February 12, 2014

Mr. John Hogarth  
Plant Manager  
Exide Technologies, Inc.  
2700 South Indiana Street  
Vernon, CA 89958

Re: Exide Technologies' Amended Revised Risk Reduction Plan, dated January 2014

Dear Mr. Hogarth:

This letter is in response to the Exide Technologies, Inc.'s (Exide's) Amended Revised Risk Reduction Plan (RRP) dated January 2014, submitted to the South Coast Air Quality Management District (SCAQMD) on January 17, 2014. Exide submitted the Amended Revised RRP pursuant to SCAQMD Rule 1402 to help address high cancer and non-cancer health risk and cancer burden levels at Exide's Vernon facility resulting primarily from uncontrolled arsenic emissions.

In the Amended Revised RRP, among other things, Exide proposes to:

- Install a second wet scrubbing system, similar to the existing Venturi/Neptune Scrubbing system, to control emissions from the Blast Furnace, and dedicate the existing Venturi/Neptune Scrubbing system to serve the Reverb Furnace only. Exide has indicated that each scrubbing system will be sufficiently sized with a draft capacity to maintain a negative pressure in both furnaces.

- Provide sealed sidings to enhance the enclosure around and on top of the Blast Furnace charging area and redirect the ventilated air from the Hard Lead Baghouse to the existing afterburner which is enhanced by replacing the existing burners with oxy-air-fuel burners.
• Enlarge the hood ventilation system around the slag tap of the Blast Furnace, increase the air flow, and redirect it to a different baghouse to be followed by the enlarged wet scrubbing capacity.

• Disconnect the ventilation system from two refining kettles from the existing Hard Lead Baghouse and reroute to a baghouse to be followed by the enlarged wet scrubbing capacity.

Exide’s approach to risk reduction is conceptually outlined in the Amended Revised RRP in a number of places. Therefore, we require Exide to provide the following additional information to address some inadequacies in the currently proposed Amended Revised RRP:

• Preliminary drawings and design information to verify that the proposed enclosures for the Blast Furnace charging area, the slag tap, the two refining kettles, and their associated ventilation systems will be constructed in such a manner as to provide complete sealed enclosures and sufficient air flows to ensure that the enclosures and ventilation systems are adequate to control all emissions from these sources.

• Preliminary drawings and design information to identify which baghouse(s) (new or existing, type of filter bags, HEPA, etc.) the slag tap and refining kettles will be vented to and, in turn, specify which wet scrubbing system each one of the proposed baghouse(s) will be vented to. Also include specific dates for application submittal and completion of construction for the proposed baghouse(s) as part of Section 7 of the Amended Revised RRP.

• Preliminary drawings and design information to verify that the new and existing wet scrubbing systems will have adequate capacity to not only maintain negative pressures in each of the furnaces, but also handle additional flow from the proposed enhanced enclosures and ventilation systems for the Blast Furnace charge area, slag tap, and the refining kettles in addition to any other source(s) that will be vented to the new and/or existing wet scrubbing systems.

• Preliminary drawings and design information to assure that the air cooling system will be adequately sized to protect the Blast Furnace baghouse from high temperatures due to the operation of the proposed enhanced oxy-air-fuel afterburner, located upstream of the Blast Furnace baghouse. The use of dilution air for cooling upstream of the Blast Furnace baghouse must be avoided to the extent necessary to maintain the capacity of the new wet scrubbing system at a level to both maintain negative pressure inside the Blast Furnace and have sufficient ventilation in the enclosure around and on top of the Blast Furnace charge area and any other source that will be vented to the new wet scrubbing system.
A revised schedule of completion of construction of air pollution control measures in Section 7 of the Amended Revised RRP to additionally reflect completion dates within a specified time window after permits to construct are issued by the SCAQMD, and to shorten the completion dates for each measure and the total air pollution control measures specified in the Amended Revised RRP.

Please provide the above-described information no later than March 4, 2014.

Because of inadequacies, we are only granting Provisional and Conditional approval to Exide's proposed Amended Revised RRP, and this action does not constitute final approval under Rule 1402(g). Approval under Rule 1402(g) is contingent upon Exide providing adequate information and commitments with respect to the items listed above, as determined by the Executive Officer.

Finally, it is important to emphasize that the proposed Amended Revised RRP is specific to Rule 1402 requirements. This Provisional and Conditional approval does not Relieve Exide from compliance with any other requirements, including District rules and regulations or any of Exide's facility-specific permit requirements.

Sincerely,

[Signature]

Mohsen Nazemi, P.E.
Deputy Executive Officer
Engineering and Compliance

MN:am

cc: Kurt Wiese