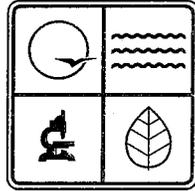


STATE OF MISSOURI
DEPARTMENT OF NATURAL RESOURCES
MISSOURI AIR CONSERVATION COMMISSION



PERMIT BOOK

PERMIT TO CONSTRUCT

Under the authority of RSMo 643 and the Federal Clean Air Act the applicant is authorized to construct the air contaminant source(s) described below, in accordance with the laws, rules and conditions as set forth herein.

Permit Number: **122006-011** Project Number: **2006-09-047**

Owner: **ADESA, Inc.**

Owner's Address: **13085 Hamilton Crossing Blvd., Carmel, IN 46032**

Installation Name: **ADESA Missouri, LLC dba ADESA Kansas City**

Installation Address: **Hwy 291 and Thompson Rd, Lees Summit, MO 64081**

Location Information: **Jackson County, S17, T47N, R31W**

Application for Authority to Construct was made for:

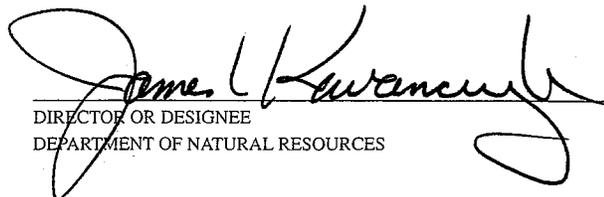
Installation of a new auto body shop and paint booth for surface coating operations. The new installation will consist of three (3) spray booths, three (3) prime booths and a "touch-up/air brush" room. This review was conducted in accordance with Section (5), Missouri State Rule 10 CSR 10-6.060, *Construction Permits Required*.

Standard Conditions (on reverse) are applicable to this permit.

Standard Conditions (on reverse) and Special Conditions (listed as attachments starting on page 2) are applicable to this permit.

DEC 13 2006

EFFECTIVE DATE


DIRECTOR OR DESIGNEE
DEPARTMENT OF NATURAL RESOURCES

STANDARD CONDITIONS:

Permission to construct may be revoked if you fail to begin construction or modification within two years from the effective date of this permit. Permittee should notify the Air Pollution Control Program if construction or modification is not started within two years after the effective date of this permit, or if construction or modification is suspended for one year or more.

You will be in violation of 10 CSR 10-6.060 if you fail to adhere to the specifications and conditions listed in your application, this permit and the project review. Specifically, all air contaminant control devices shall be operated and maintained as specified in the application, associated plans and specifications.

You must notify the Air Pollution Control Program of the anticipated date of start up of this (these) air contaminant source(s). The information must be made available not more than 60 days but at least 30 days in advance of this date. Also, you must notify the Department of Natural Resources Regional Office responsible for the area within which you are located within 15 days after the actual start up of this (these) air contaminant source(s).

A copy of this permit and permit review shall be kept at the installation address and shall be made available to Department of Natural Resources' personnel upon request.

You may appeal this permit or any of the listed Special Conditions as provided in RSMo 643.075. If you choose to appeal, the Air Pollution Control Program must receive your written declaration within 30 days of receipt of this permit.

If you choose not to appeal, this certificate, the project review, your application and associated correspondence constitutes your permit to construct. The permit allows you to construct and operate your air contaminant source(s), but in no way relieves you of your obligation to comply with all applicable provisions of the Missouri Air Conservation Law, regulations of the Missouri Department of Natural Resources and other applicable federal, state and local laws and ordinances.

The Department of Natural Resources has established the Outreach and Assistance Center to help in completing future applications or fielding complaints about the permitting process. You are invited to contact them at 1-800-361-4827 or (573) 526-6627, or in writing addressed to Outreach and Assistance Center, P.O. Box 176, Jefferson City, MO 65102-0176.

