

LIGNETICS OF IDAHO, INC.

P.O. Box 1706 • Sandpoint, Idaho 83864
Phone: (208) 263-0564 • Fax: (208) 263-9292
www.lignetics.com



✓ # 66674 \$1,000.00 TS
RECEIVED

JAN 13 2015

DEPARTMENT OF ENVIRONMENTAL QUALITY
STATE A Q PROGRAM

January 6, 2015

Air Quality Program Office - Application Processing
Idaho Department of Environmental Quality
1410 N. Hilton
Boise, ID 83706-1255

Re: Lignetics of Idaho, Facility ID No. 017-00029

Attention Application Processing:

Lignetics of Idaho (Lignetics) owns and operates a pellet mill located in Kootenai, Idaho. The Lignetics facility is regulated under Air Quality Permit to Construct, P-060119. The enclosed Permit to Construct (PTC) application seeks to modify the current Lignetics permit.

One signed hardcopy of the PTC application is enclosed, along with a CD containing the electronic file. This application package includes the following information:

- Permit to Construct Cover Sheet, Form CSPTC.
- General Information, Form GI.
- Idaho Form FRA, NSPS/NESHAP Regulations Review and Applicability Form.
- Lignetics PTC Application Narrative. The narrative addresses each of the conditions of the current PTC and any proposed changes.
- Copy of the March 19, 2014 Consent Order between Lignetics and DEQ.
- Copy of Lignetics' current permit, P-060119.
- Check for \$1,000 to cover the application fee, Payable to Idaho Department of Environmental Quality.

Please call me at (208) 263-0564 or email at kenrt@lignetics.com if you have any questions.

Sincerely,

Ken Tucker
General Manager

Enclosure



DEQ AIR QUALITY PROGRAM

1410 N. Hilton, Boise, ID 83706
 For assistance, call the
Air Permit Hotline – 1-877-5PERMIT

Cover Sheet for Air Permit Application – Permit to Construct **Form CSPTC**

Please see instructions on page 2 before filling out the form.

COMPANY NAME, FACILITY NAME, AND FACILITY ID NUMBER	
1. Company Name	Lignetics, Inc.
2. Facility Name	Lignetics
3. Facility ID No.	017-00029
4. Brief Project Description - One sentence or less	Modify PTC to incorporate changes required by Consent Order dated March 19, 2014

PERMIT APPLICATION TYPE	
5. <input type="checkbox"/> New Source <input type="checkbox"/> New Source at Existing Facility <input type="checkbox"/> PTC for a Tier I Source Processed Pursuant to IDAPA 58.01.01.209.05.c <input type="checkbox"/> Unpermitted Existing Source <input type="checkbox"/> Facility Emissions Cap <input checked="" type="checkbox"/> Modify Existing Source: Permit No.: <u>P-06019</u> Date Issued: <u>8/3/03</u> , modified <u>11/17/06</u> <input type="checkbox"/> Required by Enforcement Action: Case No.: _____	
6. <input checked="" type="checkbox"/> Minor PTC <input type="checkbox"/> Major PTC	

FORMS INCLUDED			
Included	N/A	Forms	DEQ Verify
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Form CSPTC – Cover Sheet	<input type="checkbox"/>
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Form GI – Facility Information	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	Form EU0 – Emissions Units General	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	Form EU1– Industrial Engine Information Please specify number of EU1s attached: _____	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	Form EU2– Nonmetallic Mineral Processing Plants Please specify number of EU2s attached: _____	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	Form EU3– Spray Paint Booth Information Please specify number of EU3s attached: _____	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	Form EU4– Cooling Tower Information Please specify number of EU3s attached: _____	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	Form EU5 – Boiler Information Please specify number of EU4s attached: _____	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	Form CBP– Concrete Batch Plant Please specify number of CBPs attached: _____	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	Form HMAP – Hot Mix Asphalt Plant Please specify number of HMAPs attached: _____	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	PERF – Portable Equipment Relocation Form	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	Form AO – Afterburner/Oxidizer	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	Form CA – Carbon Adsorber	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	Form CYS – Cyclone Separator	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	Form ESP – Electrostatic Precipitator	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	Form BCE– Baghouses Control Equipment	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	Form SCE– Scrubbers Control Equipment	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	Form VSCE – Venturi Scrubber Control Equipment	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	Form CAM – Compliance Assurance Monitoring	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	Forms EI-CP1 - EI-CP4– Emissions Inventory– criteria pollutants (Excel workbook, all 4 worksheets)	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	PP – Plot Plan	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	Forms MI1 – MI4 – Modeling (Excel workbook, all 4 worksheets)	<input type="checkbox"/>
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Form FRA – Federal Regulation Applicability	<input type="checkbox"/>



DEQ AIR QUALITY PROGRAM
 1410 N. Hilton, Boise, ID 83706
 For assistance, call the
Air Permit Hotline – 1-877-5PERMIT

General Information **Form GI**
 Revision 7
 2/18/10

Please see instructions on page 2 before filling out the form.

All information is required. If information is missing, the application will not be processed.

IDENTIFICATION	
1. Company Name	2. Facility Name:
Lignetics, Inc.	Lignetics
3. Brief Project Description:	Modify PTC to incorporate changes required by Consent Order dated March 19, 2014

FACILITY INFORMATION	
4. Primary Facility Permit Contact Person/Title	Ken Tucker General Manager
5. Telephone Number and Email Address	(208) 263-0564 kenrt@lignetics.com
6. Alternate Facility Contact Person/Title	N/A
7. Telephone Number and Email Address	
8. Address to Which the Permit Should be Sent	P.O. Box 1706
9. City/County/State/Zip Code	Sandpoint Bonner Idaho 83864
10. Equipment Location Address (if different than the mailing address above)	Highway 200 East, Kootenai, Idaho
11. City/County/State/Zip Code	Sandpoint Bonner Idaho 83864
12. Is the Equipment Portable?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
13. SIC Code(s) and NAICS Code	Primary SIC: 2499 Secondary SIC: NAICS: 321999
14. Brief Business Description and Principal Product	Wood pellet fuel plant
15. Identify any adjacent or contiguous facility that this company owns and/or operates	None
16. Specify the reason for the application	<input checked="" type="checkbox"/> Permit to Construct (PTC) <div style="border: 1px solid black; padding: 5px; margin: 5px 0;"> <p>For Tier I permitted facilities only: If you are applying for a PTC then you must also specify how the PTC will be incorporated into the Tier I permit.</p> <input type="checkbox"/> Incorporate the PTC at the time of the Tier I renewal <input type="checkbox"/> Co-process the Tier I modification and PTC <input type="checkbox"/> Administratively amend the Tier I permit to incorporate the PTC upon your request (IDAPA 58.01.01.209.05.a, b, or c) </div> <input type="checkbox"/> Tier I Permit <input type="checkbox"/> Tier II Permit <input type="checkbox"/> Tier II/Permit to Construct

CERTIFICATION	
In accordance with IDAPA 58.01.01.123 (Rules for the Control of Air Pollution in Idaho), I certify based on information and belief formed after reasonable inquiry, the statements and information in the document(s) are true, accurate, and complete.	
17. Responsible Official's Name/Title	Ken Tucker General Manager
18. Responsible Official's Signature	<i>Ken Tucker</i> Date: 01/9/2015
19. <input checked="" type="checkbox"/> Check here to indicate that you would like to review the draft permit prior to final issuance.	



DEQ AIR QUALITY PROGRAM
 1410 N. Hilton, Boise, ID 83706
 For assistance, call the
Air Permit Hotline – 1-877-5PERMIT

AIR PERMIT APPLICATION

Revision 6
 10/7/09

For each box in the table below, CTRL+click on the blue underlined text for instructions and information.

IDENTIFICATION	
1. Company Name: Lignetics, Inc.	2. Facility Name: Lignetics
3. Brief Project Description: Modify PTC to incorporate changes required by Consent Order dated March 19, 2014	
APPLICABILITY DETERMINATION	
4. List applicable subparts of the New Source Performance Standards (NSPS) (40 CFR part 60). Examples of NSPS affected emissions units include internal combustion engines, boilers, turbines, etc. The applicant must thoroughly review the list of affected emissions units.	List of applicable subpart(s): <p style="text-align: center; font-weight: bold;">Not Applicable</p>
5. List applicable subpart(s) of the National Emission Standards for Hazardous Air Pollutants (NESHAP) found in 40 CFR part 61 and 40 CFR part 63 . Examples of affected emission units include solvent cleaning operations, industrial cooling towers, paint stripping and miscellaneous surface coating. EPA has a web page dedicated to NESHAP that should be useful to applicants.	List of applicable subpart(s): <p style="text-align: center; font-weight: bold;">Not Applicable</p> The facility does not have any emergency or non-emergency SI or CI RICE units.
6. For each subpart identified above, conduct a complete a regulatory analysis using the instructions and referencing the example provided on the following pages. Note - Regulatory reviews must be submitted with sufficient detail so that DEQ can verify applicability and document in legal terms why the regulation applies. Regulatory reviews that are submitted with insufficient detail will be determined incomplete.	<input type="checkbox"/> A detailed regulatory review is provided (Follow instructions and example). <input type="checkbox"/> DEQ has already been provided a detailed regulatory review. Give a reference to the document including the date.
<p>IF YOU ARE UNSURE HOW TO ANSWER ANY OF THESE QUESTIONS, CALL THE AIR PERMIT HOTLINE AT 1-877-5PERMIT</p> <p><i>It is emphasized that it is the applicant's responsibility to satisfy all technical and regulatory requirements, and that DEQ will help the applicant understand what those requirements are <u>prior</u> to the application being submitted but that DEQ will not perform the required technical or regulatory analysis on the applicant's behalf.</i></p>	

Lignetics PTC Application Narrative

I. Introduction

The purpose of this permitting action is to meet the requirements of the March 19, 2014 Consent Order between Lignetics, Inc. and the Idaho DEQ. Item 12.F.ii. of the consent order requires Lignetics to modify the air quality permit for the pellet mill. Item 12.F.ii follows:

- ii. *Modify its November 17, 2006 PTC in order to incorporate: 1) the applicable operating parameters/requirements appearing in its DEQ approved O&M Manuals and Sections 11.C.ii, 11.D, 12.E, and 15.D of this Consent Order; 2) the results of the performance tests conducted pursuant to Section 13 of this Consent Order; and 3) ongoing, periodic performance testing of its drum dryer stack. The PTC modification shall be conducted in accordance with the requirements appearing under Section 14 of this Consent Order.*

A copy of the Consent Order is included as Appendix A. The format of the permit application is based on the format of the current Lignetics Air Quality Permit to Construct, P-060119. The permit is included as Attachment B.

