inspection and entry requirements that require that, upon presentation of appropriate credentials, the holder of the Title V permit shall allow the Executive Officer or authorized representative to:

(i) Enter the premises where a Title V facility is located, emission-related activity is conducted, or records are 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 facilities, equipment (including monitoring and air pollution control equipment), practices, or 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 regulatory requirements.

(C) For facilities that are not in compliance with all applicable regulatory requirements at the time of permit issuance or permit renewal, a requirement to comply with all requirements of an alternative operating condition, variance or order for abatement issued by the District Hearing Board. The permit shall include a compliance schedule of remedial measures, including an enforceable sequence of actions with milestones, to be taken by the owner or operator to achieve compliance. This compliance schedule shall resemble and be at least as stringent as that contained in any:

(i) Judicial consent decree or administrative order to which the source is subject; or

(ii) Findings or decisions issued by the District Hearing Board as a result of any administrative proceeding concerning the source.

(D) Progress reports consistent with the terms established in the schedule of compliance, as specified in subparagraph (a)(10)(C) of this rule, to be submitted at least semi-annually, or at a more frequent period if specified in the schedule. Such progress reports shall contain:

(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 preventative or corrective measures adopted.

(E) Requirements for compliance certification with terms and conditions contained in the permit, including emissions limitations,

standards, and work practices. Permits shall include each of the following:

(i) The frequency (not less than annually or such more frequent periods as specified in the regulatory requirements, schedule of compliance or by the Executive Officer in the permit) of the submissions of compliance certifications;

(ii) In accordance with paragraph (a)(4) of this rule, a means for monitoring the compliance of the facility with its emissions limitations, standards, and work practices;

(iii) A requirement that the compliance certification include the following:

(a) The identification of each term or condition of the permit that is the basis of the certification;

(b) The compliance status for the duration of the reporting period;

(c) Whether compliance was continuous or intermittent;

(d) The method(s) used for determining the compliance status of the Title V facility, currently and over the reporting period specified in paragraph (a)(4) of this rule; and,

(e) Such other facts that the Executive Officer may require to determine the compliance status of the facility.

(iv) The requirement that all compliance certifications be submitted to the EPA Administrator as well as the Executive Officer; and,

(v) Such additional requirements as may be specified pursuant to Sections 114(a)(3) and 504(b) of the federal Clean Air Act.

(F) Such other provisions as the Executive Officer may require.

(11) To the extent feasible, identification of those permit conditions which are not federally enforceable.

(12) Provisions that all documents, including compliance documents, required by a Title V permit or Regulation XXX to be submitted to the District or EPA shall contain a certification consistent with paragraph (c)(7) of Rule 3003 by a responsible official.

(13) A listing of all equipment not described by subdivision (h) of this rule that are subject to any source-specific regulatory requirements.

(b) Permit Content for RECLAIM Facilities

Each Title V permit for RECLAIM facilities shall include:

(1) all applicable provisions specified in Rule 2006 - Permits;

(2) provisions specified in subdivision (a) of this rule; and,

(3) a provision stating that permit revisions are not required for emission trading to the extent allowed by Regulation XX.

(c) Permit Shield

(1) The Executive Officer may expressly include in a Title V permit a provision stating that compliance with the conditions of the permit shall be deemed compliance with any regulatory requirements as of the date of permit issuance, provided that:

(A) (i) Such regulatory requirements are included and are specifically identified in the permit; or,

(ii) The Executive Officer, in acting on the permit application or revision determines in writing that other requirements specifically identified are not applicable to the facility, and the permit includes this determination or a concise summary thereof.

(B) The facility specifically requests a permit shield and indicates the following:

(i) Specific process units for which a permit shield is sought or indicates the shield is for the entire facility ;

(ii) Reason that a permit shield is sought; and,

(iii) Proposed duration of a permit shield.

(2) A permit that does not expressly state that a permit shield exists shall be conclusively presumed not to provide such a shield.

(3) Nothing in this rule or in any Title V permit shall alter or affect the following:

(A) The provisions of Section 303 of the federal Clean Air Act (emergency orders) including the authority of the EPA Administrator.

