

Shasta County Department of Resource Management
Air Quality Management District
1855 Placer Street, Suite 101
Redding, CA 96001
530-225-5674

Evaluation Report
Regarding Proposed Issuance of a Renewed
Title V Operating Permit to

Sierra Pacific Industries, Anderson Division

For Equipment Located at:

19794 Riverside Avenue
Anderson, CA 96007

Date of Evaluation:
August 6, 2013

**Evaluation Report
Regarding Proposed Renewal of a
Title V Operating Permit # 94-VP-18d
Sierra Pacific Industries, Anderson Division
8/6/2013**

Introduction

The District proposes to issue a renewed Title V operating permit to Sierra Pacific Industries, Anderson Division. This evaluation, with the proposed Title V operating permit, sets forth the legal and factual basis for the conditions contained in the proposed permit. The proposed permit contains several administrative permit amendments ranging from corrections of typographical errors to one minor permit modification by adding a newly permitted piece of equipment. Applicable federal, state and local requirements are discussed in the following sections. In February of 2013 the US EPA finalized the National Emission Standards for Hazardous Air Pollutants for Industrial, Commercial, and Institutional Boilers Area Sources codified at 40 CFR Part 63 Subpart JJJJJ. These specific permit changes are outlined in the Specific Permit Actions and Modifications section beginning on page 8 below.

Facility Description

Sierra Pacific Industries, Anderson Division, (SPI) is a "Qualifying Facility" wood fired boiler capable of providing 80,000 lb/hr process steam to lumber drying kilns and for generating electricity through the use of a steam turbine. Sierra Pacific Industries, Anderson, is considered a Federal major source and subject to the Title V permitting program due to the facility's potential to emit emissions of oxides of nitrogen (NO_x).

Equipment Description

The major equipment located at the Sierra Pacific Industries, Anderson Division, facility include:

Wood Fired Boiler

- 1 Each - 80,000 lbs/hr. (116.4MM Btu/Hr.) Wellons Wood-Fired Boiler (without gas burner)
- 1 Each - Wellons Two-Field Electrostatic Precipitator
- 1 Each - 144 Tube Wellons Multiclone Ash Collector
- 1 Each - Selective Non-Catalytic Reduction Ammonia Injection System
- 1 Each - Hydraulic Truck Trailer Dumper
- 1 Each - 30,400 cu. ft. Fuel Storage Shed
- 2 Each – Hog Fuel Bins
- 2 Each - Wood Chip Fuel Bins

Planer Mill Air Conveyance System

- 2 Each - 8'D x 27'L Cyclones with combined flow rate of 51,004 SCFM

- 1 Each - 7,118 ft² MAC Pulse Jet Baghouse with 300 HP TCF Blower
- 1 Each - 35" x 45" Rotary Airlock
- 1 Each - Buhler en-masse, 19", 22tph Conveyor
- 2 Each - Overhead Storage Bins with enclosed sides

Closed Loop Spray Mist Unit

- 1 Each - Closed Loop Spray Mist Unit with Integrated, Negative Pressure, Mist Collection System and 65' Exhaust Stack

Wood Chip Loading Facility

- 1 Each - Wood Chip Loading Facility consisting of: One Platform Truck Dumper, One Electrically Powered, Pneumatic, Wood Chip Conveying System with Dust Containment Hood, Blower Specifications; Rader 200 hp, 59,000 CFM

As approved by the U.S. Environmental Protection Agency (U.S. EPA), all equipment exempted from permit, per Shasta County Air Quality Management District (District) Rule 2.5, are each considered an insignificant activity. These include the following:

Insignificant Emissions Sources

- 7 Each - Non-Solvent Based Degreasing Tanks
- 1 Each - 10,000 gal. Above Ground, Gasoline Storage Tank
- 1 Each - Painting Operation

APPLICABLE FEDERAL REQUIREMENTS:

Based upon information submitted in the application and the district's review, the following applicable Federal requirements apply to this facility:

State Implementation Plan (SIP) Requirements:

Rule 1:2 Definitions

This rule lists the definitions used throughout the District rules. This rule is an administrative rule, and Sierra Pacific Industries, Anderson, certified compliance in the application. However, the District feels that the environmental benefits are not such that this rule should be included in the proposed Title V permit.