The Air Pollution Control Program invites your questions regarding this air pollution permit. Please contact the Construction Permit Unit at (573) 751-4817. If you prefer to write, please address your correspondence to the Air Pollution Control Program, P.O. Box 176, Jefferson City, MO 65102-0176, attention Construction Permit Unit.

Page No.	2
Permit No.	
Project No.	2006-09-047

SPECIAL CONDITIONS:

The permittee is authorized to construct and operate subject to the following special conditions:

The special conditions listed in this permit were included based on the authority granted the Missouri Air Pollution Control Program by the Missouri Air Conservation Law (specifically 643.075) and by the Missouri Rules listed in Title 10, Division 10 of the Code of State Regulations (specifically 10 CSR 10-6.060). For specific details regarding conditions, see 10 CSR 10-6.060 paragraph (12)(A)10. "Conditions required by permitting authority."

ADESA Kansas City
Jackson County, S17, T47N, R31W

1. Emission Limitation – Volatile Organic Compounds (VOC)
 - A. ADESA Kansas City shall emit less than 40 tons of Volatile Organic Compounds (VOCs) from the entire installation in any consecutive 12-month period.
 - B. ADESA Kansas City shall emit less than ten (10) tons individually or twenty-five (25) tons combined of Hazardous Air Pollutants (HAPs) from the entire installation in any consecutive 12-month period.
 - C. Attachment A, Attachment B and Attachment C, or equivalent forms approved by the Air Pollution Control Program shall be used to demonstrate compliance with Special Conditions 1(A) and 1(B). ADESA Kansas City shall maintain all records required by this permit for not less than five (5) years and shall make them available immediately to any Missouri Department of Natural Resources' personnel upon request. These records shall include Material Safety Data Sheets (MSDS) for all materials used at the installation.
 - D. ADESA Kansas City shall report to the Air Pollution Control Program's Enforcement Section, P.O. Box 176, Jefferson City, Missouri 65102, no later than ten (10) days after the end of the month during which the records from Special Condition Number 1(C) indicate that the source exceeds the limitation of Special Conditions Number 1(A) and 1(B).
2. Operational Requirements
ADESA Kansas City shall keep solvents and cleaning solutions in sealed containers whenever the materials are not in use. ADESA Kansas City shall provide and maintain suitable, easily read permanent markings on all solvents and cleaning solution containers used at this installation.
3. Control Device – Booth Filtration System.
The booth filtration system must be in use at all times when the spray and prime booths are in operation and shall be operated and maintained in accordance with the manufacturers' specifications.

REVIEW OF APPLICATION FOR AUTHORITY TO CONSTRUCT AND OPERATE
SECTION (5) REVIEW

Project Number: 2006-09-047
Installation ID Number: 095-0311
Permit Number:

ADESA Kansas City
Hwy 291 and Thompson Rd.
Lee Summit, MO 64081

Complete: September 18, 2006
Reviewed: October 12, 2006

Parent Company:
ADESA, Inc.
13085 Hamilton Crossing Blvd.
Carmel, IN 46032

Jackson County, S17, T47N, R31W

REVIEW SUMMARY

- ADESA Kansas City has applied for authority to construct a new surface coating operations. The new installation will consist of three (3) spray booths, three (3) prime booths and a “touch-up/air brush” room.
- Hazardous Air Pollutant (HAP) emissions are expected from the proposed equipment. HAPs of concern from this process are ethylbenzene, methyl isobutyl ketone, xylene, 1,6 hexamethylene diisocyanate, toluene, and methanol.
- None of the New Source Performance Standards (NSPS) apply to the proposed equipment.
- None of the National Emission Standards for Hazardous Air Pollutants (NESHAPs) or currently promulgated Maximum Achievable Control Technology (MACT) regulations applies to the proposed equipment. Neither Subpart M—*National Emission Standards for Hazardous Air Pollutants: Surface Coating of Miscellaneous Metal Parts and Products*, nor Subpart IIII—*National Emission Standards for Hazardous Air Pollutants: Surface Coating of Automobiles and Light-Duty Trucks*, apply to this installation since the installation is neither a major source of HAP nor does it surface coat new automobile or new light-duty truck bodies or body parts for new automobiles or new light-duty trucks.
- A booth filtration system will be used in association with the new equipment to control PM₁₀ emissions.
- This review was conducted in accordance with Section (5) of Missouri State Rule 10 CSR 10-6.060, *Construction Permits Required*. Potential emissions of VOCs and HAPs are conditioned to below de minimis levels.
- This installation is located in Jackson County, a maintenance area for ozone (O₃) and