II. Permit Changes

1. Permit to Construct Scope

- 1.1 This permit is a modification of the facility's existing PTC. This permit modification does not include any changes to equipment or methods of operation at the facility. The purpose of this modification is to update language in the permit conditions to meet current permitting practices.
- 1.2 This PTC replaces PTC No. P-060119, issued on November 17, 2006, the terms and conditions of which shall no longer apply.

Table 1.1 is unchanged.

2. Wood Pellet Manufacturing

- 2.1 No changes.
- 2.2 No changes.
- 2.3 No changes.

Table 2.2 No changes.

- 2.4 Limit is in pounds per year (lb/yr). Request conversion to tons per year (T/yr) for consistency and clarity.
- 2.5 Limit is in pounds per year (lb/yr). Request conversion to tons per year (T/yr) for consistency and clarity.
- 2.6 Limit is in pounds per year (lb/yr). Request conversion to tons per year (T/yr) for consistency and clarity.
- 2.7 No changes.
- 2.8 No changes.

2.9 No changes.

2.10 No changes.

2.11 No changes.

2.12 No changes.

2.13 No changes.

2.14 No changes.

2.15 No changes.

2.16 No changes.

Table 2.3 No changes.

2.17 No changes.

2.18 No changes.

2.19 No changes.

2.20 No changes.

2.21 No changes.

2.22 Reasonable Control of Fugitive Emissions, change as follows, based on Consent Order Item 15.D. There are no changes except the addition of the items listed below.

- *Manage material stockpiles by limiting pile heights below the height of the fugitive dust netting, limiting material movement during periods of high wind events, and limiting exposed pile faces to high winds (e.g., wind breaks; vegetative or screens) such that fugitive dust emissions continuously demonstrate compliance with IDAPA 58.01.01.651, do not carry over the fugitive dust netting, and do not leave the property boundary.*
- *Keeping driving areas clear of wood and soil that may become entrained into the atmosphere.*

Consent Order Item 15.D.ii also includes the following language. It is similar to permit condition 2.29 for point sources, but here it pertains to fugitive emissions.

- *The permittee shall conduct a weekly facility-wide inspection of potential sources of fugitive emissions during daylight hours and under normal operating conditions to ensure that the methods used to reasonably fugitive emissions are effective. If fugitive emissions are not being reasonably controlled, the permittee shall take corrective action as expeditiously as practicable. The permittee shall maintain records of the results of each fugitive emissions inspection. The records shall include, at a minimum, the date of each inspection and a description of the following: the permittee assessment of the conditions existing at the time fugitive emissions were present (if observed), any corrective action taken in response to the fugitive emissions, and the date the corrective action was taken.*

- 2.23 According to Item 16.b. of the Consent Order, Lignetics shall comply with its DEQ approved O&M Manuals which shall be enforceable through the General Provisions of its November 17, 2006 PTC. Lignetics requests that DEQ explicitly state the compliance requirements in this permit condition.
- 2.24 No changes.
- 2.25 No changes.
- 2.26 No changes.
- 2.27 *et seq* No changes.
- 2.28 No changes.
- 2.29 No changes.
- 2.30 No changes.
- 2.31 No changes.
- 2.32 No changes.
- 2.33 No changes.

3. Permit to Construct General Provisions

Lignetics has no proposed changes to the general provisions. If any of the General Provisions are changed to standardize the permit, please highlight the changes so we don't miss them in our review of the draft permit.

III. Discussion of the Source Test Results

Lignetics contracted for a source test on the burner/dryer stack on June 16, 2014. The Consent Order Item 12.f.ii states that Lignetics should incorporate the results of the source test into the PTC application. The results of the source test are included as Appendix C.

Lignetics has reviewed the source test results to determine if changes in permitted operating parameters would affect particulate matter or opacity emissions. Lignetics has concluded that operational parameters did not impact the compliance test enough to justify changes to permit conditions. The factors causing one of the three source test runs to have elevated results are not related to source operating parameters.

The source test showed compliance with the permit limits for PM and opacity with an average emission rate of 9.53 pounds per hour (lb/hr) and opacity of 16%. The PM emission limit is 15.7 lb/hr and the opacity limit is 20%. The test consisted of three 1-hour runs with results calculated for each run. Compliance is based on the average of the three runs. The June 16, 2014 source test results are summarized in Table 1.

Table 1: Summary of June 16, 2014 Source Test Results

Test Run	Total Particulate (lb/hr)	Filterable Particulate (lb/hr)	Condensable Particulate (lb/hr)
1	16.35	10.64	5.71
2	5.55	4.45	1.10
3	6.69	4.62	2.07
Average	9.53		
Limit	15.7		

Examination of the three separate test runs shows that run #1 had higher results than the runs #2 and #3. During the run #1, Lignetics pushed the system to raise the dryer inlet temperature to try and test near the upper end of the operating range. The higher dryer temperature could explain the increased condensable particulate matter emissions, but not the higher filterable particulate matter emissions.

Lignetics has consulted National Council of the Paper Industry for Air and Stream Improvement (NCASI) Technical Bulletin 504 which states that the opacity from wood dryers is sensitive to the amount of condensable particulate matter (CPM) in the exhaust stream. Above approximately 600 degrees Fahrenheit, both CPM and opacity from dryers generally increase as dryer inlet temperatures increase.

The Lignetics source test results show an increase in condensable emissions (back half) during the run #1, as well as an increase in opacity. Test run #1 also shows an increase in filterable (front half) emissions as compared to the front half emissions from runs #2 and #3. The elevated emissions of filterable particulate during test run #1 cannot be explained by the dryer inlet temperature or by any change of operating conditions.

Under normal conditions, filterable particulate matter is expected to remain roughly the same because the burner/dryer emissions are controlled by a high efficiency cyclone system. The burner uses dried furnish as fuel, and combustion gases are routed through the dryer. The dryer acts as a pollution control device as the burner ash is impinged upon the wet dryer furnish curtains, then through the 98% efficient separation cyclone and through the +99% efficient high efficiency cyclones. Additional loading on the emissions control cyclone increases particulate removal efficiency and filterable particulate matter emissions remain constant.

During test run #1, all the test observers noticed chunks of caked material leaving the stack. The DEQ observer on site also reported seeing a brown emission from the stack lasting less than a minute Run #1. This material is generated when buildup sloughs from the inside of the ductwork and is entrained in the flue gas. The sloughed material is generally brown colored and collects in large clumps that fall to the ground in the immediate vicinity of the stack. The following is a discussion of how material builds up in the exhaust stack, and the impact of sloughed material during a source test.

At maximum production the high efficiency cyclones exhaust approximately 10.8 tons of water per hour through the duct work into the ID Fan and to atmosphere. Some of the

moisture condenses in the duct work and exhaust stack. This moisture matter buildup dries and often sloughs off the ductwork, fan and stack. This is noticeable by the fist size brown material that occasionally falls out of the exhaust stack on to the roof. Some of the slough pieces contact the blades of the fan and are broken into finer pieces that can cause a brownish tint to the stack gasses. They are wet and heavy and fall out of suspension within a few feet of leaving the outlet of the stack. The event occurs for a short time, usually no more than a few seconds.

This sloughing can lead to biased results during a Method 5 stack test if a piece of the slough material dislodges during testing and make contact with the test nozzle. Prior to starting a source test the sample ports on both traverses are cleaned with a wire brush and wiped clean with a cloth. A hand held garden spade or other scrapper is used to scrape the area inside the sample port of the near wall clean so that should the nozzle come into contact with the near stack wall no material can be drawn into the sample train nozzle, into the probe and on to the filter. A long scrapper is used to scrape material from the far stack wall on both traverses so that should the nozzle come into contact with the far wall no material can be drawn into the sample train. A rubber mallet is also used to dislodge any material that can be dislodged by hammering as much area below the ports as can be reached.

At the end of the typical one hour Method 5/202 Stack Test the probe wash, filter and water catches are examined to determine if material has sloughed off and will result is a higher than actual result. After all 3 tests runs had been completed, the testers reported that the color of the filter from run #1 was a dark brown color. The filters from runs #2 and #3 where a light brown color, corresponding to the color of the material being dried. The fact that the material being dried in all three test were the same suggests that the darker color of the filter from run #1 was caused by a slough piece contacting the test nozzle.

Lignetics does not believe that the source test results support the idea of changing any of the permit conditions to ensure compliance with permit limits. The burner/dryer can comply with the opacity and the particulate matter emission limits while operating at the top of the allowable temperature range in the permit. The test result from run #1 had high filterable particulate matter due to the presence of sloughed material captured in the nozzle, not due to higher dryer inlet air temperature.

IV. Emissions Inventory

The attached emissions inventory is an update of the emissions inventory contained in the current permit. In developing the Lignetics emission inventory, all the emissions from the current permit were included, with the exception of acetone and valeraldehyde, which are not HAPs. In addition, key HAP emissions from wood combustion, including hydrogen chloride and trace metals were added to the HAP list. Criteria pollutant emission factors from the current permit were verified and used, additional emission factors were obtained from AP-42.

**Rotary Dryer Heated by Wood Burner
Emissions Calculatons**

Maximum Hours 8760 hours per year
Maximum Heat Input 45 MMBtu/hr
Furnish input max. 650 tons/day @45% moisture
Dry output, max. 130,488 ODT/yr

Pollutant	CAS Number	Emission Factor			PTE (tpy)	Permit Limit (tpy)
		Value	Units	Source		
PM		16.9	lb/hr	Permit limit, Manufacturer	74.0	45.3
PM10		15.7	lb/hr	Permit limit, Manufacturer	68.8	44.1
PM2.5		9.26	lb/hr	AP-42 Section 1.6, %PM2.5	40.6	
SO2		0.025	lb/MMBtu	AP-42 Section 1.6	4.93	65.3
NOx		0.58	lb/ODT	AP-42 Section 10.6	37.8	42
CO		0.68	lb/ODT	AP-42 Section 10.6	44.4	66
VOC		0.9	lb/ODT	AP-42 Section 10.6	58.7	
1,1,1-Trichloroethane	71-55-6	1.20E-05	lb/ODT	AP-42 Section 10.6	7.83E-04	
Acetaldehyde	75-07-0	1.30E-02	lb/ODT	AP-42 Section 10.6	8.48E-01	
Acrolein	107-02-8	4.50E-03	lb/ODT	AP-42 Section 10.6	2.94E-01	
Benzene	71-43-2	9.90E-04	lb/ODT	AP-42 Section 10.6	6.46E-02	
Biphenyl	92-52-4	3.90E-05	lb/ODT	AP-42 Section 10.6	2.54E-03	
bis(2-ethylhexyl)phthalate	117-81-7	3.20E-04	lb/ODT	AP-42 Section 10.6	2.09E-02	
Bromomethane	74-83-9	2.80E-04	lb/ODT	AP-42 Section 10.6	1.83E-02	
carbon disulfide	75-15-0	1.80E-05	lb/ODT	AP-42 Section 10.6	1.17E-03	
Carbon tetrachloride	56-23-5	1.20E-05	lb/ODT	AP-42 Section 10.6	7.83E-04	
Chloromethane	74-87-3	1.10E-04	lb/ODT	AP-42 Section 10.6	7.18E-03	
Cumene	98-82-8	6.90E-05	lb/ODT	AP-42 Section 10.6	4.50E-03	
Di-N-butyl phthalate	84-74-2	2.30E-05	lb/ODT	AP-42 Section 10.6	1.50E-03	
Ethylbenzene	100-41-4	3.80E-06	lb/ODT	AP-42 Section 10.6	2.48E-04	
Formadehyde	50-00-0	2.50E-02	lb/ODT	AP-42 Section 10.6	1.63	3.5
Hydroquinone	123-31-9	6.00E-05	lb/ODT	AP-42 Section 10.6	3.91E-03	
m-,p-Xylene	1330-20-7	5.50E-04	lb/ODT	AP-42 Section 10.6	3.59E-02	
Methanol	67-56-1	1.40E-02	lb/ODT	AP-42 Section 10.6	9.13E-01	
Methyl ethyl ketone	78-93-3	4.90E-03	lb/ODT	AP-42 Section 10.6	3.20E-01	
Methyl isobutyl ketone	108-10-1	2.40E-03	lb/ODT	AP-42 Section 10.6	1.57E-01	
Methylene chloride	75-09-2	6.30E-04	lb/ODT	AP-42 Section 10.6	4.11E-02	
n-Hexane	110-54-3	2.60E-05	lb/ODT	AP-42 Section 10.6	1.70E-03	
o-Xylene	95-47-6	1.40E-05	lb/ODT	AP-42 Section 10.6	9.13E-04	
Phenol	108-95-2	6.60E-03	lb/ODT	AP-42 Section 10.6	4.31E-01	
Propionaldehyde	123-38-6	3.20E-03	lb/ODT	AP-42 Section 10.6	2.09E-01	
Styrene	100-42-5	1.20E-04	lb/ODT	AP-42 Section 10.6	7.83E-03	
Toluene	108-88-3	2.10E-03	lb/ODT	AP-42 Section 10.6	1.37E-01	
Antimony		7.90E-06	lb/MMBtu	AP-42 Section 1.6	5.15E-04	
Arsenic		2.20E-05	lb/MMBtu	AP-42 Section 1.6	1.44E-03	5.90E-03
Beryllium		1.10E-06	lb/MMBtu	AP-42 Section 1.6	7.18E-05	
Cadmium		4.10E-06	lb/MMBtu	AP-42 Section 1.6	2.67E-04	
Chromium, total		2.10E-05	lb/MMBtu	AP-42 Section 1.6	1.37E-03	
Chromium, hexavalent		3.50E-06	lb/MMBtu	AP-42 Section 1.6	2.28E-04	2.14E-03
Cobalt		6.50E-06	lb/MMBtu	AP-42 Section 1.6	4.24E-04	
Lead		4.80E-05	lb/MMBtu	AP-42 Section 1.6	0.0031	0.72
Manganese		1.60E-03	lb/MMBtu	AP-42 Section 1.6	1.04E-01	
Mercury		3.50E-06	lb/MMBtu	AP-42 Section 1.6	2.28E-04	
Nickel		3.30E-05	lb/MMBtu	AP-42 Section 1.6	0.0022	0.11
Selenium		2.80E-06	lb/MMBtu	AP-42 Section 1.6	1.83E-04	

Total HAPS 5.27 tpy

Fines Cyclone Stack

PM:	0.7 lb/hr	permit limit
	3.1 tpy	permit limit
PM10:	0.7 lb/hr	permit limit
	3.1 tpy	permit limit
PM2.5	0.4 lb/hr	59% of PM10, AP-42 Section 1.6
	1.1 tpy	59% of PM10, AP-42 Section 1.6

Pellet Cooler Stack

PM:	0.26 lb/hr	permit limit
	1.2 tpy	permit limit
PM10:	0.26 lb/hr	permit limit
	1.2 tpy	permit limit
PM2.5:	0.2 lb/hr	59% of PM10, AP-42 Section 1.6
	0.4 tpy	59% of PM10, AP-42 Section 1.6

APPENDIX A

MARCH 19, 2014 CONSENT ORDER

DEPARTMENT OF ENVIRONMENTAL QUALITY

IN THE MATTER OF

Lignetics of Idaho, Inc.)
Highway 200 East)
Kootenai, Idaho 83840)
_____)

CONSENT ORDER
Idaho Code § 39-108

1. Pursuant to the Idaho Environmental Protection and Health Act (EPHA), Idaho Code § 39-108, the Department of Environmental Quality (DEQ) enters into this Consent Order with Lignetics of Idaho, Inc. (Lignetics) located near Kootenai, Bonner County, Idaho.
2. Lignetics is registered to do business in Idaho, and owns and operates a wood pellet fuel plant near Kootenai, Idaho. Lignetics is an air pollution source regulated under the EPHA; the Rules for the Control of Air Pollution in Idaho (Rules), IDAPA 58.01.01.001-999; Permit to Construct No. P-060119, issued on August 18, 2003, and modified on November 17, 2006 (PTC); a November 22, 2005 Consent Order regarding Case No. E-050017; a November 17, 2009 Consent Order regarding Case No. E-2008.0010; a November 3, 2010 Consent Order regarding Case No. E-2010.0028; and a DEQ-approved Fugitive Dust Plan.
3. Between February 8, 2013 and March 5, 2013, DEQ conducted an air quality compliance inspection of the Lignetics facility. Information obtained through the compliance inspection and otherwise available to DEQ revealed apparent violations of Lignetics' PTC; its November 17, 2009 Consent Order regarding Case No. E-2008.0010; and its November 3, 2010 Consent Order regarding Case No. E-2010.0028.
4. By Notice of Violation (NOV) dated March 28, 2013, DEQ notified Lignetics of these violations. DEQ provided Lignetics the opportunity for a compliance conference to discuss correction of the violations and entry into a Consent Order with DEQ. The NOV is incorporated into this Consent Order by reference.
5. On May 8, 2013, a compliance conference was held. During the compliance conference and in correspondence dated May 29, 2013, Lignetics responded to each alleged violation cited in the March 28, 2013 NOV and presented actions taken or proposed to achieve and/or demonstrate a full return to compliance.

6. On April 29, 2013; May 9, 2013; May 14, 2013; and May 17, 2013, DEQ conducted fugitive dust complaint investigations of the Lignetics facility. Information obtained through these complaint investigations and otherwise available to DEQ revealed apparent violations of the Rules; Lignetics' PTC; its November 22, 2005 Consent Order regarding Case No. E-050017; and its November 17, 2009 Consent Order regarding Case No. E-2008.0010.
7. By NOV dated June 21, 2013, DEQ notified Lignetics of these violations. DEQ provided Lignetics the opportunity for a compliance conference to discuss correction of the violations and entry into a Consent Order with DEQ. The NOV is incorporated into this Consent Order by reference.
8. On August 6, 2013, a compliance conference was held. Lignetics responded to each alleged violation cited in the June 21, 2013 NOV and presented actions taken or proposed to achieve and/or demonstrate a full return to compliance.
9. In addition to the alleged violations referenced above, as the result of several previous enforcement actions taken against Lignetics, DEQ entered into five separate Consent Orders with Lignetics dated September 17, 1984; September 18, 1992; November 22, 2005; November 17, 2009; and November 3, 2010, in order to address and otherwise resolve various particulate matter, sulfur dioxide, carbon monoxide, and formaldehyde emission limit violations; failures to install permit required emissions control devices; failures to provide proper written notifications to DEQ; failures to reasonably control fugitive dust emissions; exceedances of the opacity standard; and failures to take appropriate corrective actions or to perform a Method 9 opacity test following a "see" determination during weekly facility-wide visible emissions inspections, respectively.

As discussed during the May 8, 2013 and August 6, 2013 compliance conferences, the remaining applicable requirements of these Consent Orders are hereby incorporated into Sections 15 and 16 of this Consent Order. Therefore, upon the effective date of this Consent Order the aforementioned Consent Orders will no longer be applicable, will be superseded and replaced by this Consent Order, and will be considered terminated in writing by DEQ.

10. In order to resolve the violations without litigation or further controversy, and to incorporate the aforementioned remaining applicable Consent Order requirements, Lignetics agrees to the provisions of this Consent Order and the following terms and actions:

11. **WEEKLY FACILITY-WIDE VISIBLE EMISSION INSPECTIONS**

- A. The March 28, 2013 NOV cites one violation (Violation No. 1) for Lignetics' apparent failure to conduct weekly facility-wide inspections for visible emissions from their drum dryer a total of 67 times between May 16, 2010 and February 8, 2013, as required by their November 3, 2010 Consent Order and Permit Condition 2.29 of their PTC.

- B. During the compliance conference and in correspondence dated May 29, 2013, Lignetics explained that it misunderstood the requirement to conduct weekly facility-wide inspections for visible emissions, and in order to resolve Violation No. 1 it has: 1) created computer generated calendar reminders, to occur every Monday, reminding Lignetics' Plant Manager to complete the required weekly facility-wide inspections for visible emissions; 2) developed a process for documenting when it is unable to complete the weekly facility-wide inspections because of adverse weather conditions (e.g., raining, snowing, high winds, etc.); and 3) has improved staff training and documentation related to these inspections.

Lastly, in correspondence dated January 27, 2014, Lignetics has proposed hiring a third-party consultant to review ongoing permit compliance and recordkeeping activities. Although DEQ is not requiring Lignetics to hire a third-party consultant as discussed above, this may alleviate some of the reoccurring violations that have occurred at Lignetics.

- C. In order to fully resolve Violation No. 1, Lignetics shall:
 - i. Comply with the weekly facility-wide visible emission inspection requirements appearing in Permit Condition 2.29 of its November 17, 2006 PTC and/or the weekly facility-wide visible emission inspection requirements appearing in any future PTCs issued to Lignetics; and

 - ii. Through the permitting requirements appearing under Section 14 of this Consent Order, Lignetics' November 17, 2006 PTC shall be revised to include the following language:

- a. *“The permittee shall conduct a weekly facility-wide inspection of potential sources of visible emissions, during daylight hours and under normal operating conditions. Sources that are monitored using a continuous opacity monitoring system (COMS) are not required to comply with this permit condition. The inspection shall consist of a see/no see evaluation for each potential source of visible emissions. If any visible emissions are present from any point of emission, the permittee shall either:*
1. *Take appropriate corrective action as expeditiously as practicable to eliminate the visible emissions. Within 24 hours of the initial see/no see evaluation and after the corrective action, the permittee shall conduct a see/no see evaluation of the emissions point in question. If the visible emissions are not eliminated, the permittee shall comply with item 2, below); or*
 2. *Perform a Method 9 opacity test in accordance with the procedures outlined in IDAPA 58.01.01.625. A minimum of 30 observations shall be recorded when conducting the opacity test. If opacity is greater than 20%, as measured using Method 9, for a period or periods aggregating more than three minutes in any 60-minute period, the permittee shall take all necessary corrective actions and report the period or periods as an excess emission in the annual compliance certification and in accordance with IDAPA 58.01.01.130–136.”*

D. Furthermore, Lignetics agrees that DEQ will incorporate the following excess emissions language into its November 17, 2006 PTC through the permitting requirements appearing under Section 14 of this Consent Order in order to ensure the proper excess emissions requirements are incorporated into its PTC:

- i. *“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 Permit Condition 2.9 and the regulations of IDAPA 58.01.01.130-136.*

The person responsible for or in charge of a facility during an excess emissions event shall, with all practicable speed, initiate and complete appropriate and reasonable action to correct the conditions causing the excess emissions event; to reduce the frequency of occurrence of such events; to minimize the amount by which the emission standard is exceeded; and shall, as provided below or upon request of DEQ, submit a full report of such occurrence, including a statement of all known causes, and of the scheduling and nature of the actions to be taken.

Excess Emissions – Startup, Shutdown, Scheduled Maintenance

In all cases where startup, shutdown, or scheduled maintenance of any equipment or emission unit is expected to result or results in an excess emissions event, the owner or operator of the facility or emissions unit generating the excess emissions shall demonstrate compliance with IDAPA 58.01.01.133.01(a) through (d), including, but not limited to, the following:

- *A prohibition of any scheduled startup, shutdown, or maintenance resulting in excess emissions shall occur during any period in which an Atmospheric Stagnation Advisory or a Wood Stove Curtailment Advisory has been declared by DEQ.*
- *Notifying DEQ of the excess emissions event as soon as reasonably possible, but no later than two hours prior to, the start of the event, unless the owner or operator demonstrates to DEQ's satisfaction that a shorter advance notice was necessary.*
- *The owner or operator of a source of excess emissions shall report and record the information required pursuant to Permit Conditions 2.9.4 and 2.9.5 and IDAPA 58.01.01.135 and 136 for each excess emissions event due to startup, shutdown, or scheduled maintenance.*

Excess Emissions – Upset, Breakdown, or Safety Measures

In all cases where upset or breakdown of equipment or an emissions unit, or the initiation of safety measures, results or may result in an excess emissions event, the owner or operator of the facility or emissions unit generating the excess emissions shall demonstrate compliance with IDAPA 58.01.01.134.01(a) and (b) and the following:

For all equipment or emissions units from which excess emissions result during upset or breakdown conditions, or for other situations that may necessitate the implementation of safety measures which cause excess emissions, the facility owner or operator shall comply with the following:

- The owner or operator shall immediately undertake all appropriate measures to reduce and, to the extent possible, eliminate excess emissions resulting from the event and to minimize the impact of such excess emissions on the ambient air quality and public health.*
- The owner or operator shall notify DEQ of any upset, breakdown, or safety event that results in excess emissions. Such notification shall identify the time, specific location, equipment or emissions unit involved, and (to the extent known) the cause(s) of the occurrence. The notification shall be given as soon as reasonably possible, but no later than 24 hours after the event, unless the owner or operator demonstrates to DEQ's satisfaction that the longer reporting period was necessary.*
- The owner or operator shall report and record the information required pursuant to Permit Conditions 2.9.4 and 2.9.5 and IDAPA 58.01.01.135 and 136 for each excess emissions event caused by an upset, breakdown, or safety measure.*

During any period of excess emissions caused by upset, breakdown, or operation under facility safety measures, DEQ may require the owner or operator to immediately reduce or cease operation of the equipment or emissions unit causing the period until such time as the condition causing the excess has been corrected or brought under control. Such action by DEQ shall be taken upon consideration of the factors listed in IDAPA 58.01.01.134.03 and after consultation with the facility owner or operator.

Excess Emissions – Reporting and Recordkeeping

A written report for each excess emissions event shall be submitted to DEQ by the owner or operator no later than 15 days after the beginning of such an event. Each report shall contain the information specified in IDAPA 58.01.01.135.02.

The owner or operator shall maintain excess emissions records at the facility for the most recent five calendar-year period. The excess emissions records shall be made available to DEQ upon request and shall include the information requested by IDAPA 58.01.01.136.03(a) and (b) as summarized in the following:

- *An excess emissions log book for each emissions unit or piece of equipment containing copies of all reports that have been submitted to DEQ pursuant to IDAPA 58.01.01.135 for the particular emissions unit or equipment; and*
- *Copies of all startup, shutdown, and scheduled maintenance procedures and upset, breakdown, or safety preventative maintenance plans that have been developed by the owner or operator in accordance with IDAPA 58.01.01.133 and 134, and facility records as necessary to demonstrate compliance with such procedures and plans.”*

- E. If Lignetics fails to comply with the requirements of Section 11.C.i of this Consent Order, then Lignetics shall be in violation of this Consent Order and subject to stipulated penalties and/or other remedies referenced under Sections 19 and 25 of this Consent Order for each violation and each day that Lignetics fails to comply with the weekly facility-wide visible emission inspection requirements.

12. **MAXIMUM DRUM DRYER INLET TEMPERATURE**

- A. The March 28, 2013 NOV cites 304 separate instances (Violation No. 2) where Lignetics failed to operate its drum dryer in such a manner that the drum dryer inlet temperature was maintained at or below the maximum inlet temperature of 1200° F during the fall, winter, and spring seasons; and 1000° F during the summer season as noted in their DEQ approved Operation and Maintenance Manual (O&M Manual) and required by their November 27, 2006 PTC.
- B. During the compliance conference and in correspondence dated May 29, 2013, Lignetics explained that the exceedances of the 1200° F maximum drum dryer inlet temperature was the result of a lack of experience of the new Dryer Operators, and that these were spikes and not representative of an operational trend. Furthermore, in order to partially resolve Violation No. 2 Lignetics lowered the high limit set point in order to anticipate the spikes above established set points and has initiated closer monitoring of Dryer Operators in training.

- C. Also during the compliance conference and in correspondence dated May 29, 2013, Lignetics explained that it thought the O&M Manual was developed for training and guidance purposes only in order to comply with its PTC which requires a maximum drum dryer inlet temperature of 1200° F and the 20% opacity standard pursuant to IDAPA 58.01.01.625. Furthermore, Lignetics thought that the 1000° F maximum drum dryer inlet temperature was an “estimated” limit that may have been needed in the summer months so as to not exceed the 20% opacity standard. Lastly, in order to partially resolve Violation No. 2 Lignetics agreed to comply with the 1200° F maximum drum dryer inlet temperature appearing in its November 17, 2006 PTC.
- D. In correspondence dated January 27, 2014, Lignetics informed DEQ that it has installed programmable controls that shut down fuel feed to the burner if the dryer inlet temperature exceeds 1150° F. Lignetics further explained, that when fuel feed is shut off, the dryer inlet temperature decreases quickly after a short lag time.
- E. As partial settlement of Violation No. 2, through the permitting requirements appearing under Section 14 of this Consent Order, Lignetics’ November 17, 2006 PTC shall be revised to incorporate the following language:
- *“The dryer inlet temperature is limited to 1200 degrees Fahrenheit (1200 ° F).*
 - *The permittee shall monitor the dryer inlet temperature continuously and record the temperature at least once per hour.*
 - *The permittee shall install, maintain, and operate automatic controls that will shut down fuel feed to the burner if the dryer inlet temperature exceeds 1150 ° F.”*
- F. Lastly, Lignetics’ May 8, 2013 and May 29, 2013 comments did not provide DEQ with sufficient assurances that its drum dryer, while operating at 1200° F maximum drum dryer inlet temperature, was capable of continuously demonstrating compliance with the PM, PM₁₀ and opacity limits appearing in its November 17, 2006 PTC. Therefore, in order to fully resolve Violation No. 2, Lignetics shall:
- i. Conduct performance testing in accordance with the requirements appearing under Section 13 of this Consent Order; and

- ii. Modify its November 17, 2006 PTC in order to incorporate: 1) the applicable operating parameters/requirements appearing in its DEQ-approved O&M Manuals and Sections 11.C.ii, 11.D, 12.E, and 15.D of this Consent Order; 2) the results of the performance tests conducted pursuant to Section 13 of this Consent Order; and 3) ongoing, periodic performance testing of its drum dryer stack. The PTC modification shall be conducted in accordance with the requirements appearing under Section 14 of this Consent Order.

13. **PERFORMANCE TESTING REQUIREMENTS**

- A. By June 20, 2014, Lignetics shall conduct an initial PM, PM₁₀ and opacity performance test on its drum dryer stack to establish/confirm: the maximum furnish feed rate to the drum dryer; furnish fuel size; maximum burner set temperature; maximum drum dryer inlet temperature; and the minimum multiclone pressure drop necessary to demonstrate compliance with the PM and PM₁₀ emissions limits and the opacity limit appearing in its November 17, 2006 PTC.
- B. The performance test referenced under Section 13.A of this Consent Order shall:
 - 1) be conducted in accordance with the applicable U.S. EPA Test Methods, or DEQ approved alternatives; 2) measure the wet furnish feed rate to the drum dryer at least once every 15 minutes during each performance test run, measure the furnish feed moisture content at least once per test run, conduct an analysis on an aggregate sample of dry furnish fuel (both proximate and ultimate, as stated in the burner fuel requirements section of the O&M Manual), measure furnish fuel size, record the burner set temperature at least once per test run unless the set temperature is changed during the test run then record the burner set temperature every time it is changed during the test run, monitor and record the dryer inlet temperature at least once every 15 minutes during each performance test run, calibrate the thermocouples and fuel feed recorder prior to the test, and monitor and record the multiclone pressure drop a minimum of at least once every 15 minutes during each performance test run; and 3) determine the three-hour average of: the furnish feed rate to the drum dryer, burner set temperature, dryer inlet temperature, and the multiclone pressure drop, based on all the data collected during the three one-hour performance test runs.

- D. At least 30 days prior to conducting the performance test required by Section 13.A of this Consent Order, Lignetics shall submit to DEQ a performance test protocol to DEQ for approval. The written protocol shall include a description of the test method(s) to be used, an explanation of any unusual circumstances regarding the proposed test, and the proposed test schedule for conducting and reporting the test.
- E. Within 60 days of concluding the performance test required by Section 13.A of this Consent Order, Lignetics shall submit to DEQ a performance test report. The performance test report shall include a description of the process, identification of the test method(s) used, equipment used, all process operating data collected during the test period, the test results, the raw test data and any associated documentation, including the approved test protocol.
- F. If Lignetics fails to comply with any of the requirements of Section 13.A through E of this Consent Order, then Lignetics shall be in violation of this Consent Order and subject to stipulated penalties and/or other remedies referenced under Sections 19 and 25 of this Consent Order for each violation and each day that Lignetics fails to complete the requirements appearing under Sections 13.A through E of this Consent Order. Furthermore, Lignetics shall still be obligated to comply with the remaining applicable requirements of Section 13 of this Consent Order.

14. **PERMIT TO CONSTRUCT MODIFICATION REQUIREMENTS**

- A. In order to obtain a modified PTC as required by Section 12.F.ii of this Consent Order and to fulfill the intent of this section of the Consent Order, Lignetics shall complete the following requirements by or before the specified deadlines:
 - i. Within 30 days of submittal of the performance test report referenced in Section 13.E of this Consent Order, Lignetics shall participate in a pre-permit application meeting with DEQ's Air Quality Permitting Program in order to discuss the scope of the PTC modification and to determine whether this permitting project will require modeling;
 - ii. If DEQ provides Lignetics with written notice that modeling is required, then within 30 days of receiving such notice Lignetics shall submit an applicable modeling protocol to DEQ for the permitting project discussed during the pre-permit application meeting referenced in Section 14.A.i above;

- iii. Within 365 days of the effective date of this Consent Order, Lignetics shall submit a complete PTC application which includes at a minimum: 1) any modeling completed in accordance with the protocol referenced in Section 14.A.ii of this Consent Order; 2) a request to incorporate the information referenced under Sections 11.C.ii, 11.D, 12.E, and 15.D of this Consent Order; and 3) the \$1,000 PTC application fee in accordance with IDAPA 58.01.01.224 and 226; and
 - iv. Pay any applicable PTC processing fees, determined and requested by DEQ, in accordance with IDAPA 58.01.01.225 and 226.
- B. If Lignetics fails to comply with any of the requirements of Section 14.A of this Consent Order, then Lignetics shall be in violation of this Consent Order and subject to stipulated penalties and/or other remedies referenced under Sections 19 and 25 of this Consent Order for each violation and each day that Lignetics fails to complete the requirements appearing under Section 14.A of this Consent Order. Furthermore, Lignetics shall still be obligated to comply with the remaining applicable requirements of Section 14 of this Consent Order.
- C. DEQ will review Lignetics' PTC application referenced in Section 14.A.iii of this Consent Order in accordance with IDAPA 58.01.01.200-299, including providing an opportunity for public comment in accordance with IDAPA 58.01.01.209.01.c and 04.
- D. In the event DEQ requires additional information to issue a modified PTC, Lignetics shall submit the requested information to DEQ within 30 days of receiving a written request from DEQ.
- E. If Lignetics fails to comply with the requirements of Section 14.D of this Consent Order, then Lignetics shall be in violation of this Consent Order and subject to stipulated penalties and/or other remedies referenced under Sections 19 and 25 of this Consent Order for each violation and each day that Lignetics fails to complete the requirements appearing under Section 14.D of this Consent Order. Furthermore, Lignetics shall still be obligated to comply with the remaining applicable requirements of Section 14 of this Consent Order.

- F. In the event Lignetics withdraws the application referenced in Section 14.A.iii of this Consent Order, then Lignetics shall be in violation of this Consent Order and subject to stipulated penalties and/or other remedies referenced under Sections 19 and 25 of this Consent Order for each violation and each day that Lignetics fails to resubmit an application in accordance with Sections 12.F.ii and 14.A of this Consent Order. Furthermore, Lignetics shall still be obligated to comply with the remaining applicable requirements of Section 14 of this Consent Order.
- G. In the event DEQ denies Lignetics' application referenced in Section 14.A.iii of this Consent Order, then Lignetics shall be in violation of this Consent Order and subject to stipulated penalties and/or other remedies referenced under Sections 19 and 25 of this Consent Order for each violation and each day that Lignetics fails to resubmit an application in accordance with Sections 12.F.ii and 14.A of this Consent Order. Furthermore, Lignetics shall still be obligated to comply with the remaining applicable requirements of Section 14 of this Consent Order.

15. **REASONABLY CONTROL FUGITIVE DUST EMISSIONS**

- A. The June 21, 2013 NOV cites four violations (hereafter referred to as Violation Nos. 3-6) for Lignetics' apparent failure to reasonably control fugitive dust emissions by maintaining its sawdust stockpile below the height of its fugitive dust barriers.
- B. During the August 6, 2013 compliance conference, Lignetics explained that it had not operated for approximately 3 weeks due to a scheduled maintenance event, and that during this time the sawmills were frantic to get rid of their sawdust. Lignetics explained it is contractually obligated to receive sawdust, and as a result, its sawdust pile got higher than anticipated in April and May 2013. To begin preventing reoccurrences, Lignetics agrees to improve its relationships with its sawdust suppliers so that it will not be obligated to receive more sawdust that it can reasonably accommodate.
- C. Lignetics' comments during the August 6, 2013 compliance conference and/or January 27, 2014 correspondence did not provide DEQ with sufficient assurances that Lignetics could control its fugitive dust emissions in such a manner that it can continuously demonstrate compliance with IDAPA 58.01.01.651 and the requirements of its PTC. Therefore, in order to resolve Violation Nos. 3-6, Lignetics shall also 1) immediately comply with the fugitive dust control requirements appearing in Section 15.D of this Consent Order; and 2) modify its November 17, 2006 PTC in order to change the language appearing Condition 2.22 to the language appearing in Section 15.D of this Consent Order.

D. Through the permitting requirements appearing under Section 14 of this Consent Order, Lignetics' November 17, 2006 PTC shall be revised to include the following language:

i. *“All reasonable precautions shall be taken to prevent PM from becoming airborne as required by IDAPA 58.01.01.651. In determining what is reasonable, consideration will be given to factors such as the proximity of dust-emitting operations to human habitations and/or activities and atmospheric conditions that might affect the movement of PM. Some of the reasonable precautions include, but are not limited to, the following:*

- *Use, where practical, of water or chemicals for control of dust in the demolition of existing buildings or structures, construction operations, the grading of roads, or the clearing of lands.*
- *Application, where practical, of asphalt, water or suitable chemicals to, or covering of dirt roads, material stockpiles, and other surfaces that can create dust.*
- *Installation and use, where practical, of hoods, fans and fabric filters, or equivalent systems to enclose and vent the handling of dusty materials. Adequate containment methods should be employed during sandblasting or other operations.*
- *Covering, where practical, of open-bodied trucks transporting materials likely to give rise to airborne dusts.*
- *Paving of roadways and their maintenance in clean condition, where practical.*
- *Prompt removal of earth or other stored material from streets, where practical.*
- *Keeping driving areas clear of wood and soil that may become entrained into the atmosphere.*

- *Manage material stockpiles by limiting pile heights below the height of the fugitive dust netting, limiting material movement during periods of high wind events, and limiting exposed pile faces to high winds (e.g., wind breaks; vegetative or screens) such that fugitive dust emissions continuously demonstrate compliance with IDAPA 58.01.01.651, do not carry over the fugitive dust netting, and do not leave the property boundary.”*
 - ii. *“The permittee shall conduct a weekly facility-wide inspection of potential sources of fugitive emissions during daylight hours and under normal operating conditions to ensure that the methods used to reasonably control fugitive emissions are effective. If fugitive emissions are not being reasonably controlled, the permittee shall take corrective action as expeditiously as practicable. The permittee shall maintain records of the results of each fugitive emissions inspection. The records shall include, at a minimum, the date of each inspection and a description of the following: the permittee’s assessment of the conditions existing at the time fugitive emissions were present (if observed), any corrective action taken in response to the fugitive emissions, and the date the corrective action was taken.”*
- E. If Lignetics fails to comply with the requirements of Section 15.D of this Consent Order during the development of the PTC referenced in Section 14 of this Consent Order, then Lignetics shall be in violation of this Consent Order and subject to stipulated penalties and/or other remedies referenced under Sections 19 and 25 of this Consent Order for each violation and each day that Lignetics fails to comply with the requirements of Section 15.D.
- F. As discussed in Section 9 of this Consent Order, the remaining applicable requirements of Lignetics’ November 22, 2005 Consent Order (i.e., Section 7) are hereby incorporated into the requirements of Sections 15.C and D of this Consent Order. Upon the effective date of this Consent Order, the November 22, 2005 Consent Order will no longer be applicable, the requirements of the November 22, 2005 Consent Order will be superseded and replaced by the requirements of this Consent Order, and the November 22, 2005 Consent Order shall be considered terminated in writing by DEQ.

16. **VISIBLE EMISSIONS**

- A. As discussed in Section 9 of this Consent Order, the remaining applicable requirements of Lignetics' November 17, 2009 Consent Order (i.e., Section 9.D) are hereby incorporated into this Consent Order. Upon the effective date of this Consent Order the November 17, 2009 Consent Order will no longer be applicable, the requirements of the November 17, 2009 Consent Order will be superseded and replaced by the requirements of this Consent Order, and the November 17, 2009 Consent Order shall be considered terminated in writing by DEQ.
- B. Lignetics shall comply with its DEQ approved O&M Manuals which shall be enforceable through the General Provisions of its November 17, 2006 PTC.
- C. If Lignetics fails to comply with the requirements of Section 16.B of this Consent Order, then Lignetics: 1) shall be in violation of this Consent Order and subject to stipulated penalties and/or other remedies referenced under Sections 19 and 25 of this Consent Order for each violation and each day that Lignetics fails to specifically comply with the requirements of its DEQ-approved O&M Manuals.

17. **INSPECTION**

- A. Pursuant to Idaho Code § 39-108 and this Consent Order, DEQ may conduct inspections as necessary to verify compliance with all applicable Sections and requirements appearing in this Consent Order.

18. **PENALTIES**

- A. Pursuant to Sections 12 and 13 of Lignetics' November 17, 2009 and November 3, 2010 Consent Orders, Lignetics shall pay to DEQ stipulated penalties in the amount of Nine Thousand Eight Hundred and Seventy Dollars (\$9,870) for the alleged visible emissions and inlet temperature violations (Violation Nos. 1-2) associated with the March 28, 2013 NOV.
- B. Following Lignetics' comments during the August 6, 2013 compliance conference, DEQ reevaluated and reassessed the penalties associated with the fugitive dust violations (Violation Nos. 3-6) and the June 21, 2013 NOV. DEQ has determined to reassess the penalties for Violation Nos. 3-6 and the June 21, 2013 NOV to \$32,400.

- C. As a result of Lignetics' good faith efforts to resolve the violations associated with the June 21, 2013 NOV, DEQ has determined to allow a Forty Percent (40%) reduction (i.e., \$12,960) in addition to the reassessment of the assessed penalties associated with Violation Nos. 3-6 and the June 21, 2013 NOV.
- D. Therefore, Lignetics shall pay to DEQ a civil penalty of Nineteen Thousand Four Hundred and Forty Dollars (\$19,440) for the alleged violations associated with Violation Nos. 3-6 and the June 21, 2013 NOV.
- E. Therefore, in accordance with Sections 18.A and 18.D of this Consent Order Lignetics shall pay to DEQ a total penalty of Twenty-Nine Thousand Three Hundred and Ten Dollars (\$29,310).
- F. Payment of the total penalty amount appearing in Section 18.E of this Consent Order shall be made within 15 days of the effective date of this Consent Order.

19. **STIPULATED PENALTIES**

- A. In the event that Lignetics fails to comply with any of the requirements appearing in this Consent Order, Lignetics shall be in violation of this Consent Order and shall pay a Ten Thousand Dollar (\$10,000) stipulated penalty for each separate violation and day of violation.
- B. The stipulated penalty payment shall be made within 15 days of receiving a written request from DEQ.
- C. Payment of the stipulated penalty under this Section shall not relieve Lignetics of any of its obligations under this Consent Order, and does not preclude DEQ from seeking any other relief available under law.

20. Penalty payments shall be made by check payable to the Department of Environmental Quality. Please send the penalty payment to the following address:

Accounts Receivable – Fiscal Office
Air Quality Penalty Payment
Department of Environmental Quality
1410 N. Hilton
Boise, Idaho 83706-1255

21. All correspondence sent by Lignetics to DEQ regarding this Consent Order shall be addressed to:

Mark Boyle, Regional Air Quality Manager
Coeur d'Alene Regional Office
Department of Environmental Quality
2110 Ironwood Parkway
Coeur d'Alene, Idaho 83814

With courtesy copies sent to:

Steve D. Bacom, Compliance and Enforcement Coordinator
State Program Office
Department of Environmental Quality
1410 North Hilton
Boise, Idaho 83706

22. All correspondence sent by DEQ to Lignetics regarding this Consent Order shall be addressed to:

Ken Tucker, General Manager
Lignetics of Idaho, Inc.
P.O. Box 1706
Sandpoint, Idaho 83864

23. This Consent Order shall not relieve Lignetics from its obligation to comply with any of the provisions of EPHA, the Rules, any provision of an air quality permit issued by DEQ to Lignetics, any DEQ-approved plans, or other applicable local, state, or federal laws and regulations.
24. This Consent Order shall bind Lignetics, its successors and assigns until such time as the terms of the Consent Order are met and DEQ terminates the Consent Order in writing.
25. Lignetics expressly recognizes that failure to comply with the terms of this Consent Order may result in a district court action for specific performance of the Consent Order, civil penalties, assessment of costs, restraining orders, injunctions, and other relief available under law.
26. If any event occurs that causes, or may cause, delay in the achievement of any requirement of this Consent Order, Lignetics shall notify DEQ in writing within ten days of the date Lignetics knew, or should have known, of the delay.

Any notice under this paragraph shall describe in detail the anticipated length of the delay, all anticipated consequences of the delay, measures taken by Lignetics to prevent or minimize the delay, and a timetable by which those measures shall be implemented.

Lignetics shall utilize all reasonable measures to avoid or minimize any such delay. If DEQ determines that the delay or anticipated delay in achieving any requirements of this Consent Order has been or will be caused by circumstances beyond the reasonable control of Lignetics, DEQ may grant an extension for a period equal to the length of the delay.

The burden of proving that any delay is caused by circumstances beyond the reasonable control of Lignetics shall rest wholly with Lignetics.

27. A waiver by DEQ of any provision, term, condition, or requirement of this Consent Order shall not constitute a waiver of any other provision, term, condition, or requirement.
28. DEQ and Lignetics represent and warrant that each has the authority to enter into this Consent Order and to take all actions provided for herein, and no further action or authorization is required.
29. In case any provision or authority of this Consent Order or the application of this Consent Order to any party or circumstances is held by any judicial or administrative authority to be invalid, the application of such provisions to other parties or circumstances and the remainder of the Consent Order shall remain in force and shall not be affected thereby.

30. The effective date of this Consent Order shall be the date of the signature by the Director of the Department of Environmental Quality.

DATED THIS _____ day of _____, 2014

KEN TUCKER
General Manager, Authorized Representative of Lignetics of Idaho, Inc.

DATED THIS _____ day of _____, 2014

CURT A. FRANSEN
Director, Department of Environmental Quality

APPENDIX B

LIGNETICS PTC P-060119



STATE OF IDAHO
DEPARTMENT OF
ENVIRONMENTAL QUALITY

1410 NORTH HILTON • BOISE, IDAHO 83706 • (208) 373-0502

JAMES E. RISCH, GOVERNOR
TONI HARDESTY, DIRECTOR

November 17, 2006

Certified Mail No. 7005 1160 0000 1550 8234

Mr. Ken Tucker
President/CEO
Lignetics of Idaho, Inc.
P. O. Box 1706
Sandpoint, ID 83840

RE: Facility ID No. 017-00029, Lignetics of Idaho, Inc., Sandpoint
Final Permit Letter

Dear Mr. Tucker:

The Idaho Department of Environmental Quality (DEQ) is issuing Permit to Construct (PTC) No. P-060119 to Lignetics of Idaho, Inc. (Lignetics) in accordance with IDAPA 58.01.01.200 through 228 (Rules for the Control of Air Pollution in Idaho).

This permit is based on your permit application received on May 18, 2006, and on the relevant comments received during the public comment period. This permit is effective immediately and replaces PTC No. P-000126, issued on August 18, 2003, the terms and conditions of which no longer apply". This permit does not release Lignetics from compliance with all other applicable federal, state, or local laws, regulations, permits, or ordinances.

A representative of the Coeur d'Alene Regional Office will contact you regarding a meeting with DEQ to discuss the permit terms and requirements. DEQ recommends the following representatives attend the meeting: your facility's plant manager, responsible official, environmental contact, and any operations staff responsible for day-to-day compliance with permit conditions.

Pursuant to IDAPA 58.01.23, you, as well as any other entity, may have the right to appeal this final agency action within 35 days of the date of this decision. However, prior to filing a petition for a contested case, I encourage you to call Almer Casile at (208) 373-0502 to address any questions or concerns you may have with the enclosed permit.

Sincerely,

Mike Simon
Stationary Source Program Manager
Air Quality Division

MSIAC\bf Project No. 060119

Enclosures

c: **Dan Redline, Coeur d'Alene Regional Office**
Bill Rogers, Permit Coordinator
Almer Casile, Permit Writer
Marilyn Seymore/ Pat Rayne, Air Quality Division
Joan Lechtenberg, Public Comment
Laurie Kral, US EPA Region 10
Permit Binder
Source File
Phyllis Heitman (Ltr Only)
Reading File (Ltr Only)

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Acronyms, Units, and Chemical Nomenclature

AQCR	Air Quality Control Region
CFR	Code of Federal Regulations
CO	carbon monoxide
DEQ	Department of Environmental Quality
EPA	U.S. Environmental Protection Agency
gals/hr	gallons per hour
HAPs	hazardous air pollutants
IDAPA	a numbering designation for all administrative rules in Idaho promulgated in accordance with the Idaho Administrative Procedures Act
km	kilometer
lb/hr	pounds per hour
lb/yr	pounds per year
MMBtu/hr	million British thermal units per hour
NO _x	nitrogen oxides
O & M	Operations and Maintenance
PM	particulate matter
PM ₁₀	particulate matter with an aerodynamic diameter less than or equal to a nominal 10 micrometers
ppm	parts per million
PTC	permit to construct
SM	synthetic minor
SIC	Standard Industrial Classification
SO ₂	sulfur dioxide
SO _x	sulfur oxides
T/yr	tons per year
UTM	Universal Transverse Mercator
VOC	volatile organic compound

AIR QUALITY PERMIT TO CONSTRUCT NUMBER: P-060119

Permittee: Lignetics, Inc.
Location: Kootenai, Idaho

Facility ID No. 017-00029

1. PERMIT TO CONSTRUCT SCOPE

Purpose

- 1.1 This permit is a modification of the facility's existing PTC. This permit modification only affects the dryer line. This permit allows for the construction of a new dryer line, which will consist of a new rotary drum dryer, a high efficiency primary cyclone that will remove particulate matter from the dryer's exhaust gas stream, a larger induced draft fan, a single stage quad multiclone sized for the new dryer's maximum airflow capacity, and a new taller and wider exhaust stack. The new dryer line is being installed for economic reasons due to the increased price of natural gas.
- 1.2 This PTC replaces PTC No. P-000126, issued on August 18, 2003, the terms and conditions of which shall no longer apply.

Regulated Sources

Table 1.1 lists all sources of regulated emissions in this PTC.

Table 1.1 SUMMARY OF REGULATED SOURCES

Permit Section	Source Description	Emissions Control(s)
2	Wood burner	High efficiency primary cyclone & quad multiclone
2	Multi-fuel burner	High efficiency primary cyclone & quad multiclone
2	Dryer (Main) stack	High efficiency primary cyclone & quad multiclone
2	Fines cyclone stack	Cyclone
2	Pellet cooler stack	Cyclone

AIR QUALITY PERMIT TO CONSTRUCT NUMBER: P-060119

Permittee:	Lignetics, Inc.
Location:	Kootenai, Idaho

Facility ID No. 017-00029

2. WOOD PELLET MANUFACTURING

2.1 Process Description

This facility processes green sawdust and wood shavings from lumber mills (wood furnish) into wood pellets and “presto” logs used as wood fuel in pellet stoves and traditional wood stoves and fireplaces. Currently, the green wood furnish is dried in a rotary dryer fueled by either natural gas, fuel oil, or a mixture of fuel oil and used-oil-derived-fuel. The multi-fuel burner that combusts these fuels is located at the entrance of the rotary dryer and is rated at 30 MMBtu/hr.

Lignetics proposes to construct a new dryer line using a mixture of new and existing equipment. Additionally, Lignetics proposes to construct a new wood-fired burner that will be used as the primary heat source for the dryer. The wood-fired burner is rated at 45 MMBtu/hr. A portion of the dried furnish will be diverted and used as fuel for the wood-fired burner. Lignetics retains the ability to use the multi-fuel burner; however, only one burner can be operated at any given time due to the design of the new dryer line.

2.2 Emissions Control Description

Combustion product emissions from the burners are vented into the drum dryer, which then vent to a high efficiency primary cyclone and quad multiclone connected in series. A natural gas-fired, hot water boiler located on site has no control equipment.

Table 2.1 EMISSIONS UNIT NAME DESCRIPTION

Emissions Unit(s) / Process(es)	Emissions Control Device	Emissions Point
Dryer burners	High efficiency primary cyclone & quad multiclone	Dryer (main) stack

Emissions Limits

2.3 Emissions Limits

- The PM, PM₁₀, SO₂, NO_x, and CO emissions from the dryer stack shall not exceed any corresponding emissions rate limits listed in Table 2.2.
- The PM and PM₁₀ emissions from the fines cyclone stack and the pellet cooler stack shall not exceed any emissions rate limits listed in Table 2.2.

Table 2.2 EMISSIONS LIMITS

Source Description	PM		PM ₁₀		SO ₂		NO _x		CO	
	lb/hr	T/yr	lb/hr	T/yr	lb/hr	T/yr	lb/hr	T/yr	lb/hr	T/yr
Dryer (main) Stack	16.9	45.3	15.7	44.1	14.91	65.3	9.6	42	15	66
Fines cyclone Stack	0.7	3.1	0.7	3.1						
Pellet cooler Stack	0.26	1.2	0.26	1.2						

- 2.4 Arsenic emissions from the dryer stack shall not exceed 1.35X10⁻³ pounds per hour (lb/hr). Arsenic emissions from the dryer stack shall not exceed 11.8 pounds per any consecutive 12-month period (lb/yr).

AIR QUALITY PERMIT TO CONSTRUCT NUMBER: P-060119

Permittee:	Lignetics, Inc.	Facility ID No. 017-00029
Location:	Kootenai, Idaho	

- 2.5 Hexavalent Chromium emissions from the dryer stack shall not exceed 4.86×10^{-4} lb/hr. Hexavalent Chromium emissions from the dryer stack shall not exceed 4.28 lb/yr.
- 2.6 Nickel emissions from the dryer stack shall not exceed 2.47×10^{-3} lb/hr. Nickel emissions from the dryer stack shall not exceed 216.4 lb/yr.
- 2.7 Lead emissions from the dryer stack shall not exceed 0.16 lb/hr. Lead emissions from the dryer stack shall not exceed 0.72 T/yr.
- 2.8 Formaldehyde emissions from the dryer stack shall not exceed 0.81 lb/hr. Formaldehyde emissions from the dryer stack shall not exceed 3.5 T/yr.

2.9 Opacity Limit

Emissions from any stack, vent, or functionally equivalent opening shall not exceed 20% opacity for a period or periods aggregating more than three minutes in any 60-minute period as required by IDAPA 58.01.01.625 (Rules for the Control of Air Pollution in Idaho). Opacity shall be determined using the procedures contained in IDAPA 58.01.01.625.

2.10 Visible Emission at Property Boundary

Visible emissions shall not be observed leaving the property boundary at any time. Visible emissions shall be determined by EPA Reference Method 22, as described in 40 CFR 60, Appendix A, or using a DEQ-approved alternative method.

2.11 Control of 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, as required by IDAPA 58.01.01.776.

Operating Requirements

2.12 Allowable Burner Fuel

The permittee shall use only wood furnish, natural gas, No. 2 fuel oil, or a mixture of No. 2 fuel oil and used-oil-derived fuel as burner fuel.

2.13 Wood Furnish Processing Limit and Moisture Content Specification

Wood furnish feed to the drum dryer shall not exceed 650 tons per day based on a feed material moisture content of 45%.

2.14 Natural Gas And Wood Furnish Combustion

- When natural gas is combusted exclusively, no throughput limit applies.
- When wood furnish is combusted exclusively, no throughput limit applies.

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Permittee:	Lignetics, Inc.	Facility ID No. 017-00029
Location:	Kootenai, Idaho	

2.15 No. 2 Fuel Oil Specifications

- The permittee shall not combust more than 210 gallons of No. 2 fuel oil per hour.
- The sulfur content in the No. 2 fuel oil shall not exceed 0.5% by weight as required by IDAPA 58.01.01.728.
- The No. 2 fuel oil combusted by the existing burner shall not exceed the fuel specification limits of Table 2.3.

2.16 Used-Oil-Derived-Fuel Specifications

Used-oil-derived-fuel used as burner fuel shall not exceed any of the fuel specification limits listed in Table 2.3:

Table 2.3 FUEL SPECIFICATIONS

Arsenic	0.77 ppm
Chromium (hexavalent)	0.28 ppm
Nickel	14.13 ppm
Ash (% by weight)	0.80
Sulfur(% by weight)	0.50
Lead	100 ppm

2.17 No. 2 Fuel Oil and Used-Oil-Derived-Fuel Mixture Limits and Specifications

- The permittee may combust a mixture of 20% by volume No. 2 fuel oil and 80% by volume used-oil-derived-fuel (i.e. fuel mixture).
- The permittee shall not combust more than 210 gallons of the fuel oil mixture.
- The permittee shall not operate the multi-fuel burner for more than 2,160 hours per any consecutive 12-month period when combusting the fuel oil mixture.

2.18 Detection Limit of Analysis Method for Used-Oil-Derived-Fuel

The detection limit of analysis methods used to determine the concentrations of arsenic, hexavalent chromium, and nickel in the used-oil-derived-fuel shall be 10% or less of the concentration limits listed in Table 2.3.

2.19 Dryer Burner Heat Input Capacity Limits

- The natural gas and fuel oil multi-fuel burner shall not have a rated heat input capacity greater than 30 MMBtu/hr.
- The wood furnish-fired burner shall not have a rated heat input capacity greater than 45 MMBtu/hr.

2.20 Dryer Burner Operations

The natural gas and fuel oil multi-fuel burner and the wood-fired burner shall not be operated concurrently.

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2.21 Dryer Temperature

The maximum dryer temperature, as measured by any of the temperature sensors specified in Permit Condition 2.28 shall not exceed 1,200° F.

2.22 Reasonable Control of Fugitive Emissions

All reasonable precautions shall be taken to prevent PM from becoming airborne as required in IDAPA 58.01.01.651. In determining what is reasonable, considerations will be given to factors such as the proximity of dust-emitting operations to human habitations and/or activities and atmospheric conditions that might affect the movement of PM. Some of the reasonable precautions include, but are not limited to, the following:

- Use, where practical, of water or chemicals for control of dust in the demolition of existing buildings or structures, construction operations, the grading of roads, or the clearing of lands.
- Application, where practical, of asphalt, water or suitable chemicals to, or covering of dirt roads, material stockpiles, and other surfaces that can create dust.
- Installation and use, where practical, of hoods, fans and fabric filters, or equivalent systems to enclose and vent the handling of dusty materials. Adequate containment methods should be employed during sandblasting or other operations.
- Covering, where practical, of open-bodied trucks transporting materials likely to give rise to airborne dusts.
- Paving of roadways and their maintenance in a clean condition, where practical.
- Prompt removal of earth or other stored material from streets, where practical.
- Maintaining material stockpiles below heights of material netting.

2.23 Operations and Maintenance Manual Requirements

Within 60 days after startup, the permittee shall have developed an O&M manual for the high efficiency primary cyclone and the quad multiclone listed in Permit Condition 2.2 which describes the procedures that will be followed to comply with General Provision 2, and the air pollution control device requirements contained in this permit. The manual shall remain onsite at all times and made available to DEQ representatives upon request.

2.24 Air Pollution Emergency Rules

The permittee shall comply with the Air Pollution Emergency Rules in IDAPA 58.01.01.550-562.

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Permittee:	Lignetics, Inc.
Location:	Kootenai, Idaho

Facility ID No. 017-00029

Monitoring and Recordkeeping Requirements

2.25 Fuel Switch

The permittee shall monitor and record each time the burner fuel is switched between the natural gas and fuel oil multi-fuel burner and the wood-fired burner. Records of this information shall remain on site for the most recent two-year period and shall be made available to DEQ representatives upon request.

2.26 Used-Oil-Derived Fuel And No. 2 Fuel Oil Certification

The permittee shall demonstrate compliance with the used-oil-derived-fuel and No. 2 fuel oil specifications in Permit Conditions 2.15 and 2.16 by obtaining a certification from the fuel supplier of each fuel on an as-received basis. The certification shall include the following information:

- The name and address of the fuel oil supplier.
- The measured concentration, expressed as ppm, of each constituent listed in Table 2.3.
- The ash content and the sulfur content of the fuel oil expressed as percent by weight (% by wt), as listed in Table 2.3.
- The analytical method or methods used to determine the concentration of each constituent, the fuel oil sulfur content, and the ash content listed in Table 2.3.
- The date and location of each sample.
- The date of each certification analysis.

2.27 Wood Furnish Throughput and Other Parametric Monitoring

The permittee shall monitor and record the following information as prescribed:

2.27.1 Wood Furnish Throughput and Moisture Content Monitoring

- The permittee shall install, calibrate, maintain, and operate a monitoring device to continuously measure the amount of wood furnish processed by the drum dryer per hour and while operating to demonstrate compliance with Permit Condition 2.13. The monitoring device must be certified by the manufacturer to be accurate within 5% of the measured value and must be calibrated on at least an annual basis in accordance with manufacturer instructions.
- The permittee shall monitor and record the moisture content of the wood furnish once per week to demonstrate compliance with Permit Condition 2.13.

2.27.2 No. 2 Fuel Oil Throughput Monitoring

- The permittee shall monitor and record the amount of No. 2 fuel oil combusted by the multi-fuel burner per hour and while operating to demonstrate compliance with Permit Condition 2.15.
- The permittee shall demonstrate compliance with the fuel oil sulfur content limit specified in Permit Condition 2.15 by obtaining documentation of the sulfur content analysis for each shipment of No. 2 fuel oil on an as-received basis.

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2.27.3 No. 2 Fuel Oil and Used-Oil-Derived-Fuel Mixture Monitoring

- The permittee shall monitor and record the amount of No. 2 fuel oil and used-oil-derived-fuel mixture combusted by the multi-fuel burner per hour and while operating to demonstrate compliance with Permit Condition 2.17.
- The permittee shall monitor and record the percent by volume No. 2 fuel oil and the percent by volume used-oil-derived-fuel oil contained in the fuel mixture combusted in the multi-fuel burner to demonstrate compliance with Permit Condition 2.17.
- The permittee shall monitor and record the hours of operation the multi-fuel burner operates when combusting the No. 2 fuel oil and used-oil-derived-fuel mixture monthly and annually to demonstrate compliance with Permit Condition 2.17. The annual hours of operation shall be determined by summing each monthly hours of operation over the previous consecutive 12-month period.

2.28 Dryer Temperature Monitoring

The permittee shall install, calibrate, maintain, and operate a monitoring system for the continuous measurement and recording of the gas temperature at the drum dryer inlet to demonstrate compliance with Permit Condition 2.21. All components of the monitoring system (sensors, chart recorder, alarm, and associated hardware) must be certified by the manufacturer to be accurate within 2% of the measured value and must be calibrated on at least a quarterly basis in accordance with manufacturer instructions.

The monitoring system must meet the following requirements:

- At least three temperature sensors shall be installed in a collinear arrangement across the dryer inlet opening. The first shall be located at the center of the dryer inlet while the second and third shall be located on opposite sides of the first and midway between the refractory wall and the center of the dryer.
- Each temperature sensor shall be shielded from radiant heat effects.
- The dryer-inlet gas-temperature monitoring system shall be equipped with an alarm to alert the operator if the inlet dryer gas temperature is in excess of that allowed by Permit Condition 2.21.

Each exceedance of the inlet dryer gas temperature allowed by Permit Condition 2.21 shall be addressed using the procedures contained in IDAPA 58.01.01.130-136.

2.29 Opacity Monitoring

The permittee shall conduct a weekly facility-wide inspection of potential sources of visible emissions, during daylight hours and under normal operating conditions to demonstrate compliance with Permit Condition 2.9. The visible emissions inspection shall consist of a see/no see evaluation for each potential source. If any visible emissions are present from any point of emission, the permittee shall either take appropriate corrective action as expeditiously as practicable, or perform a Method 9 opacity test in accordance with the procedures outlined in IDAPA 58.01.01.625. A minimum of 30 observations shall be recorded when conducting the opacity test. If opacity is greater than 20% for a period or periods aggregating more than three minutes in any 60-minute period, the permittee shall take all necessary corrective action and report the exceedance in accordance with IDAPA 58.01.01.130-136. The permittee shall maintain records of the results of each visible emissions inspection and each opacity test when conducted. The records shall include, at a minimum, the date and results of each inspection and test and a

AIR QUALITY PERMIT TO CONSTRUCT NUMBER: P-060119

Permittee:	Lignetics, Inc.	Facility ID No. 017-00029
Location:	Kootenai, Idaho	

description of the following: the permittee's assessment of the conditions existing at the time visible emissions are present (if observed), any corrective action taken in response to the visible emissions, and the date corrective action was taken.

2.30 Fugitive Dust Complaint Records

The permittee shall maintain records of all fugitive dust complaints received. The records shall include, at a minimum, the date each complaint was received and a description of the following: the complaint, the permittee's assessment of the validity of the complaint, any corrective action taken, and the date the corrective action was taken.

2.31 Reasonable Control Measures

The permittee shall monitor and record, during operation, the periodic method(s) used to reasonably control fugitive emissions from this facility. The records shall include the type of control used (e.g., water, environmentally safe chemical dust suppressants, spray bars, screen deck covers, etc.) as well as the circumstances under which no controls are used.

2.32 Odor Complaint Records

The permittee shall maintain records of all public odor complaints received. If the complaint has merit, the permittee shall take appropriate corrective action as expeditiously as practicable. The records shall include, at a minimum, the date each complaint was received, and a description of the following: the complaint, the permittee's assessment of the validity of the complaint, any corrective action taken, and the date the corrective action was taken.

2.33 Records Retention and Reporting

Records of information required by Permit Conditions 2.25 through 2.32 shall remain on site for the most recent two-year period and shall be made available to DEQ representatives upon request.

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Permittee:	Lignetics, Inc.
Location:	Kootenai, Idaho

Facility ID No. 017-00029

3. PERMIT TO CONSTRUCT GENERAL PROVISIONS

General Compliance

1. The permittee has a continuing duty to comply with all terms and conditions of this permit. All emissions authorized herein shall be consistent with the terms and conditions of this permit and the Rules for the Control of Air Pollution in Idaho. The emissions of any pollutant in excess of the limitations specified herein, or noncompliance with any other condition or limitation contained in this permit, shall constitute a violation of this permit and the Rules for the Control of Air Pollution in Idaho, and the Environmental Protection and Health Act, Idaho Code §39-101, et seq.

[Idaho Code §39-101, et seq.]

2. The permittee shall at all times (except as provided in the Rules for the Control of Air Pollution in Idaho) maintain in good working order and operate as efficiently as practicable, all treatment or control facilities or systems installed or used to achieve compliance with the terms and conditions of this permit and other applicable Idaho laws for the control of air pollution.

[IDAPA 58.01.01.211, 5/1/94]

3. Nothing in this permit is intended to relieve or exempt the permittee from the responsibility to comply with all applicable local, state, or federal statutes, rules and regulations.

[IDAPA 58.01.01.212.01, 5/1/94]

Inspection and Entry

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

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

Construction and Operation Notification

5. The permittee shall furnish DEQ written notifications as follows in accordance with IDAPA 58.01.01.211:

- a. A notification of the date of initiation of construction, within five working days after occurrence;

AIR QUALITY PERMIT TO CONSTRUCT NUMBER: P-060119

Permittee:	Lignetics, Inc.	Facility ID No. 017-00029
Location:	Kootenai, Idaho	

- b. A notification of the date of any suspension of construction, if such suspension lasts for one year or more;
- c. A notification of the anticipated date of initial start-up of the stationary source or facility not more than sixty days or less than thirty days prior to such date;
- d. A notification of the actual date of initial start-up of the stationary source or facility within fifteen days after such date; and
- e. A notification of the initial date of achieving the maximum production rate, within five working days after occurrence - production rate and date.

[IDAPA 58.01.01.211, 5/1/94]

Performance Testing

6. If performance testing (air emissions source test) is required by this permit, the permittee shall provide notice of intent to test to DEQ at least 15 days prior to the scheduled test date or shorter time period as approved by DEQ. DEQ may, at its option, have an observer present at any emissions tests conducted on a source. DEQ requests that such testing not be performed on weekends or state holidays.

All performance 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, at least 30 days prior to conducting any performance test, the permittee is encouraged to submit a performance test protocol to DEQ for approval. The written protocol shall include a description of the test method(s) to be used, an explanation of any or unusual circumstances regarding the proposed test, and the proposed test schedule for conducting and reporting the test.

Within 30 days following the date in which a performance test required by this permit is concluded, the permittee shall submit to DEQ a performance test report. The written report shall include a description of the process, identification of the test method(s) used, equipment used, all process operating data collected during the test period, and test results, as well as raw test data and associated documentation, including any approved test protocol.

[IDAPA 58.01.01.157, 4/5/00]

Monitoring and Recordkeeping

7. The permittee shall maintain sufficient records to ensure compliance with all of the terms and conditions of this 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 support 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 and 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 58.01.01.211, 5/1/94]

AIR QUALITY PERMIT TO CONSTRUCT NUMBER: P-060119

Permittee:	Lignetics, Inc.	Facility ID No. 017-00029
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Excess Emissions

8. The permittee shall comply with the procedures and requirements of IDAPA 58.01.01.130-136 for excess emissions due to startup, shutdown, scheduled maintenance, safety measures, upsets and breakdowns.

[IDAPA 58.01.01.130-136, 4/5/00]

Certification

9. All documents submitted to DEQ, including, but not limited to, records, monitoring data, supporting information, requests for confidential treatment, testing reports, or compliance certification shall contain a certification by a responsible official. The certification shall state that, based on information and belief formed after reasonable inquiry, the statements and information in the document(s) are true, accurate, and complete.

[IDAPA 58.01.01.123, 5/1/94]

False Statements

10. No person shall knowingly 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]

Tampering

11. No person shall knowingly 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]

Transferability

12. This permit is transferable in accordance with procedures listed in IDAPA 58.01.01.209.06.

[IDAPA 58.01.01.209.06, 4/11/06]

Severability

13. The provisions of this permit are severable, and if any provision of this permit to any circumstance is held invalid, the application of such provision to other circumstances, and the remainder of this permit, shall not be affected thereby.