Rule 2.1 and 2.1A New Source Review, Permits Required

These are the District's requirements for preconstruction permits and permits to operate. This rule is an administrative and procedural rule that is applied when a source is modified or constructed. This rule is applicable to this facility when new construction or modifications are commenced. The District feels that the environmental benefits are not such that this rule should be included in the proposed Title V

permit.

Rule 2:3 Toxics New Source Review

The purpose of this rule is to require the use of Best Available Control Technology for toxic air pollutants. This rule has been incorporated into the current Title V Permit.

Rule 2:4 Permits to Sell or Rent Incinerators

This rule pertains to the use of incinerators. There are no incinerators at this facility. Therefore, this requirement is not applicable to this facility.

Rule 2:5 Exemptions

This rule lists the types of devices or operations that the Air Pollution Control Officer (APCO) may exempt. This rule is an administrative rule and the District feels that the environmental benefits are not such that this rule should be included in the proposed Title V permit.

Rule 2:6 Open Burning (2:6.a.4.c & 2:6.b),

Rule 2:7 Conditions for Open Burning ,

Rule 2:8 Agricultural Burning

These rules list the regulations required to conduct open burning operations. Sierra Pacific Industries, Anderson, does not conduct open burning operations at this facility. This rule is not included in the proposed Title V permit.

Rule 2:10 Action on Applications

This rule requires that an application for an Authority to Construct be filed in a manner and on the form prescribed by the APCO. This rule is an administrative rule and the District feels that the environmental benefits are not such that this rule should be included in the proposed Title V permit.

Rule 2:11 Fees

This rule is not included in the SIP and is therefore not evaluated in this permit action.

Rule 2:12 Expiration of Applications

This rule defines the expiration period for Authority to Construct applications. When the District issues Authority to Construct Permits, an expiration date is printed on the document. The District has not included this administrative requirement in the proposed Title V Operating Permit.

Rule 2:14 Testing Facilities

This rule requires the operator to provide and maintain testing and sampling facilities as specified in the Authority to Construct or Permit to Operate. This requirement is included in the proposed Title V Operating Permit. (Condition C15)

Rule 2:17, Rule 2:18, Rule 2:19, Denial and appeal of applications;

The District believes that the environmental benefits are not such that these administrative rules should be included in the proposed Title V Operating Permit.

Rule 2:21 Defacing Permit (formerly Rule 2:24)

This rule prohibits defacing the permit. This requirement is included in the proposed Title V permit. (Condition D17)

Rule 2:23 Posting of Permit

This rule requires that the permit be posted. This requirement is included in the proposed Title V permit. (Condition D18)

Rule 2:25 Public Records

This rule lists the requirements for what may or may not be public records and includes labeling requirements. This requirement is included in the proposed Title V permit. (Conditions D19-22)

Rule 2:26 Revocation of Permit

This rule lists the requirements for revoking a permit. This requirement is included in the proposed Title V Permit. (Condition D23)

Rule 2:27 Submittal of Information

This rule is an administrative rule, and the District feels that the environmental benefits are not such that this rule should be included in the proposed Title V permit.

District Rule 3- Prohibitions and Enforcement

Rule 3:1 Applicability of State Laws

This rule adopts by reference all state and federal rules for air contaminants. This requirement is included in the proposed Title V permit. (Condition D24)

Rule 3:2 Specific Air Contaminants

This rule specifies limits for emissions of:

- 1) Combustion particulate matter in gr/dscf;
- 2) Particulate matter less than or equal to 10 microns in gr/dscf;
- 3) All other particulate matter in gr/dscf
- 4) Particulate matter process weight: maximum hourly emissions as a function of process weight in tons per hour;
- 5) Oxides of Sulfur (as SO₂) in ppm;
- 6) Oxides of Nitrogen (as NO₂) in ppm; and
- 7) Opacity.