an attainment area for all other criteria air pollutants.

- This installation is not on the List of Named Installations [10 CSR 10-6.020(3)(B), Table 2].
- Ambient air quality modeling was not performed since potential emissions of the application are conditioned to de minimis levels.
- Emissions testing is not required for the equipment.
- No Operating Permit is required for this installation.
- Approval of this permit is recommended with special conditions.

INSTALLATION/PROJECT DESCRIPTION

ADESA Missouri, LLC d.b.a. ADESA Kansas City is a wholesale auto auction located in Lee Summit, Missouri. ADESA Kansas City has applied for authority to construct a new surface coating operation. The new installation will consist of three (3) spray booths, three (3) prime booths and a “touch-up/air brush” room. When weather permits the touch-up/air brush operation may move to a designated outside area.

Topcoat, basecoat, sealer and primer coatings will be used in the surface coating process. Surface cleaners and clean-up solvents will also be used. The majority of emissions that will occur during the surface coating are VOCs and HAPs that evaporate from the solvents contained in the coatings.

Each spray booth has associated with it three (3) air makeup units (AMU) each rated at 1.5 MMBtu. The prime booths each have one (1) 1.5 MMBtu AMU giving a total heat input for the AMUs of 18 MMBtu. The AMUs use natural gas as the fuel.

EMISSIONS/CONTROLS EVALUATION

A material balance approach was used in the analysis of PM₁₀, VOC and HAP emissions. For VOC and HAP-containing materials, the amount of pollutant emitted is assumed to be 100 percent of the amount of pollutant contained in the material, since no control device is used to remove or destroy the VOC or HAP in the exhaust stream.

The maximum hourly design rate is based upon a maximum of 7.06 gallons of total coating used per 8-hour period (0.882 gallon per hour) in each spray booth and 2.86 gallons of total coating used per 8-hour period (0.357 gallon per hour) in each prime booth. Maximum usage of surface cleaners and clean-up solvents were based upon historical usage per 8-hour period in similar processes.

Percentage of VOC and HAP by weight and densities of the coatings were determined from Material Safety Data Sheets (MSDS) provided by the applicant.

PM₁₀ emissions were evaluated based on the solid content of the coatings used and a transfer efficiency of 65%. A booth filtration system with a control efficiency of 95% is used

in conjunction with the spray and prime booths.

Emissions from the AMUs were calculated based on emission factors from U.S. EPA document AP-42, *Compilation of Air Pollutant Emission Factors*, Fifth Edition. Section 1.4, *Natural Gas Combustion (7/98)*.

Potential emissions of the application represent the potential of the new equipment, assuming continuous operation (8760 hours per year). Since this is a new installation there are no existing actual emissions or existing potential emissions under construction permits.

The applicant requested an installation-wide limit on VOC and HAP emissions to remain a de minimis source. Therefore, a 40 ton per year VOC and a 10 ton per year individual or 25 ton per year combined HAPs limit for the entire installation was imposed. Table 1 below provides an emissions summary for this project.