(B) The liability of an owner or operator of a facility for any violation of regulatory requirements prior to, or at the time of, permit issuance;

(C) The applicable requirements of the acid rain program, consistent with Section 408(a) of the federal Clean air Act;

(D) The ability of EPA to obtain information from a facility pursuant to Section 114 of the federal Clean Air Act;

(E) The applicability of State or local requirements that are not "applicable requirements", as defined in Rule 3000, at the time of permit issuance but which do apply to the facility, such as toxics requirements unique to the State; or,

(F) The applicability of regulatory requirements with compliance dates after the permit issuance date.

(4) A request for a permit shield made outside an application for an initial permit or a permit renewal, shall be applied for as a significant permit revision.

(5) A permit shield shall not apply to any operational change required pursuant to paragraph (i)(1) of Rule 3005.

(d) Temporary Source Permits

(1) Except in the cases of an affected source under the acid rain program or portable equipment registered to operate statewide pursuant to Article 5 - Portable Engine and Equipment Registration, Title 13 of the California Code of Regulations, an applicant may request, and the Executive Officer may issue, a single Title V permit to a temporary source authorizing emissions from similar operations by the same facility owner or operator at multiple temporary locations.

(2) An application for a temporary source permit shall be denied unless the permit applicant demonstrates that the operation covered by the permit is temporary, involves at least one change of location during the term of the permit, and does not operate at any one location or stationary facility for more than twelve consecutive months.

(3) Each operator of a temporary source shall notify the Executive Officer in writing, postmarked at least 10 calendar days in advance of each change in location, with the following information:

(A) The address of the new equipment location;

(B) The date operations are to begin at the new location; and,

(C) Any terms of the temporary source permit which will be applicable at the new location but were not applicable at the previous location.

(4) Except as modified by this rule, an application for a temporary source permit is governed by all Regulation XXX rules.

(5) In addition to the requirements of subdivision (a) of Rule 3004, a temporary source permit shall include:

(A) Conditions that will assure compliance with all regulatory requirements at all authorized locations;

(B) A requirement that the owner or operator notify the Executive Officer of location changes in compliance with paragraph (d)(3) of this rule; and,

(C) Conditions that will assure that the operation is temporary, involves at least one change of location during the term of the permit, and does not operate at any one location or facility for more than twelve consecutive months.

(e) General Permits

The Executive Officer may issue a general permit covering numerous similar equipment after notice and opportunity for EPA review and public participation in compliance with Rules 3005 and 3006.

(1) To qualify as a general permit, the equipment category shall meet all of the following criteria:

(A) the general permit complies with all regulatory requirements; and,

(B) the equipment category does not require a Rule 1401 - New Source Review of Carcinogenic Air Contaminants, evaluation.

(2) All general permits shall contain:

(A) criteria by which equipment qualifies for the permit; and,

(B) standard conditions and terms and emissions limits.

(3) Once a general permit has been issued by the Executive Officer, Title V facilities with equipment that would qualify for a general permit may apply to the Executive Officer for coverage under the terms of the general permit. General permits are not authorized for affected sources under the acid rain program.

(4) Unless otherwise provided in the applicable general permit, an applicant for coverage under the general permit shall submit an application containing all

the information required by subdivision (b) of Rule 3003 and shall include a certification by a responsible official complying with paragraph (c)(7) of Rule 3003.

(5) The Executive Officer shall deny the application for coverage under a general permit unless the application demonstrates that the equipment would qualify for coverage as specified in the terms of the permit, and has the ability to comply with all the conditions and terms of the general permit.

(6) Unless otherwise provided in the applicable general permit, the Executive Officer shall determine if the application is complete pursuant to subdivision (c) of Rule 3003 and shall approve or deny the application for coverage under the general permit within thirty days after the application is deemed complete.

(7) Issuance or denial of an application for coverage under a general permit shall not be a final permit action for purposes of judicial review.

(8) If the equipment that has been approved for coverage under a general permit is later determined not to qualify for the conditions and terms of the general permit, the Title V facility shall be subject to enforcement action for operating without a Title V permit.

(f) Permit Expiration and Renewal

(1) Except for solid waste incineration facilities subject to standards under Section 129(e) of the Clean Air Act, a Title V permit shall expire 5 years from the date of issuance unless such permit has been renewed pursuant to this regulation.