The requirements of this rule are included in the proposed Title V permit. Other permit conditions found in this Title V Permit limiting emissions from the boiler are more stringent than the emission limitations of this rule and, therefore, subsume the requirements of this rule for this particular emission unit. (See section below titled “New Source Performance Standards”) (Condition A1)

Rule 3:4 Industrial Use of Organic Solvents

This rule requires that a control device achieving 85 percent control be utilized unless listed lb/day emission limits of solvents into the atmosphere are met. This requirement is included in the proposed Title V permit. (Condition A2)

Rule 3:5 Agricultural Uses

This rule exempts discharges in the course of applying agricultural materials. This facility does not apply agricultural materials. Therefore, this requirement is not included in the proposed Title V permit.

Rule 3:6 Circumvention

This rule requires that emissions cannot be concealed by circumvention. This requirement is included in the proposed Title V permit. (Condition D32)

Rule 3:9 Recommendations of Control Officer

This rule states that no recommendation of the APCO is a guarantee that the recommended device or process will result in compliance. This rule is an administrative rule, and the District feels that the environmental benefits are not such that this rule should be included in the proposed Title V permit.

Rule 3:10 Excess Emissions

This rule is not included in the SIP and is therefore not evaluated in this permit action.

Rule 3:11, Local Rules

This rule states that any city or public agency, having authority to do so, may enact by ordinance more restrictive limits than contained in the District's Rule Book. Because this permit is a federal permit and does not concern local rules, the District believes that the environmental benefits are not such that this rule should be included in the proposed Title V Operating Permit.

Rule 3:12, Reduction of Animal Matter, Rule 3:14, Petroleum Solvent Dry Cleaners, Rule 3:15, Cutback Asphalt Paving,

SPI Anderson does not conduct any of these operations. Therefore, these requirements are not included in the permit action.

Rule 3:17 Organic Solvent Degreasing Operations

This rule requires degreasing operations to meet design and operating specifications. This rule was repealed by the District when the District adopted a revised organic solvent operations rule. The new rule has not been submitted for inclusion into the SIP. Because the District has repealed this rule, the equipment that would be regulated is listed as insignificant and is regulated by District Rule 3:4 (included as a permit condition). The District believes that the environmental benefits are not such that this rule should be included in the proposed Title V Operating Permit.

Rule 3:18 and 3:19 (Non-Sip) Hexavalent Chromium ATCM for Chrome Plating and Cooling Towers

SPIA does not conduct chrome plating operations nor does it use Hexavalent Chrome in the cooling towers. The requirements of these rules are not required to be included in the Title V permit because Rule 3:18 and 3:19 are non-SIP rules. However, the District has included this requirement as Standard Condition D39.

Rule 5 Additional procedures for issuing permits to operate for sources subject to Title V of the Federal Clean Air Act Amendments of 1990

This rule lists the requirements of the Title V program. All specific applicable requirements imposed by this rule are included in the proposed Title V permit.

40 CFR 82.161- Ozone Depleting Substances

This regulation requires that equipment utilizing ozone depleting substances be maintained by certified technicians. These requirements are included in the proposed Title V permit. (Conditions D29, D30 and D31)

New Source Performance Standards (NSPS)

This facility is subject to 40 CFR Part 60 - Standards of Performance for New Stationary Sources and Subparts A and Db. The requirements of these standards are included and are, in some instances, subsumed by other more stringent conditions in the proposed Title V permit.

Prevention of Significant Deterioration (PSD) Permitting

This regulation sets the procedures for the review of new sources or modifications to existing major stationary emission sources. Since the Wellons wood-fired boiler was issued a PSD permit as the Authority to Construct for the facility, the conditions of the Authority to Construct are incorporated in the proposed Title V permit unless a specific condition was revised (or added) in subsequently issued Permits to Operate.

Rules not included in the Shasta County SIP:

Rule 3:11, Hexavalent Chromium Airborne Toxic Control Measure For Cooling Towers

The requirements of this rule have been added to the proposed permit. See Specific Permit Actions and Modifications section, Item #3 below.

Risk Management Plans Preparation and Registration, 112 (r)

Section 112(r), Accidental Release Prevention and Management Program, affects facilities at which certain substances are present above the specified annual threshold. Sierra Pacific Industries, Anderson, is not required to submit a 112(r) Risk Management Plan.

MACT Standards for Halogenated Solvent Cleaning Operations

This regulation requires de-greasers using certain halogenated solvents to meet certain requirements. Because the degreaser does not use solvents regulated by the standard, the Maximum Achievable Control Technology (MACT) standard is not an applicable requirement for this facility. The permit is conditioned so that the permittee must notify the District prior to changing the type of solvent used at the facility.

Federal Greenhouse Gas Permitting and Reporting Requirements

On May 13, 2010, the U.S. EPA issued the Greenhouse Gas Tailoring Rule. This rule sets the thresholds for greenhouse gas emissions that define when permits under the New Source Review and PSD programs are required for new and existing industrial facilities. At the time that this rule was issued, the EPA deferred the regulation of “biogenic” carbon dioxide, non-fossil-fuel carbon dioxide sources such as ethanol and biomass, for three years. SPI Anderson is a biomass fueled cogeneration plant and therefore fit into this “deferral” category. On July 12, 2013, the U.S. Court of Appeals issued a decision requiring EPA to vacate the three-year deferral for biogenic carbon. Due to this recent action, the EPA

will have to make a determination as to how this will affect the SPI Anderson facility. At this time GHG requirements are not included in this proposed Title V permit.

On September 22, 2009, EPA issued a final greenhouse gas reporting rule. This rule requires that facilities which emit 25,000 metric tons or more of CO₂ per year provide EPA with accurate and timely GHG emissions data. According to a 2011 GHG database, SPI Anderson emits 69,929 tons/yr of biogenic CO₂.

40 CFR Part 63 Subpart DDDD National Emission Standards for Hazardous Air Pollutants HAP's for Plywood and Composite Wood Products

This rule applies to owners or operators of wood products manufacturing facilities, (including kiln-dried lumber), who also qualify as major sources of Hazardous Air Pollutants (HAP's). SPI Anderson operates lumber drying kilns, however, as described below, SPI Anderson does not qualify as a major source of HAP's therefore, this rule does not apply to this facility.

40 CFR Part 63 Subpart JJJJJJ, National Emission Standards for Hazardous Air Pollutants for Industrial, Commercial, and Institutional Boilers Area Sources. (February 1, 2013)

Section 63.11193 states that you are subject to this subpart if you own or operate an industrial, commercial, or institutional boiler as defined in §63.11237 that is located at, or is part of, an area source of hazardous air pollutants (HAP), as defined in §63.2, except as specified in §63.11195.

Section 63.2 defines area source as any stationary source of HAP that is not a major source as defined in this part. Section 63.2 defines major source as any stationary source or group of stationary sources located within a contiguous area and under common control that emits or has the potential to emit considering controls, 10 tons per year (TPY) of a single HAP or more than 25 TPY of all HAP's combined.

SPI Anderson's potential to emit, including the lumber drying kilns, of all HAP's combined is 21.31 TPY and the highest single HAP emission is 1.71 TPY. This facility does not trigger the major source applicability and is therefore classified as an area source.

Section 63.11194(b) states: an affected source is an existing source if you commenced construction or reconstruction of the affected source on or before June 4, 2010. The SPI Anderson cogeneration plant was permitted in 1994 and therefore, is an existing source.

Section 63.11195 defines which boilers are exempt from this regulation. SPI Anderson does not qualify as an exempt boiler under this part.

