

Statement of Basis

Tier I Operating Permit No. T1-2012.0038

Project ID 61338

IFG Lewiston, LLC

Lewiston, Idaho

Facility ID 069-00003

Final

March 26, 2014 

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Permit Writer

The purpose of this Statement of Basis is to set forth the legal and factual basis for the Tier I operating permit terms and conditions, including references to the applicable statutory or regulatory provisions for the terms and conditions, as required by IDAPA 58.01.01.362

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1. ACRONYMS, UNITS, AND CHEMICAL NOMENCLATURE

Btu	British thermal unit
CAA	Clean Air Act
CAM	Compliance Assurance Monitoring
CFR	Code of Federal Regulations
CO	carbon monoxide
CO ₂	carbon dioxide
CO ₂ e	CO ₂ equivalent emissions
DEQ	Department of Environmental Quality
EPA	U.S. Environmental Protection Agency
GHG	greenhouse gases
HAP	hazardous air pollutants
hr/yr	hours per consecutive 12 calendar month period
IDAPA	a numbering designation for all administrative rules in Idaho promulgated in accordance with the Idaho Administrative Procedures Act
IFG	IFG Lewiston, LLC
km	kilometers
lb/hr	pounds per hour
m	meters
mbf	thousand board feet
MACT	Maximum Achievable Control Technology
MRRR	Monitoring, Recordkeeping and Reporting Requirements
NESHAP	National Emission Standards for Hazardous Air Pollutants
NO ₂	nitrogen dioxide
NO _x	nitrogen oxides
NSPS	New Source Performance Standards
PM	particulate matter
PM _{2.5}	particulate matter with an aerodynamic diameter less than or equal to a nominal 2.5 micrometers
PM ₁₀	particulate matter with an aerodynamic diameter less than or equal to a nominal 10 micrometers
PSD	Prevention of Significant Deterioration
PTC	permit to construct
PTE	potential to emit
PW	process weight rate
<i>Rules</i>	<i>Rules for the Control of Air Pollution in Idaho</i>
scf	standard cubic feet
SIP	State Implementation Plan
SO ₂	sulfur dioxide
SO _x	sulfur oxides
T/day	tons per calendar day
T/hr	tons per hour
T/yr	tons per consecutive 12 calendar month period
T1	Tier I operating permit
T2	Tier II operating permit
VOC	volatile organic compound

2. INTRODUCTION AND APPLICABILITY

IFG Lewiston, LLC (IFG) is a manufacturer of wood products and is located at 807 Mill Road, Lewiston, Idaho. The facility is classified as a major facility, as defined by IDAPA 58.01.01.008.10.c, because it emits or has the potential to emit volatile organic compounds above the major source threshold of 100 tons-per-year. The facility is also classified as a major facility, as defined by Subsection 008.10.a, because it emits or has the potential to emit hazardous air pollutants (HAP) above the major source thresholds of 25 tons-per-year for any combination of HAP and 10 tons-per-year for a single HAP.

IDAPA 58.01.01.362 requires that as part of its review of the Tier I application, DEQ shall prepare a technical memorandum (i.e. statement of basis) that sets forth the legal and factual basis for the draft Tier I operating permit terms and conditions including reference to the applicable statutory provisions. This document provides the basis for the draft Tier I operating permit for IFG Lewiston.

The format of Section 6 of this statement of basis follows that of the permit; each permit provision is addressed in order of occurrence.

IFG's Tier I operating permit is organized into sections. They are as follows:

Section 1 - Tier I Operating Permit Scope

The scope describes this permitting action.

Section 2 - Facility-Wide Conditions

The Facility-Wide Conditions section contains the applicable requirements (permit conditions) that apply facility-wide. Where required, monitoring, recordkeeping and reporting requirements sufficient to assure compliance with each permit condition follows the permit condition.

Sections 4 and 5 – Lumber Drying Kilns and Sawmill, Planer Mill and Material Handling Equipment

The emissions unit-specific sections of the permit contain the applicable requirements that specially apply to each regulated emissions unit. Some requirements that apply to an emissions unit (e.g. opacity limits) may be contained in the facility-wide conditions. As with the facility-wide conditions, monitoring, recordkeeping and reporting requirements sufficient to assure compliance with each applicable requirement immediately follows the applicable requirement.

Section 6 - General Provisions

The final section of the permit contains standard terms and conditions that apply to all major facilities subject to IDAPA 58.01.01.300. This section is the same for all Tier I sources. These conditions have been reviewed by EPA and contain all terms required by IDAPA 58.01.01 et al as well as requirements from other air quality laws and regulations. Each general provision has been paraphrased so it is more easily understood by the general public; however, there is no intent to alter the effect of the requirement. Should there be a discrepancy between a paraphrased general provision in this statement of basis and the rule or permit, the rule or permit shall govern.

3. FACILITY INFORMATION

3.1 Facility Description

IFG (formerly Clearwater) manufactures dimensional kiln-dried lumber. Wood residual in the forms of sawdust and chips are also produced as marketable products.

The facility is comprised of sawmill, lumber drying, and surfacing (planing).

Raw logs are debarked and cut to desired lengths before entering the sawmill building. In the sawmill building the cut and debarked logs are cut to maximize the amount of lumber obtained from each log. The

rough-cut green lumber is stacked before being dried in the kilns.

Six double-track kilns are indirectly-fired and operate on processed steam obtained from the adjacent Clearwater Pulp and Paper facility. Dried lumber is removed from the kilns and either stored temporarily or sent to the surfacing department where the lumber is trimmed by saws, planed, sorted, stacked, strapped, and stored before shipment as final dimensional lumber product.

Wood chips, sawdust, planer dust, and sander dust from process equipment are conveyed to storage areas by either conveyor belt or pneumatic conveyance systems employing cyclones or baghouses.

3.2 Facility Permitting History

Tier I Operating Permit History

The following information is the permitting history of this Tier I facility from January 17, 2012 to present. Prior to January 17, 2012 the facility belonged to Clearwater Paper Corporation. This information was derived from a review of the permit files available to DEQ. Permit status is noted as active and in effect (A) or superseded (S).

January 17, 2012 T1-2008.0183, Change in Ownership, Permit status (S)

July 24, 2013 T1-2012.0038 project 61078, Tier I operating permit renewal (S)

Underlying Permit History - Includes every underlying permit issued to this facility

The following information is the comprehensive permitting history of all underlying applicable permits issued to this Tier I facility. This information was derived from a review of the permit files available to DEQ. Permit status is noted as active and in effect (A) or superseded (S).

January 17, 2012 P- 2010.0103, Change in Ownership, Permit status (S)

January 17, 2012 P- 2011.0135, Change in Ownership, Permit status (S)

October 25, 2012 P- 2011.0135, Remove Restriction on Pine, Permit status (S)

March 18, 2014 P- 2011.0135 project 61240, to install two new lumber drying kilns and a new saw line, to upgrade equipment, and to increase production, Permit status (A)

4. APPLICATION SCOPE AND APPLICATION CHRONOLOGY

4.1 Application Scope

This permit is to incorporate the requirements in Permit to Construct (PTC) No. P-2011.0135 project 61240 issued on March 18, 2014.

4.2 Application Chronology

July 25, 2013 DEQ received a PTC application with a request of administratively amending the Tier I operating permit once this underlying PTC is issued.

March 18, 2014 The underlying PTC was issued.

5. EMISSIONS UNITS, PROCESS DESCRIPTION(S), AND EMISSIONS INVENTORY

This section lists the emissions units, describes the production or manufacturing processes, and provides the emissions inventory for this facility.

5.1 Process No. 1 - Lumber Drying Kilns

The six lumber drying kilns process green rough cut lumber of various wood species and dimensions by reducing the moisture content in the lumber. Process steam is supplied to IFG by the Clearwater Paper Corporation Pulp and Paper Division. The steam is supplied to heating coils within the kilns which transfer heat to the stacked lumber to drive off the desired amount of moisture. Fans inside the kilns

circulate the heated air inside the kilns, and vents in the roof of each kiln are opened and closed to maintain the desired conditions within the kiln.

Table 5.1 lists the emissions units and control devices associated with the lumber drying kilns.

Table 5.1 EMISSIONS UNITS, CONTROL DEVICE, AND DISCHARGE POINT INFORMATION

Emissions Units / Processes	Control Devices	Emission Points
4 Double-Track kilns – manufactured by Wellons	None	Each kiln has 20 vents
2 Double-Track kilns – manufacturer to be determined		Multiple vents

5.2 Process No. 2 - Sawmill, Planer Mill and Material Handling Equipment

Table 5.2 lists the emissions units and control devices associated with sawmill, planer mill and material handling equipment.

Table 5.2 EMISSIONS UNITS, CONTROL DEVICE, AND DISCHARGE POINT INFORMATION

Emissions Units / Processes	Control Devices	Emission Points
Debarking, cutoff saws 27-inch, 35-inch, and 50-inch debarkers; 27-inch, 35-inch cutoff saws	Reasonable control	
Main sawmill	Cyclones	CY1 stack Stack for CY2A and CY2B
Small log line	Sawmill baghouse	BH-3 stack
Planer mill	Chips cyclone followed by a chips baghouse	BH-2 stack
	Shavings cyclone followed by a shavings baghouse	BH-1 stack
Fuel hog	Fuel hog cyclone	CY5 stack

5.3 Emissions Inventory

Table 5.3 summarizes the emissions inventory for this major facility. All values are expressed in units of tons-per-year and represent the facility's potential to emit. Potential to emit is defined as the maximum capacity of a facility or stationary source to emit an air pollutant under its physical and operational design. Any physical or operational limitation on the capacity of the facility or source to emit an air pollutant, including air pollution control equipment and restrictions on hour of operation or on the type or amount of material combusted, stored or processed shall be treated as part of its design if the limitation or the effect it would have on emissions is state or federally enforceable.

The documentation provided by the applicant for the emissions inventory and emission factors can be found in its underlying PTC No. P- 2011.0135 project 61240 issued on March 18, 2014.

Table 5.3 EMISSIONS INVENTORY - POTENTIAL TO EMIT (T/yr)

Source Description	PM ₁₀	PM _{2.5}	SO ₂	NO _x	VOC	CO
	T/yr	T/yr	T/yr	T/yr	T/yr	T/yr
Kiln Vents	8.93	7.76	----	----	249	----
CY1 (sawmill cyclone, was CY-26, then IFG-CY3)	0.033	0.016	----	----	----	----
CY2A (sawmill cyclone, was CY-27A, then IFGCY4A)	0.196	0.098	----	----	----	----
CY2B (sawmill cyclone, was CY-27B, then IFG-CY4B)			----	----	----	----
CY5 (Fuel hog cyclone, was PNP782, then IFG-CY5. called Trash Hog by Clearwater)	0.850	0.425	----	----	----	----
BH-1 (Shavings Cyclone Baghouse)	1.600	1.072	----	----	----	----
BH-2 (Chips Cyclone Baghouse)	0.014	0.009	----	----	----	----

Source Description	PM ₁₀	PM _{2.5}	SO ₂	NO _x	VOC	CO
	T/yr	T/yr	T/yr	T/yr	T/yr	T/yr
BH-3 (Hew Saw Baghouse)	1.988	1.332	---	---	---	---
Total	13.61	10.71	0.0	0.0	249¹	0.0

6. EMISSIONS LIMITS AND MRRR

This section contains the applicable requirements for this major facility. Where applicable, monitoring, recordkeeping and reporting requirements (MRRR) follow the applicable requirement and state how compliance with the applicable requirement is to be demonstrated.

This section is divided into several subsections. The first subsection lists the requirements that apply facility-wide. The next subsection lists the emissions units- and emissions activities-specific applicable requirements. The final subsection contains the general provisions that apply to all major facilities subject to Idaho DEQ's Tier I operating permit requirements.

This section contains the following subsections:

- Facility-Wide Conditions;
- Lumber Drying Kilns;
- Sawmill, Planer Mill and Material Handling Equipment;
- Tier I Operating Permit General Provisions.

MRRR

Immediately following each applicable requirement (permit condition) is the periodic monitoring regime upon which compliance with the underlying applicable requirement is demonstrated. A periodic monitoring regime consists of monitoring, recordkeeping and reporting requirements for each applicable requirement. If an applicable requirement does not include sufficient monitoring, recordkeeping and reporting to satisfy IDAPA 58.01.01.322.06, 07, and 08, then the permit must establish adequate monitoring, recordkeeping and reporting sufficient to yield reliable data from the relevant time period that are representative of the source's compliance with the permit. This is known as gap filling. In addition to the specific MRRR described under each permit condition, generally applicable facility-wide conditions and general provisions may also be required, such as monitoring, recordkeeping, performance testing, reporting, and certification requirements.

The discussion of each permit condition includes the legal and factual basis for the permit condition. If a permit condition was changed due to facility draft or public comments, a description of why and how the condition was changed is provided.

State Enforceability

An applicable requirement that is not required by the federal CAA and has not been approved by EPA as a SIP-approved requirement is identified as a "State-only" requirement and is enforceable only under state law. State-only requirements are not enforceable by the EPA or citizens under the CAA. State-only requirements are identified in the permit within the citation of the legal authority for the permit condition.

Federal Enforceability

Unless identified as "State-only," all applicable requirements, including MRRR, are state and federally enforceable. It should be noted that while a violation of a MRRR is a violation of the permit, it is not necessarily a violation of the underlying applicable requirement (e.g. emissions limit).

To minimize the length of this document, the following permit conditions and MRRR have been paraphrased. Refer to the permit for the complete requirements.

6.1 Facility-Wide Conditions

Permit Condition 3.1 - Fugitive Dust

All reasonable precautions shall be taken to prevent PM from becoming airborne in accordance with IDAPA 58.01.01.650-651.

[IDAPA 58.01.01.650-651, 3/30/07]

MRRR (Permit Conditions 3.2 through 3.4)

- Monitor and maintain records of the frequency and the methods used to control fugitive dust emissions;
- Maintain records of all fugitive dust complaints received and the corrective action taken in response to the complaint;
- Conduct facility-wide inspections of all sources of fugitive emissions. If any of the sources of fugitive dust are not being reasonably controlled, corrective action is required.

[IDAPA 58.01.01.322.06, 07, 08, 4/5/2000]

Permit Condition 3.5 - Odors

The permittee shall not allow, suffer, cause, or permit the emission of odorous gases, liquids, or solids to the atmosphere in such quantities as to cause air pollution.

[IDAPA 58.01.01.775-776 (State-only), 5/1/94]

MRRR (Permit Condition 3.6)

- Maintain records of all odor complaints received and the corrective action taken in response to the complaint;
- Take appropriate corrective action if the complaint has merit, and log the date and corrective action taken.

[IDAPA 58.01.01.322.06, 07 (State only), 5/1/94]

Permit Condition 3.7 - Visible Emissions

The permittee shall not discharge any air pollutant to the atmosphere from any point of emission for a period or periods aggregating more than three minutes in any 60-minute period which is greater than 20% opacity as determined by procedures contained in IDAPA 58.01.01.625. These provisions shall not apply when the presence of uncombined water, nitrogen oxides, and/or chlorine gas is the only reason for the failure of the emission to comply with the requirements of this section.

[IDAPA 58.01.01.625, 4/5/00]

MRRR (Permit Conditions 3.8 through 3.9)

- Conduct quarterly facility-wide inspections of all emissions units that are not listed in Table 5.2 of the permit subject to the visible emissions standards (or rely on continuous opacity monitoring);
- If visible emissions are observed, take appropriate corrective action and/or perform a Method 9 opacity test;
- Maintain records of the results of each visible emissions inspection.

[IDAPA 58.01.01.322.06, 07, 5/1/94]

The existing Tier I permit required monthly monitoring. The DEQ Lewiston Regional Office was contacted regarding this requirement. It was determined that quarterly monitoring is sufficient because during the past 10 years no visible emissions issues have arisen at the facility. The permit now requires quarterly visible emissions observations instead of monthly.

Permit Conditions 3.10 through 3.14 - Excess Emissions

The permittee shall comply with the procedures and requirements of IDAPA 58.01.01.130-136 for excess emissions. The provisions of IDAPA 58.01.01.130-136 shall govern in the event of conflicts between the excess emissions facility-wide conditions and the regulations of IDAPA 58.01.01.130-136.

MRRR (Permit Conditions 3.10 through 3.14)

Monitoring, recordkeeping and reporting requirements for excess emissions are provided in Sections 131 through 136.

- Take appropriate action to correct, reduce, and minimize emissions from excess emissions events;
- Prohibit excess emissions during any DEQ Atmospheric Stagnation Advisory or Wood Stove Curtailment Advisory;
- Notify DEQ of each excess emissions event as soon as possible, including information regarding upset, breakdown, or safety events;
- Submit a report for each excess emissions event to DEQ;
- Maintain records of each excess emissions event.

Permit Condition 3.15 - Sulfur Content Limits

The permittee shall not sell, distribute, use, or make available for use any of the following:

- Distillate fuel oil containing more than the following percentages of sulfur:
 - ASTM Grade 1 fuel oil, 0.3% by weight.
 - ASTM Grade 2 fuel oil, 0.5% by weight.
- DEQ may approve an exemption from these fuel sulfur content requirements (IDAPA 58.01.01.725.01 725.04) if the permittee demonstrates that, through control measures or other means, SO₂ emissions are equal to or less than those resulting from the combustion of fuels complying with these limitations.

[IDAPA 58.01.01.725, 3/29/10]

MRRR - (Permit Condition 3.16)

The permittee shall maintain documentation of supplier verification of fuel sulfur content on an as received basis.

[IDAPA 58.01.01.322.06, 5/1/94]

Permit Condition 3.17 - Open Burning

The permittee shall comply with the *Rules for Control of Open Burning*, IDAPA 58.01.01.600-623.

[IDAPA 58.01.01.600-623, 5/08/09]

MRRR

No specific monitoring is required for this facility-wide condition. As with all permit conditions, the permittee must certify compliance with this condition annually, which includes making a reasonable inquiry to determine if this requirement was met during the reporting period.

Permit Condition 3.18 - Asbestos

The permittee shall comply with all applicable portions of 40 CFR 61, Subpart M when conducting any renovation or demolition activities at the facility.

[40 CFR 61, Subpart M]

MRRR

No specific monitoring is required for this facility-wide condition. As with all permit conditions, the permittee must certify compliance with this condition annually, which includes making a reasonable inquiry to determine if this requirement was met during the reporting period.

Permit Condition 3.19 - Accidental Release Prevention

An owner or operator of a stationary source that has more than a threshold quantity of a regulated substance in a process, as determined under 40 CFR 68.115, shall comply with the requirements of the Chemical Accident Prevention Provisions at 40 CFR 68 no later than the latest of the following dates:

- Three years after the date on which a regulated substance that is present above a threshold quantity is first listed under 40 CFR 68.130.
- The date on which a regulated substance is first present above a threshold quantity in a process.

[40 CFR 68.10 (a)]

MRRR

No specific monitoring is required for this facility-wide condition. As with all permit conditions, the permittee must certify compliance with this condition annually, which includes making a reasonable inquiry to determine if this requirement was met during the reporting period.

Permit Condition 3.20 - Recycling and Emissions Reductions

The permittee shall comply with applicable standards for recycling and emissions reduction of refrigerants and their substitutes pursuant to 40 CFR 82, Subpart F, Recycling and Emissions Reduction.

[40 CFR 82, Subpart F]

MRRR

No specific monitoring is required for this facility-wide condition. As with all permit conditions, the permittee must certify compliance with this condition annually, which includes making a reasonable inquiry to determine if this requirement was met during the reporting period.

Permit Condition 3.21 - Monitoring and Recordkeeping

The permittee shall maintain sufficient records to assure compliance with all of the terms and conditions of this operating permit. Records of monitoring information shall include, but not be limited to, the following: (a) the date, place, and times of sampling or measurements; (b) the date 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 existing at the time of sampling or measurement. All monitoring records and supporting information shall be retained for a period of at least five years from the date of the monitoring sample, measurement, report, or application. Supporting information includes, but is not limited to, all calibration and maintenance records, all original strip-chart recordings for continuous monitoring instrumentation, and copies of all reports required by this permit. All records required to be maintained by this permit shall be made available in either hard copy or electronic format to DEQ representatives upon request.

[IDAPA 58.01.01.322.06, 07, 5/1/94]

MRRR

No specific monitoring is required for this facility-wide condition. As with all permit conditions, the permittee must certify compliance with this condition annually, which includes making a reasonable inquiry to determine if this requirement was met during the reporting period.

Permit Conditions 3.22 through 3.23 - Performance Testing

If performance testing is required, the permittee shall provide notice of intent to test to DEQ at least 15 days prior to the scheduled test or shorter time period as provided in a permit, order, consent decree, or by

DEQ approval. DEQ may, at its option, have an observer present at any emissions tests conducted on a source. DEQ requests such testing not be performed on weekends or state holidays.

All testing shall be conducted in accordance with the procedures in IDAPA 58.01.01.157. Without prior DEQ approval, any alternative testing is conducted solely at the permittee's risk. If the permittee fails to obtain prior written approval by DEQ for any testing deviations, DEQ may determine that the testing does not satisfy the testing requirements. Therefore, prior to conducting any performance test, the permittee is encouraged to submit in writing to DEQ, at least 30 days in advance, the following for approval:

- The type of method to be used;
- Any extenuating or unusual circumstances regarding the proposed test;
- The proposed schedule for conducting and reporting the test.

[IDAPA 58.01.01.157, 4/5/00; IDAPA 58.01.01.322.06, 08.a, 09, 5/1/94]

MRRR (Permit Conditions 3.24 and 3.25)

The permittee shall submit compliance test report(s) to DEQ following testing.

[IDAPA 58.01.01.157, 4/5/00; IDAPA 58.01.01.322.06, 08.a, 09, 5/1/94]

Permit Condition 3.26 - Reports and Certifications

This permit condition establishes generally applicable MRRR for submittal of reports, certifications, and notifications to DEQ and/or EPA as specified.

[IDAPA 58.01.01.322.08, 11, 5/1/94]

MRRR

No specific monitoring is required for this facility-wide condition. As with all permit conditions, the permittee must certify compliance with this condition annually, which includes making a reasonable inquiry to determine if this requirement was met during the reporting period.

Permit Condition 3.27 - Compliance Assurance Monitoring (CAM), 40 CFR Part 64

In accordance with 40 CFR 64.5(b), the permittee shall submit the information required under 40 CFR 64.4 as part of an application for the renewal of this Tier I operating permit that expires on July 24, 2018.

[40 CFR 64.5(b)]

MRRR

No specific monitoring is required for this facility-wide condition.

6.2 Lumber Drying Kilns-Specific Emissions Limits and MRR

Permit Condition 4.1.1

The combined VOC emissions from the six lumber drying kiln vents shall not exceed 249 tons per any consecutive 12- calendar month period.

MRRR - (Permit Conditions 4.5 and 4.6)

Permit Condition 4.5 requires monitoring the throughput of groups of lumber each month and each consecutive 12-month period. Permit Condition 4.6 requires calculating VOC emissions using the listed emission factors for each lumber group and the corresponding throughput for that group.

Permit Conditions 4.1.2 and 4.3

PC 4.1.2. states that the maximum 24-hour averaged emissions from each drying kiln shall not exceed 0.33 lb/hr for PM_{2.5}.

PC 4.3 is an operating requirement to ensure compliance with the above PM_{2.5} emissions limit. It states that the permittee shall not dry Western Hemlock except for Western Hemlock in the Hem-Fir group that consists of Grand Fir, White Fir, Alpine Fir, and 10% or less by volume of Western Hemlock.

MRRR - (Permit Condition 4.7)

Permit Condition 4.7 is a monitoring requirement to ensure compliance with the operating requirement in PC 4.3. It states that each month, the permittee shall record the maximum volume percentage of Western Hemlock in Hem-Fir group and state in the records that the permittee complies with Permit Condition 4.3 Operational Limit on Western Hemlock for that month

Permit Condition 4.2

The throughput of lumber for the drying kilns shall not exceed 470,000 thousand board feet (mbf) during any consecutive 12-month period.

MRRR - (Permit Condition 4.4)

Each month the permittee shall monitor and record the total throughput of all species of lumber processed in the drying kilns in units of thousand board feet (mbf) for that month and for the most recent consecutive 12-month period.

6.3 Sawmill, Planer Mill and Material Handling Equipment-Specific Emissions Limits and MRR

Permit Conditions 5.1 and 5.2

These conditions include the process weight rate emission limitations; these requirements are directly from IDAPA 58.01.01.701 & 702.

MRRR - (Permit Conditions 5.3 through 5.8)

As long as the facility is operating as it is designed, as specified in Permit Conditions 5.3 through 5.8, each process will meet the respective process weight standard.

Permit Conditions 5.3 through 5.6

These are operating requirements to ensure compliance with PM_{2.5} 24-hour NAAQS according to the underlying PTC. They are listed as follows:

Main Sawmill

The permittee shall install and operate the cyclones (CY1 and CY2A and CY2B) at all times when the main sawmill is operated to control emissions from the main sawmill as described under summary description of this section.

Small Log Line

The permittee shall install and operate a baghouse (BH-3) at all times when the small log line is operated to control PM₁₀/PM_{2.5} emissions from the small log line as described under summary description of this section.

The PM₁₀ emissions concentration from the small log line baghouse shall not exceed 0.003 grain per cubic feet.

Chips Baghouse

The permittee shall install and operate a baghouse (BH-2) at all times when the planer mill is operated to control PM₁₀/PM_{2.5} emissions from the chips cyclone as described under summary description of this section.

Shavings Baghouse

The permittee shall install and operate a baghouse (BH-1) at all times when the planer is operated to control PM₁₀/PM_{2.5} emissions from the shavings cyclone as described under summary description of this section.

MRRR - (Permit Conditions 5.7 and 5.8)

PC 5.7 states that IFG shall inspect each cyclone as listed in Table 5.2 every six months. The inspection shall be to assure that the cyclone is not plugged, eroded or otherwise not functioning as designed. The permittee shall maintain records of the inspections and any maintenance conducted. As long as the facility is operating as it is designed for as specified in Permit Conditions 5.3 through 5.8, each process will meet the respective process weight standard.

PC 5.8 states that for each baghouse (i.e., BH-1, BH-2, and BH-3), within 60 days of initial start-up, the permittee shall have developed a Baghouse System Procedures document for the inspection and operation of the baghouses/filter system which controls emissions from each respective emissions unit.

The operating, monitoring and recordkeeping requirements specified in the Baghouse/Filter System Procedures document are incorporated by reference to this permit and are enforceable permit conditions.

The permittee shall keep documentation (e.g., manufacturer's specifications) on-site showing that PM₁₀ emissions concentration of the small log line baghouse is 0.003 grain per cubic feet or less.

6.4 General Provisions

Unless expressly stated, there are no MRRR for the general provisions.

General Compliance, Duty to Comply

The permittee must comply with the terms and conditions of the permit.

[IDAPA 58.01.01.322.15.a, 5/1/94; 40 CFR 70.6(a)(6)(i)]

General Compliance, Need to Halt or Reduce Activity Not a Defense

The permittee cannot use the fact that it would have been necessary to halt or reduce an activity as a defense in an enforcement action.

[IDAPA 58.01.01.322.15.b, 5/1/94; 40 CFR 70.6(a)(6)(ii)]

General Compliance, Duty to Supplement or Correct Application

The permittee must promptly submit such supplementary facts or corrected information upon becoming aware that any relevant facts were omitted or incorrect information was submitted in the permit application. The permittee must also provide information as necessary to address any new requirements that become applicable after the date a complete application has been filed but prior to the release of a draft permit.

[IDAPA 58.01.01.315.01, 5/1/94; 40 CFR 70.5(b)]

Reopening, Additional Requirements, Material Mistakes, Etc.

This term lists the instances when the permit must be reopened and revised, including times when additional requirements become applicable, when the permit contains mistakes, or when revision or revocation is necessary to assure compliance with applicable requirements.

[IDAPA 58.01.01.322.15.c, 5/1/94; IDAPA 58.01.01.386, 3/19/99; 40 CFR 70.7(f)(1), (2); 40 CFR 70.6(a)(6)(iii)]

Reopening, Permitting Actions

This term discusses modification, revocation, reopening, and/or reissuance of the permit for cause. If the permittee files a request to modify, revoke, reissue, or terminate the permit, the request does not stay any permit condition, nor does notification of planned changes or anticipated noncompliance.

[IDAPA 58.01.01.322.15.d, 5/1/94; 40 CFR 70.6(a)(6)(iii)]

Property Rights

This permit does not convey any property rights of any sort, or any exclusive privilege.

[IDAPA 58.01.01.322.15.e, 5/1/94; 40 CFR 70.6(a)(6)(iv)]

Information Requests

The permittee must furnish, within a reasonable time to DEQ, any information, including records required by the permit, that is requested in writing to determine whether cause exists for modifying, revoking and reissuing, or terminating the permit or to determine compliance with the permit.

[Idaho Code §39-108; IDAPA 58.01.01.122, 4/5/00; IDAPA 58.01.01.322.15.f, 4/5/00; 40 CFR 70.6(a)(6)(v)]

Information Requests, Confidential Business Information

Upon request, the permittee must furnish to DEQ copies of records required to be kept by this permit. For information claimed to be confidential, the permittee may furnish such records along with a claim of confidentiality in accordance with Idaho Code §9-342A and applicable implementing regulations including IDAPA 58.01.01.128.

[IDAPA 58.01.01.322.15.g, 5/1/94; IDAPA 58.01.01.128, 4/5/00; 40 CFR 70.6(a)(6)(v)]

Severability

If any provision of the permit is held to be invalid, all unaffected provisions of the permit will remain in effect and enforceable.

[IDAPA 58.01.01.322.15.h, 5/1/94; 40 CFR 70.6(a)(5)]

Changes Requiring Permit Revision or Notice

The permittee may not commence construction or modification of any stationary source, facility, major facility, or major modification without first obtaining all necessary permits to construct or an approval under IDAPA 58.01.01.213, or complying with IDAPA 58.01.01.220 through 223. The permittee must comply with IDAPA 58.01.01.380 through 386 as applicable.

[IDAPA 58.01.01.200-223, 4/2/08; IDAPA 58.01.01.322.15.i, 3/19/99; IDAPA 58.01.01.380-386, 7/1/02; 40 CFR 70.4(b)(12), (14), (15), and 70.7(d), (e)]

Changes that are not addressed or prohibited by the Tier I operating permit require a Tier I operating permit revision if such changes are subject to any requirement under Title IV of the CAA, 42 U.S.C. Section 7651 through 7651c, or are modifications under Title I of the CAA, 42 U.S.C. Section 7401 through 7515. Administrative amendments (IDAPA 58.01.01.381), minor permit modifications (IDAPA 58.01.01.383), and significant permit modifications (IDAPA 58.01.01.382) require a revision to the Tier I operating permit. IDAPA 58.01.01.502(b)(10) changes are authorized in accordance with IDAPA 58.01.01.384. Off permit changes and required notice are authorized in accordance with IDAPA 58.01.01.385.

[IDAPA 58.01.01.381-385, 7/1/02; IDAPA 58.01.01.209.05, 4/11/06; 40 CFR 70.4(b)(14) and (15)]

Federal and State Enforceability

All permit conditions are federally enforceable unless specified in the permit as a state or local only requirement. State and local only requirements are not required under the CAA and are not enforceable by EPA or by citizens.

[IDAPA 58.01.01.322.15.j, 5/1/94; IDAPA 58.01.01.322.15.k, 3/23/98; Idaho Code §39-108; 40 CFR 70.6(b)(1), (2)]

Inspection and Entry

Upon presentation of credentials, the facility shall allow DEQ or an authorized representative of DEQ to do the following:

- Enter upon the permittee's premises where a Tier I source is located or emissions related activity is conducted, or where records are kept under conditions of this permit;
- Have access to and copy, at reasonable times, any records that are kept under the conditions of this permit;
- Inspect at reasonable times any facilities, equipment (including monitoring and air pollution control equipment), practices, or operations regulated or required under this permit; and

- As authorized by the Idaho Environmental Protection and Health Act, sample or monitor, at reasonable times, substances or parameters for the purpose of determining or ensuring compliance with this permit or applicable requirements.

[Idaho Code §39-108; IDAPA 58.01.01.322.15.l, 5/1/94; 40 CFR 70.6(c)(2)]

New Applicable Requirements

The permittee must continue to comply with all applicable requirements and must comply with new requirements on a timely basis.

[IDAPA 58.01.01.322.10, 4/5/00; IDAPA 58.01.01.314.10.a.ii, 5/1/94; 40 CFR 70.6(c)(3) citing 70.5(c)(8)]

Fees

The owner or operator of a Tier I source shall pay annual registration fees to DEQ in accordance with IDAPA 58.01.01.387 through IDAPA 58.01.01.397.

[IDAPA 58.01.01.387, 4/2/03; 40 CFR 70.6(a)(7)]

Certification

All documents submitted to DEQ shall be certified in accordance with IDAPA 58.01.01.123 and comply with IDAPA 58.01.01.124.

[IDAPA 58.01.01.322.15.o, 5/1/94; 40 CFR 70.6(a)(3)(iii)(A); 40 CFR 70.5(d)]

Renewal

The permittee shall submit an application to DEQ for a renewal of this permit at least six months before, but no earlier than 18 months before, the expiration date of this operating permit. To ensure that the term of the operating permit does not expire before the permit is renewed, the owner or operator is encouraged to submit a renewal application nine months prior to the date of expiration.

[IDAPA 58.01.01.313.03, 4/5/00; 40 CFR 70.5(a)(1)(iii)]

If a timely and complete application for a Tier I operating permit renewal is submitted, but DEQ fails to issue or deny the renewal permit before the end of the term of this permit, then all the terms and conditions of this permit including any permit shield that may have been granted pursuant to IDAPA 58.01.01.325 shall remain in effect until the renewal permit has been issued or denied.

[IDAPA 58.01.01.322.15.p, 5/1/94; 40 CFR 70.7(b)]

Permit Shield

Compliance with the terms and conditions of the Tier I operating permit, including those applicable to all alternative operating scenarios and trading scenarios, shall be deemed compliance with any applicable requirements as of the date of permit issuance, provided that:

- Such applicable requirements are included and are specifically identified in the Tier I operating permit; or
 - DEQ has determined that other requirements specifically identified are not applicable and all of the criteria set forth in IDAPA 58.01.01.325.01(b) have been met.
- The permit shield shall apply to permit revisions made in accordance with IDAPA 58.01.01.381.04 (administrative amendments incorporating the terms of a permit to construct), IDAPA 58.01.01.382.04 (significant modifications), and IDAPA 58.01.01.384.03 (trading under an emissions cap).
- Nothing in this permit shall alter or affect the following:
 - Any administrative authority or judicial remedy available to prevent or terminate emergencies or imminent and substantial dangers;
 - The liability of an owner or operator of a source for any violation of applicable requirements prior to or at the time of permit issuance;

- The applicable requirements of the acid rain program, consistent with 42 U.S.C. Section 7651(g)(a); and
- The ability of EPA to obtain information from a source pursuant to Section 114 of the CAA; or the ability of DEQ to obtain information from a source pursuant to Idaho Code §39-108 and IDAPA 58.01.01.122.

[Idaho Code §39-108 and 112; IDAPA 58.01.01.122, 4/5/00;
IDAPA 58.01.01.322.15.m, 325.01, 5/1/94; IDAPA 58.01.01.325.02, 3/19/99;
IDAPA 58.01.01.381.04, 382.04, 383.05, 384.03, 385.03, 3/19/99; 40 CFR 70.6(f)]

Compliance Schedule and Progress Reports

- For each applicable requirement for which the source is not in compliance, the permittee shall comply with the compliance schedule incorporated in this permit.
- For each applicable requirement that will become effective during the term of this permit and that provides a detailed compliance schedule, the permittee shall comply with such requirements in accordance with the detailed schedule.
- For each applicable requirement that will become effective during the term of this permit that does not contain a more detailed schedule, the permittee shall meet such requirements on a timely basis.
- For each applicable requirement with which the permittee is in compliance, the permittee shall continue to comply with such requirements.

[IDAPA 58.01.01.322.10, 4/5/00; IDAPA 58.01.01.314.9, 5/1/94; IDAPA 58.01.01.314.10, 4/5/00;
40 CFR 70.6(c)(3) and (4)]

Periodic Compliance Certification

The permittee shall submit compliance certifications during the term of the permit for each emissions unit to DEQ and the EPA as specified.

- Compliance certifications for all emissions units shall be submitted annually unless otherwise specified;
- All original compliance certifications shall be submitted to DEQ and a copy of all compliance certifications shall be submitted to the EPA.

[IDAPA 58.01.01.322.11, 4/6/05; 40 CFR 70.6(c)(5)(iii) as amended,
62 Fed. Reg. 54900, 54946 (10/22/97); 40 CFR 70.6(c)(5)(iv)]

False Statements

The permittee may not make any false statement, representation, or certification in any form, notice, or report required under this permit, or any applicable rule or order in force pursuant thereto.

[IDAPA 58.01.01.125, 3/23/98]

No Tampering

The permittee may not render inaccurate any monitoring device or method required under this permit or any applicable rule or order in force pursuant thereto.

[IDAPA 58.01.01.126, 3/23/98]

Semiannual Monitoring Reports.

In addition to all applicable reporting requirements identified in this permit, the permittee shall submit reports of any required monitoring at least every six months as specified.

[IDAPA 58.01.01.322.15.q, 3/23/98; IDAPA 58.01.01.322.08.c, 4/5/00; 40 CFR 70.6(a)(3)(iii)]

Reporting Deviations and Excess Emissions

Each and every applicable requirement, including MRRR, is subject to prompt deviation reporting. Deviations due to excess emissions must be reported in accordance Sections 130-136. All instances of deviation from Tier I operating permit requirements must be included in the deviation reports. The reports must describe the probable cause of the deviation and any corrective action or preventative measures

taken. Deviation reports must be submitted at least every six months unless the permit specifies a different time period as required by IDAPA 58.01.01.322.08.c. Examples of deviations include, but are not limited to, the following:

- Any situation in which an emissions unit fails to meet a permit term or condition
- Emission control device does not meet a required operating condition
- Observations or collected data that demonstrate noncompliance with an emissions standard
- Failure to comply with a permit term that requires a report
[IDAPA 58.01.01.322.15.q, 3/23/98; IDAPA 58.01.01.135, 4/11/06; 40 CFR 70.6(a)(3)(iii)]

Permit Revision Not Required, Emissions Trading

No permit revision will be required, under any approved, economic incentives, marketable permits, emissions trading, and other similar programs or processes, for changes that are provided for in the permit.

[IDAPA 58.01.01.322.05.b, 4/5/00; 40 CFR 70.6(a)(8)]

Emergency

In accordance with IDAPA 58.01.01.332, an “emergency” as defined in IDAPA 58.01.01.008, constitutes an affirmative defense to an action brought for noncompliance with such technology-based emissions limitation if the conditions of IDAPA 58.01.01.332.02 are met.

[IDAPA 58.01.01.332.01, 4/5/00; 40 CFR 70.6(g)]

7. REGULATORY REVIEW

7.1 Attainment Designation (40 CFR 81.313)

The facility is located in Nez Perce County which is designated as attainment or unclassifiable for PM₁₀, PM_{2.5}, CO, NO₂, SO_x, and Ozone. Reference 40 CFR 81.313.

7.2 Title V Classification (IDAPA 58.01.01.300, 40 CFR Part 70)

The facility is classified as a major facility, as defined by IDAPA 58.01.01.008.10.c, because it emits or has the potential to emit volatile organic compounds above the major source threshold of 100 tons-per-year. The facility is also classified as a major facility, as defined by Subsection 008.10.a, because it emits or has the potential to emit hazardous air pollutants above the major source thresholds of 25 tons-per-year for any combination of HAP and 10 tons-per-year for a single HAP.

7.3 NSPS Applicability (40 CFR 60)

The facility does not have any emissions units that are affected by the NSPS.

7.4 NESHAP Applicability (40 CFR 61)

The facility does not have any emissions units that are affected by 40 CFR 61.

7.5 MACT Applicability (40 CFR 63)

40 CFR 63 Subpart DDDD - National Emission Standards for Hazardous Air Pollutant: Plywood and Composite Wood Products (PCWP)

In accordance with 40 CFR 63.2231, lumber drying kilns located at major sources of HAP emissions are defined as affected emission units. However the only applicable requirement that applies to IFG is the initial notifications, as specified in 40 CFR 63.9(b)(2). Initial notification was required within 120 calendar days of October 1, 2007, the effective date of the MACT. Therefore no requirements regarding this subpart are included in the modified Tier I operating permit.

7.6 CAM Applicability (40 CFR 64)

The factual basis, provided below, for CAM permit conditions are copied from the January 23, 2008 Statement of Basis which supported the issuance of Tier I Operating Permit No. T1-2007.0095.

While the principles used in the following still apply, IFG has modified their processes and emissions units in 2014. Because IFG's emissions units are not *large pollutant-specific emissions units* as defined in 40 CFR 64.5(a), IFG is allowed to conduct a CAM analysis at the time of the renewal of this Tier I operating permit in accordance with 40 CFR 64.5(b). Permit Condition 3.27 has stated this. This Tier I operating permit will expire on July 24, 2018.

From the January 23, 2008 statement of basis -

CAM applies to an emission unit with potential pre-control device emissions greater than 100% of the major source threshold for a regulated air pollutant and that uses a control device to achieve compliance with an applicable requirement for the regulated air pollutant.

The control equipment identified at the facility are baghouses. The cyclones are process equipment and not considered control equipment.

Cyclone Applicability Determination

The cyclones were determined to be process equipment, and not control equipment, as follows:

In CAM definitions, 40 CFR 64.1, *“Control device” means equipment, other than inherent process equipment, that is used to destroy or remove air pollutant(s) prior to discharge to the atmosphere. The types of equipment that may commonly be used as control devices include, but are not limited to, fabric filters, mechanical collectors, electrostatic precipitators, inertial separators, afterburners, thermal or catalytic incinerators, adsorption devices (such as carbon beds), condensers, scrubbers (such as wet collection and gas absorption devices), selective catalytic or non-catalytic reduction systems, flue gas recirculation systems, spray dryers, spray towers, mist eliminators, acid plants, sulfur recovery plants, injection systems (such as water, steam, ammonia, sorbent or limestone injection), and combustion devices independent of the particular process being conducted at an emissions unit (e.g., the destruction of emissions achieved by venting process emission streams to flares, boilers or process heaters). For purposes of this part, a control device does not include passive control measures that act to prevent pollutants from forming, such as the use of seals, lids, or roofs to prevent the release of pollutants, use of low-polluting fuel or feedstocks, or the use of combustion or other process design features or characteristics. If an applicable requirement establishes that particular equipment which otherwise meets this definition of a control device does not constitute a control device as applied to a particular pollutant-specific emissions unit, then that definition shall be binding for purposes of this part.”*

This definition applies to control devices, such as inertial separators (cyclones), other than inherent process equipment, that are used to remove air pollutants.

Inherent process equipment is defined as follows:

“Equipment that is necessary for the proper or safe functioning of the process, or material recovery equipment that the owner or operator documents is installed and operated primarily for purposes other than compliance with air pollution regulations. Equipment that must be operated at an efficiency higher than that achieved during normal process operations in order to comply with the applicable emission limitation or standard is not inherent process equipment. For the purposes of this part, inherent process equipment is not considered a control device.”

In an e-mail dated 7/18/07, the facility's consultant wrote the following explanation of use of the cyclones:

At LWP, larger cyclones are used to transfer wood residuals (sawdust, shavings, bark, etc), with exhaust air venting directly to atmosphere. These cyclones were installed with the primary

purpose of moving material; similar equipment may be found at virtually any sawmill in the country, regardless of local air pollution requirements. These cyclones (CY-1, 2, 3, 4, and 6 at Specialties; CY-18, 25 at Surfacing; CY-26, 27A, 27B at the sawmill; and CY-FH at the fuel hog) are clearly inherent process equipment, as defined in 64.2 (excerpted above). Consequently, a CAM plan is not required for them.

LWP also uses cyclones used to collect and dispose of metal files in the saw filing room. These cyclones are very small, and are appropriately listed as insignificant emission units in Appendix D of the Tier I renewal application.

In addition, a letter from the EPA, dated Nov. 27, 2005, identified three findings that should be considered in making a case-by-case judgment as to whether certain devices or practices should be treated as pollution controls or as inherent to the process:

1. Is the primary purpose of the equipment to control air pollution?
2. Where the equipment is recovering product, how do the cost savings from the product recovery compare to the cost of the equipment?
3. Would the equipment be installed if no air quality regulations are in place?

The facility's consultant addressed Items No. 1 and No. 3 in the 7/18/07 e-mail, and addressed Item No. 2 in a 7/24/07 e-mail as follows:

"Although the primary product is lumber, the sawdust, bark, shavings, chips, and trimmings (which I refer to as wood residuals) have value and may be sold. For example, bark may be sold for gardens, chips to pulp mills, shavings for animal bedding – and all of it can be sold for hog fuel. Consequently, I think cyclones may be considered process equipment that is recovering a product, even if it may not be the primary product. Eventually, the recovery of this secondary product pays for the cyclone and pneumatic blower system, but I don't know the economics."

Based on this information, it has been determined that the cyclones are necessary for the proper functioning of the process, the cyclones are operated primarily for purposes other than compliance with air pollution regulations, and the recovered secondary product from the cyclones can be sold to recover the cost of the cyclone. The cyclones have been determined to be inherent process equipment and are therefore not subject to CAM.

Baghouse Applicability Determination

CAM applicability for the baghouses is determined as follows:

The facility is subject to Title V permitting requirements

The process weight rate limits (applicable requirements) which apply to the units which use the baghouses are not an emission limitation or standard that is exempt in accordance with 40 CFR 64.2(b).

The baghouses are used to control particulate emissions from various wood processing operations at the facility. The baghouses are required to be used to achieve compliance with the process weight rate rule, IDAPA 58.01.01.700.

For each process that is controlled by a baghouse, the process emissions of PM (a surrogate for PM₁₀) are estimated to be greater than 100 tons per year (the major source threshold of PM₁₀, the applicable regulated air pollutant) without the baghouse.

7.7 Acid Rain Permit (40 CFR 72-75)

The facility is not subject to the acid rain permit requirements.

8. PUBLIC COMMENT

This is an administrative amendment to the Tier I operating permit in accordance with IDAPA 58.01.01.58.209.05.c. Public comment is not required according to the Rules.

9. EPA REVIEW OF PROPOSED PERMIT

This is an administrative amendment to the Tier I operating permit in accordance with IDAPA 58.01.01.58.209.05.c. EPA review of the proposed permit is not required according to the Rules.