(2) A Title V permit for a solid waste incineration facility combusting municipal waste subject to standards under Section 129(e) of the Clean Air Act shall expire 12 years from the date of issuance unless such permit has been renewed pursuant to this regulation. These permits shall be reviewed by the Executive Officer at least every five years from the date of issuance.

(3) Except as provided in paragraph (f)(4) of this rule, on and after the date of expiration of a Title V permit a person shall not operate a Title V facility, or equipment located at a Title V facility, unless such permit has been renewed pursuant to this regulation.

(4) If a timely and complete application for permit renewal has been filed, consistent with paragraph (a)(5) of Rule 3003, but the Executive Officer

has failed to issue or deny the renewal permit before the end of the term of the previous permit, then the previous permit shall not expire and all the terms and conditions of the previous permit, including any permit shield, shall remain in effect until the Executive Officer issues or denies the renewal permit.

(5) The provisions of paragraph (f)(4) of this rule do not apply to a Title V facility if the applicant for, or holder of, the Title V permit has failed to submit, by the deadline specified in writing by the Executive Officer, any additional information identified as being needed to process the application.

(6) Permits being renewed are subject to the same procedural requirements that apply to initial new source Title V permit issuance, including those for public participation and affected State and EPA review.

(g) Federal Enforceability

All terms and conditions in a Title V permit, including any provisions designed to limit a facility's potential to emit, are enforceable by the EPA Administrator and citizens under the federal Clean Air Act, unless the term or condition is designated as not federally enforceable.

(h) The following equipment shall not be listed on a Title V permit:

(1) Permitted portable equipment, provided that such equipment:

(A) is not a major source as defined by 40 CFR Part 70, Section 70.2;

(B) usage does not conflict with the terms or conditions of the Title V permit of the facility visited by the portable equipment; and

(C) is not located at the facility for more than twelve consecutive months after commencing operation.

(2) Equipment that, pursuant to Rule 219 - Equipment Not Requiring a Written Permit Pursuant to Regulation II, do not require a written permit and are not subject to any source-specific regulatory requirements, unless otherwise required under Regulation XX - Regional Clean Air Incentives Market (RECLAIM).

(3) Rule 441 - Research Operations, provided that such research operation:

(A) does not individually meet the applicability criteria pursuant to Rule 3001; and,

(B) is not a support facility making a significant contribution to the product of a collocated facility.

(4) Non-road engines, as defined by 40 CFR Part 89, Section 89.2,manufactured on or after November 15, 1990 or another date subsequently determined by EPA.

(5) Military tactical support equipment registered to operate statewide pursuant to Article 5 - Portable Engine and Equipment Registration, Title 13 of the California Code of Regulations.

PROOF OF SERVICE

STATE OF CALIFORNIA)
) ss:
CITY OF LOS ANGELES AND COUNTY OF LOS ANGELES)

I am employed in the City of Los Angeles and County of Los Angeles, State of California. I am over the age of 18, and not a party to the within action. My business address is 515 South Flower Street, Twenty-Fifth Floor, Los Angeles, California 90071-2228.

On May 28, 2015, I served the foregoing document(s) described as:

THIRD AMENDED COMPLAINT FOR CIVIL PENALTIES AND INJUNCTIVE RELIEF

on the interested parties by placing a true and correct copy thereof in a sealed envelope(s) addressed as follows:

Stephen J. O'Neil, Esq. (soneil@sheppardmullin.com)
Jeffrey J. Parker, Esq. (jparker@sheppardmullin.com)
Sheppard, Mullin, Richter & Hampton LLP
333 South Hope Street, 43rd Floor
Los Angeles, California 90071-1422
Phone: (213) 620-1780
Fax: (213) 620-1398

☒ **VIA E-MAIL OR ELECTRONIC TRANSMISSION:** I hereby certify that the above documents were served from Los Angeles, California, by email delivery on the parties listed herein at their most recent known email address or email of record in this action or based on Court Order and an agreement of the parties to accept service by email or electronic service, I served the listed parties electronically via **caseanywhere.com**. I did not receive, within a reasonable time after the transmission, any electronic message or other indication that the transmission was unsuccessful.

I declare under penalty of perjury under the laws of the State of California that the above is true and correct.

Executed on May 28, 2015, at Los Angeles, California.

Katherine Murray