Table 1: Emissions Summary (tons per year)

Pollutant	Regulatory De Minimis Levels	Existing Potential Emissions	Existing Actual Emissions	Potential Emissions of the Application	Installation Conditioned Potential
PM ₁₀	15.0	0	0	4.51	N/A
Sox	40.0	0	0	0.05	N/A
NOx	40.0	0	0	0.17	N/A
VOC	40.0	0	0	112.80	<40.0
CO	100.0	0	0	6.49	N/A
1,6-hexamethylene Diisocyanate	10.0	0	0	0.01	N/A
Ethylbenzene	10.0	0	0	6.23	N/A
Methanol	10.0	0	0	0.10	N/A
Methyl Isobutyl Ketone	10.0	0	0	2.26	N/A
Toluene	10.0	0	0	11.01	<10.0
Xylene	10.0	0	0	25.23	<10.0
Combined HAP	10.0/25.0	0	0	44.84	<25.0

*N/A = Not Applicable

PERMIT RULE APPLICABILITY

This review was conducted in accordance with Section (5) of Missouri State Rule 10 CSR 10-6.060, *Construction Permits Required*. Potential emissions of VOC and HAP are conditioned to below de minimis levels.

APPLICABLE REQUIREMENTS

ADESA Kansas City shall comply with the following applicable requirements. The Missouri Air Conservation Laws and Regulations should be consulted for specific record keeping, monitoring, and reporting requirements. Compliance with these emission standards, based on information submitted in the application, has been verified at the time this application was approved.

GENERAL REQUIREMENTS

- *Submission of Emission Data, Emission Fees and Process Information, 10 CSR 10-6.110*

The emission fee is the amount established by the Missouri Air Conservation Commission annually under Missouri Air Law 643.079(1). Submission of an Emissions Inventory Questionnaire (EIQ) is required April 1 for the previous year's emissions.

- *Restriction of Particulate Matter to the Ambient Air Beyond the Premises of Origin, 10 CSR 10-6.170*
- *Restriction of Emission of Visible Air Contaminants, 10 CSR 10-6.220*
- *Maximum Allowable Emission of Particulate Matter From Fuel Burning Equipment Used for Indirect Heating, 10 CSR 10-2.040*
- *Restriction of Emission of Odors, 10 CSR 10-2.070*

SPECIFIC REQUIREMENTS

- *Restriction of Emission of Particulate Matter From Industrial Processes, 10 CSR 10-6.400*

STAFF RECOMMENDATION

On the basis of this review conducted in accordance with Section (5), Missouri State Rule 10 CSR 10-6.060, *Construction Permits Required*, I recommend this permit be granted with special conditions.

Maurice Chemweno
Environmental Engineer

Date

PERMIT DOCUMENTS

The following documents are incorporated by reference into this permit:

- The Application for Authority to Construct form, dated September 15, 2006, received September 18, 2006, designating ADESA Kansas City as the owner and operator of the installation.
- U.S. EPA document AP-42, *Compilation of Air Pollutant Emission Factors*, Fifth Edition. Section 1.4, *Natural Gas Combustion (7/98)*
- MSDS

Mr. Kevin Neal
Environmental Compliance Manager
ADESA, Inc.
13085 Hamilton Crossing Blvd.
Carmel, IN 46032

RE: New Source Review Permit - Project Number: 2006-09-047

Dear Mr. Neal:

Enclosed with this letter is your permit to construct. Please study it carefully. Also, note the special conditions, if any, on the accompanying pages. The document entitled, "Review of Application for Authority to Construct," is part of the permit and should be kept with this permit in your files.

Operation in accordance with these conditions and your new source review permit application is necessary for continued compliance.

The reverse side of your permit certificate has important information concerning standard permit conditions and your rights and obligations under the laws and regulations of the State of Missouri.

If you have any questions regarding this permit, please contact me at (573) 751-4817, or write the Department of Natural Resources' Air Pollution Control Program, PO Box 176, Jefferson City, MO 65102. Thank you for your time and attention.

Thank you,

AIR POLLUTION CONTROL PROGRAM

Kendall B. Hale
New Source Review Unit Chief

KBH: mck

Enclosures

c: Kansas City Regional Office
PAMS File: 2006-09-047

Permit Number: