

Conservation and Water Stewardship

Climate Change and Environmental Protection Division
Environmental Approvals Branch
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CLIENT FILE NO.: 5571.00

October 29, 2012

Terry Sutherland
PPG Phillips Industrial Coatings Canada Inc.
2450 Bristol Circle
Oakville ON L6H 6P6

Dear Mr. Sutherland:

Enclosed is **Environment Act Licence No. 3023** dated October 29, 2012 issued in accordance with *The Environment Act* to **PPG Phillips Industrial Coatings Canada Inc.** for the continued operation of an existing paints and coatings manufacturing facility located at 95 Paquin Road in the City of Winnipeg, Manitoba, in accordance with the Proposal submitted on February 24, 2012 and additional information submitted on June 13, 2012.

In addition to the enclosed Licence requirements, please be informed that all other applicable federal, provincial and municipal regulations and by-laws must be complied with. A Notice of Alteration must be filed with the Director for approval prior to any alteration to the Development as licensed.

For further information on the administration and application of the Licence, please feel free to contact Rafiqul Chowdhury, Environmental Engineer @ 204-945-2614.

Pursuant to Section 27 of *The Environment Act*, this licensing decision may be appealed by any person who is affected by the issuance of this Licence to the Minister of Conservation and Water Stewardship within 30 days of the date of the Licence.

Yours truly,

Tracey Braun, M.Sc.
Director
Environment Act

c: Don Labossiere, Director, Environmental Compliance and Enforcement
Public Registries

NOTE: Confirmation of Receipt of this Licence No. 3023 (*by the Licencee only*) is required by the Director of Environmental Approvals. Please acknowledge receipt by signing in the space provided below and faxing a copy (letter only) to the Department by November 12, 2012.

On behalf of PPG Phillips Industrial Coatings Canada Inc.

Date

****A COPY OF THE LICENCE MUST BE KEPT ON SITE AT THE DEVELOPMENT AT ALL TIMES****

Licence No. / Licence n°

3023

Issue Date / Date de délivrance

October 29, 2012

In accordance with *The Environment Act* (C.C.S.M. c. E125) /
Conformément à *la Loi sur l'environnement* (C.P.L.M. c. E125)

Pursuant to Section 10(1) / Conformément au Paragraphe 10(1)

THIS LICENCE IS ISSUED TO: / CETTE LICENCE EST DONNÉE À :

PPG PHILLIPS INDUSTRIAL COATINGS INC.

"the Licencee"

for the continued operation of an existing paints and coatings manufacturing facility located at 95 Paquin Road in the City of Winnipeg, Manitoba, in accordance with the Proposal submitted on February 24, 2012 and additional information submitted on June 13, 2012, and subject to the following specifications, limits, terms and conditions:

DEFINITIONS

In this Licence,

"**accredited laboratory**" means an analytical facility accredited by the Standard Council of Canada (SCC), or accredited by another accrediting agency recognized by Manitoba Conservation and Water Stewardship to be equivalent to the SCC, or be able to demonstrate, upon request, that it has the quality assurance/quality control (QA/QC) procedures in place equivalent to accreditation based on the international standard ISO/IEC 17025, or otherwise approved by the Director;

"**affected area**" means a geographical area, excluding the property of the Development;

"**approved**" means approved by the Director or assigned Environment Officer in writing;

"**dangerous good**" means any product, substance or organism designated in the regulations, or conforming with the criteria set out in the regulations, or in any regulation adopted in accordance with *The Dangerous Goods Handling and Transportation Act*, and includes hazardous wastes;

"**Director**" means an employee so designated pursuant to *The Environment Act*;

****A COPY OF THIS LICENCE MUST BE KEPT ON SITE AT THE DEVELOPMENT AT ALL TIMES****

"hazardous waste" means a product, substance or organism that meets the criteria set out in the *Classification Criteria for Products, Substances and Organisms Regulation, Manitoba Regulation 282/87*, and that is intended for treatment or disposal and includes recyclable material;

"noise nuisance" means an unwanted sound, in an affected area, which is annoying, troublesome, or disagreeable to a person:

- a) residing in an affected area;
 - b) working in an affected area; or
 - c) present at a location in an affected area which is normally open to members of the public;
- if the unwanted sound
- d) is the subject of at least 5 written complaints, received by the Director in a form satisfactory to the Director and within a 90-day period, from 5 different persons falling within clauses a), b), or c), who do not live in the same household; or
 - e) is the subject of at least one written complaint, received by the Director in a form satisfactory to the Director, from a person falling within clauses a), b), or c) and the Director is of the opinion that if the unwanted sound had occurred in a more densely populated area there would have been at least 5 written complaints received within a 90-day period, from 5 different persons who do not live in the same household.

"odour nuisance" means a continuous or repeated odour, smell or aroma, in an affected area, which is offensive, obnoxious, troublesome, annoying, unpleasant or disagreeable to a person:

- a) residing in an affected area;
 - b) working in an affected area; or
 - c) present at a location in an affected area which is normally open to members of the public;
- if the odour, smell or aroma
- d) is the subject of at least 5 written complaints, received by the Director in a form satisfactory to the Director and within a 90-day period, from 5 different persons falling within clauses a), b), or c), who do not live in the same household; or
 - e) is the subject of at least one written complaint, received by the Director in a form satisfactory to the Director, from a person falling within clauses a), b), or c) and the Director is of the opinion that if the unwanted odour, smell or aroma had occurred in a more densely populated area there would have been at least 5 written complaints received within a 90-day period, from 5 different persons who do not live in the same household.

"opacity" means the degree to which emissions reduce the transmission of light and obscure the view of an object in the background;

"particulate matter" means any finely divided liquid or solid matter other than water droplets;

"particulate residue" means that part or portion of an atmospheric emission which is deposited onto a surface;

"point source" means any point of emission from the Development where pollutants are emitted to the atmosphere by means of a stack;

"QA/QC" means quality assurance/quality control;

"sanitary wastes" means human body, toilet, liquid, waterborne culinary, sink or laundry waste;

"Standard Methods for the Examination of Water and Wastewater" means the most recent edition of Standard Methods for the Examination of Water and Wastewater published jointly by the American Public Health Association, the American Waterworks Association and the Water Environment Federation;

"VOC" means volatile organic compound; and

"volatile organic compound (VOC)" means any organic compound which participates in atmospheric photochemical reactions, excluding methane, carbon monoxide, carbon dioxide, carbonic acid, metallic carbides and carbonates, ammonium carbonate, and other compounds which may be exempt by the Director.

GENERAL SPECIFICATIONS

This Section of the Licence contains requirements intended to provide guidance to the Licencee in implementing practices to ensure that the environment is maintained in such a manner as to sustain a high quality of life, including social and economic development, recreation and leisure for present and future Manitobans.

1. The Licencee shall implement a high standard of equipment maintenance and good housekeeping and operational practices with respect to the Development, at all times.
2. The Licencee shall reduce the production and dissemination of wastes by initiating and maintaining waste reduction and waste recycling programs.
3. In addition to any of the limits, terms and conditions specified in this Licence, the Licencee shall, upon the request of the Director:
 - a) sample, monitor, analyze and/or investigate specific areas of concern regarding any segment, component or aspect of pollutant storage, containment, treatment, handling, disposal or emission systems, for such pollutants or ambient quality, aquatic toxicity, leachate characteristics and discharge or emission rates, for such duration and at such frequencies as may be specified;
 - b) determine the environmental impact associated with the release of any pollutant(s) from the Development; or
 - c) provide the Director, within such time as may be specified, with such reports, drawings, specifications, analytical data, descriptions of sampling and analytical procedures being used, bioassay data, flow rate measurements and such other information as may from time to time be requested.
4. The Licencee shall, unless otherwise specified in this Licence:
 - a) carry out all preservations and analyses on liquid samples in accordance with the methods prescribed in the most current edition of Standard Methods for the Examination of Water and

- Wastewater or in accordance with equivalent preservation and analytical methodologies approved by the Director;
- b) carry out all sampling of, and preservation and analyses on, soil and air samples in accordance with methodologies approved by the Director;
 - c) have all analytical determinations undertaken by an accredited laboratory; and
 - d) report the results to the Director, in writing and in an electronic format acceptable to the Director, within 60 days of the samples being taken.
5. The Licencee shall carry out any remedial measures, modifications, or alterations, as deemed necessary by the Director, in respect to matters authorized under this Licence.
 6. The Licencee shall submit all information required to be provided to the Director under this Licence, in writing, in such form (including number of copies) and of such content as may be required by the Director, and each submission shall be clearly labelled with the Licence Number and Client File Number associated with this Licence.
 7. The Licencee shall designate an employee, within 60 days of the date of issuance of this Licence, as the Licencee's Environmental Coordinator, whose job description will include assisting the Licencee in complying with the limits, terms and conditions in this Licence and assisting Senior Management of the Licencee to manage environmental issues at the Development. The name of the Environmental Coordinator shall be submitted in writing to the Director within 14 days of appointment.

SPECIFICATIONS, LIMITS, TERMS, AND CONDITIONS

Respecting Air Emissions – Limits

8. The Licencee shall not emit particulate matter from the Development such that:
 - a) particulate matter:
 - i) exceeds 0.23 grams per dry standard cubic metre calculated at 25 degrees Celsius and 760 millimetres of mercury, corrected to 12 percent carbon dioxide for process involving combustion, from any point source of the Development;
 - ii) exhibits a visible plume with an opacity of greater than 5 percent at any point beyond the property line of the Development; or
 - iii) results in the deposition of visible particulate residue at any time beyond the property line of the Development; or
 - b) opacity from any point source of the Development equals or exceeds:
 - i) 20 percent as the average of any 24 consecutive opacity observations taken at 15 second intervals;
 - ii) 20 percent for more than 16 individual opacity observations within any 1 hour period; or
 - iii) 40 percent for any individual opacity observation.
9. The Licencee shall not cause or permit a noise nuisance to be created as a result of the construction, operation, or alteration of the Development, and shall take such steps as the Director may require to eliminate or mitigate a noise nuisance.

10. The Licencee shall not cause or permit an odour nuisance to be created as a result of the construction, operation, or alteration of the Development, and shall take such steps as the Director may require to eliminate or mitigate an odour nuisance.

Respecting VOC Emissions, Record Keeping, and Reporting

11. The Licencee shall, on an ongoing basis, investigate and implement alternate methods and materials for the reduction of VOC emissions from the Development.
12. The Licencee shall submit to the Director, by June 1st of each year, beginning in 2013, an annual report containing the following information:
 - a) for each process at the Development, for any of the materials used as listed in Attachment 'A' to this Licence, a completed copy of the form entitled "Quarterly Listed VOC Mass Balance in Kilograms By Process at the Development" as shown in Attachment 'B' to this Licence, signed by the Environmental Coordinator of the Licencee;
 - b) for each process at the Development, for any VOCs used but not listed in Attachment 'A' to this Licence, a completed copy of the form entitled "Quarterly Non-Listed VOC Mass Balance in Kilograms By Process at the Development" as shown in Attachment 'C' to this Licence, signed by the Environmental Coordinator of the Licencee;
 - c) a detailed explanation for any increase in VOC use or release from previous years;
 - d) a detailed identification and description of all measures including but not limited to operational or material modifications; equipment upgrades; process modifications; emission control technologies; etc., that have been implemented in this reporting period to reduce the emissions of VOCs, and an estimated quantification of the emissions reduction from each measure which has been implemented; and
 - e) a detailed identification and description of all proposed measures including operational or material modifications; equipment upgrades; process modifications; emission control technologies; etc., that are intended to reduce VOC emissions and are to be initiated within the next reporting period.
13. The Licencee shall, in the event of a release, spill, leak, or discharge of a pollutant or contaminant in an amount or concentration, or at a level or rate of release, that exceeds the limit that is expressly provided under this Act, another Act of the Legislature, or an Act of Parliament, or in a regulation, licence, permit, order, instruction, directive or other approval or authorization issued or made under one of those Acts, immediately report the release, spill, leak, or discharge by calling 204-944-4888. The report shall indicate the nature of the release, leak, or discharge, the time and estimated duration of the event and the reason for the release, spill, leak, or discharge.

Respecting Air Pollution Control Equipment

14. The Licencee shall submit for the Director's approval, within 90 days of the issuance of this Licence, a standard operating procedural manual and a maintenance schedule for each air emission pollution control device based on the manufacturer's specifications and recommendations.

15. The Licencee, upon receiving the Directors approval as required in Clause 14 of this Licence, shall not operate any process directing an emission to an air pollution control device at the Development unless:
- a) the operating and maintenance measures and status of the device are in full compliance with the approved procedures and timetables;
 - b) all emissions from the process are directed to the fully operational air pollution control device;
 - c) all discharges of treated emissions from the air pollution control devices are immediately directed to a stack; and
 - d) the emissions do not contain concentrations of pollutants which:
 - i) are in violation of any other applicable legal instrument including an Act, Regulation or by-law; or
 - ii) otherwise create a significant negative environmental or health impact in the affected area.
16. The Licencee, for each area of the Development, shall maintain a log book of the most recent 24 month period to record any maintenance or breakdown of any air pollution control device. The log book shall be kept at the Development and shall be available upon request for inspection by an Environment Officer. The log book shall record, at minimum, the following information:
- a) identification of the air pollution control device and the process(s) it serves;
 - b) time/date of log entry; and
 - c) nature of maintenance/event.
17. The Licencee shall handle, store and dispose of all pollutants collected by the air pollution control equipment in a manner suitable to their characterization as type of waste or dangerous good.

Respecting Air Emissions – Sampling, Analysis, Reporting

18. The Licencee, upon written request from the Director, shall provide a stack or stacks including all necessary sampling facilities for the sampling of air emissions at the Development. The stack or stacks shall be provided:
- a) at a location(s) and within a time frame satisfactory to the Director; and
 - b) to the specifications and in accordance with the most recent version of Manitoba Conservation Guideline, *Guideline for Stack Sampling Facilities*, unless otherwise approved by the Director.
19. The Licencee, upon a written request from the Director, shall submit a detailed plan which is acceptable to and approved by the Director, for the sampling and analysis of potential air pollutants, released as stationary point and fugitive emissions, including any compounds determined by the Director. The plan shall identify the rationale for the sampling, the ways and means by which the sampling program will be implemented including any special measures or methods which would be necessitated by influencing factors such as unfavourable weather conditions, the need for large or additional sample volumes, the need for multiple sampling runs; the methods used for the sampling and the analysis for each compound, the detection level to be attained, a comprehensive QA/QC program, and other items as may be identified by the Director.

20. The Licencee shall perform all stack sampling in accordance with the most recent version of Manitoba Conservation Report No. 96-07, *Interim Stack Sampling Performance Protocol*, unless otherwise approved by the Director.
21. The Licencee shall arrange the scheduling of the sampling program, approved pursuant to Clause 19 of this Licence, such that a representative of Manitoba Conservation and Water Stewardship is available to monitor and audit the implementation of the sampling program.
22. The Licencee shall submit a report, for the approval of the Director, of the completed sampling and analysis plan approved pursuant to Clause 19 of this Licence, within 60 days of the receipt of the analytical results of that sampling plan. The report shall contain at minimum:
- a) the raw data collected;
 - b) a discussion of the sampling and analytical portions of the program including any anomalies of sampling and analysis; and
 - c) a discussion of the significance of the data gathered with specific attention to:
 - i) the significance for potential acute and chronic impacts to health or environment from exposure to concentrations of the compounds detected;
 - ii) the need for risk assessment of the impact of emissions;
 - iii) the need for the establishment of ambient air monitoring stations;
 - iv) the need for dispersion modelling of emissions;
 - v) results and conclusions of the QA/QC program; and
 - vi) other issues as may be determined by the Director.
23. The Licencee, upon the written request of and in a timeframe stipulated by the Director, shall comply with any air emission or ambient air quality criteria specified by the Director for any pollutant of concern to the Director which has been identified pursuant to Clauses 3 or 22 of this Licence.

Respecting Solid Waste

24. The Licencee shall dispose of all solid waste generated from any activity at the Development, which is not recycled, only to a waste disposal ground operating under the authority of a permit issued pursuant to Manitoba Regulation 150/91 or any future amendment thereof, or a Licence issued pursuant to *The Environment Act*.

Respecting Sanitary Waste Disposal

25. The Licencee shall discharge sanitary waste only to a registered and approved sewage disposal system.

Respecting Chemical Storage and Spill Containment

26. The Licencee shall provide containment for all vessels containing chemicals and in each area of the development where the chemicals are stored, loaded, transferred, used or otherwise handled, in compliance with the National Fire Code of Canada (2010), or any future amendment thereof such

that any product leakage or spillage and any contaminated liquid generated is contained within the Development and contamination of groundwater is prevented.

27. The Licencee shall, in a manner approved by the Director, remove and dispose of all spilled dangerous goods.
28. The Licencee shall provide training to staff for proper handling and disposal of dangerous goods or hazardous waste and shall maintain a record of that training. The record shall be kept at the Development and shall be available upon request for inspection by an Environment Officer.

Respecting Emergency Response Planning

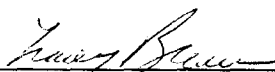
29. The Licencee shall, within 60 days of the issue date of this licence, submit an emergency response contingency plan in accordance with the Canadian Centre for Occupational Health and Safety emergency planning guidelines.

Respecting Site Decommissioning

30. The Licencee shall submit, at least one (1) year prior to closure of the facility, for the approval of the Director, a formal detailed Decommissioning Plan for the facility.
31. The Licencee shall implement, on closure of the facility, the approved Decommissioning Plan.

REVIEW AND REVOCATION

- A. If, in the opinion of the Director, the Licencee has exceeded or is exceeding or has or is failing to meet the specifications, limits, terms, or conditions set out in this Licence, the Director may, temporarily or permanently, revoke this Licence.
- B. If, in the opinion of the Director, new evidence warrants a change in the specifications, limits, terms or conditions of this Licence, the Director may require the filing of a new Proposal pursuant to Section 10 of *The Environment Act*.



Tracey Braun, M.Sc.
Director
Environment Act

**Attachment 'A' to
Environment Act Licence No. 3023 – PPG Phillips Industrial Coatings Inc.**

Pursuant to Clause 12

VOC Listing – PPG Phillips Industrial Coatings Inc.¹

Common Name	Chemical Abstract Service(CAS) #	Carcinogen²(Y/N)
Xylene	1330-20-7	- ⁴
methyl isobutyl ketone(MIBK)	108-10-1	N ³
Aliphatic HC	64742-47-8	- ⁴
Phenol, 4,4'-	25036-25-3	- ⁴
Ethyl 3-ethoxypropionate	763-69-9	- ⁴
Solvent Naphtha, light aliphatic	64742-89-8	- ⁴
Solvent naphtha, medium	64742-88-7	- ⁴
Bis(dimethylaminomethyl)phenol	71074-89-0	- ⁴
dinonylphenoxy(polyethoxy)ethanol	68892-21-4	- ⁴
2-(2H-benzotriazol-2-yl)-4,6-ditertpentylphenol	25973-55-1	- ⁴
Pyrrolo[3,4-c]pyrrole-1,4-dione	84632-59-7	- ⁴

Notes:

1. The above VOC listing is based on information provided in the Environment Act Proposal and is to be reviewed and updated on an as needed basis by the Licencee. Any additions are to be brought to the attention of the Director.
2. Carcinogenicity based on United States Environment Protection Agency Integrated Risk Information System (US EPA IRIS) database. Possible, probable and known carcinogens are to be identified.
3. Not assessed in IRIS database for carcinogenicity related to inhalation, or weight of evidence not conclusive shown as 'N'.
4. Not identified in IRIS database.

Year: _____

Attachment 'B' to
 Environment Act Licence No. 3023 - PPG Phillips Industrial Coatings Inc. pursuant to Clause 12
Quarterly Listed VOC Mass Balance In Kilograms at the Development^{1,2}

VOC	CAS No.		January to March	April to June	July to September	October to December	Total
		Purchased					
		Released					
		Purchased					
		Released					
		Purchased					
		Released					
		Purchased					
		Released					
		Purchased					
		Released					
		Purchased					
		Released					
		Purchased					
		Released					
		Purchased					
		Released					
		Purchased					
		Released					
		Purchased					
		Released					
		Total					
		Purchased					
		Released					

Notes:
 1 Record only those VOC's whose usage was greater than 100 kg/month.
 2 Record any VOC classified as a probable or known carcinogen whose usage was greater than 1 kg/month.

To the best of my knowledge, the above information is true and accurate.

 Environmental Coordinator