Section 63.11196(a)(1), states: if the existing affected boiler is subject to a work practice or management practice standard of a tune-up, you must achieve compliance with the work practice or management standard no later than March 21, 2014.

These work practice and management practice standards are found in Table 2 to Subpart JJJJJ of Part 63.

The SPI Anderson biomass fired boiler fits into subcategories 1, 6* and 16; existing biomass fired boilers 10 MMBtu/hr and greater, that do not meet the definition of seasonal boiler or limited use boiler, or use an oxygen trim system that maintains an optimum air-to-fuel ratio*.

* SPI Anderson does monitor oxygen trim for the purpose of tuning the combustion air supply to the boiler. However this oxygen trim system does not automatically provide a feedback signal to the combustion air controller as defined in the following definition of oxygen trim system.

The Subpart JJJJJ definition of oxygen trim system is as follows: Oxygen trim system means a system of monitors that is used to maintain excess air at the desired level in a combustion device. A typical system consists of a flue gas oxygen and/or carbon monoxide monitor that automatically provides a feedback signal to the combustion air controller.

The SPI Anderson boiler is subject to work practice or management practice Standard 1 regarding startup and shutdown, and Standard 6 requiring a tune-up. Therefore, the following conditions G1 and G2 on the draft Title V Permit 94-VP-18 will ensure compliance:

Condition G1.

SPI Anderson will minimize the boiler's startup and shutdown periods and conduct startups and shutdowns according to the manufacturer's recommended procedures. If manufacturer's recommended procedures are not available, SPI Anderson must follow recommended procedures for a unit of similar design for which manufacturer's recommended procedures are available. [40 CFR 63.11214(d)]

Condition G2

SPI Anderson will conduct an initial performance tune-up of the boiler in accordance with 40 CFR 63.11223 no later than March 21, 2014, and every two years thereafter (biennial tune-up). SPI Anderson will submit a signed statement in the Notification of Compliance Status Report that a tune-up of the boiler was completed. Each biennial tune-up must be conducted no more than 25 months after the previous tune-up [40 CFR 63.11214(a) and 63.1123(b)]

The SPI Anderson biomass fired boiler also fits into subcategory 16; Existing coal-fired, biomass-fired boilers, or oil-fired boilers (units with heat input capacity of 10 MMBtu/hr and greater), not including limited-use boilers.

Units in subcategory 16 must meet an energy assessment requirement identified in Table 2. Therefore, the following condition placed as condition G3 on the draft Title V Permit 94-VP-18 will ensure compliance:

Condition G3

By March 21, 2014, SPI Anderson will conduct a one-time energy assessment as described in 40 CFR 63, Subpart JJJJJ, Table 2. SPI Anderson will submit a signed statement in the Notification of Compliance Status Report that the energy assessment was completed, and shall submit the energy

assessment report upon request. An energy assessment completed on or after January 1, 2008 that meets the requirements in Table 2 to this subpart satisfies the energy assessment portion of this requirement. These standards apply at all times [40 CFR 63.11214(c)]

Section 63.11201 specifies that a qualifying facility must comply with each emission limit specified in Table 1, with each work practice standard, emission reduction measure, and management practice standard specified in Table 2, and that it must comply with each operating limit specified in Table 3. This Section finishes by stating that;

(d) These standards apply at all times the affected boiler is operating, except during periods of startup and shutdown as defined in § 63.11237, during which time you must comply only with Table 2 to this subpart.

SPI Anderson does not fit into any of the categories listed in Table 1; therefore, the emission limits specified in Table 1 do not apply.

The Standards in Table 2 apply to SPI Anderson as described above.

SPI Anderson does not fit into any of the categories listed in Table 1; consequently, the operating limits specified in Table 3 are not applicable.

Section 63.11205 states the general requirements for complying with Subpart 63. Section (a) applies to SPI Anderson. The following condition has been added to the Title V Permit as Condition G4;

Condition G4.

At all times SPI Anderson must operate and maintain the boiler, including associated air pollution control equipment and monitoring equipment, in a manner consistent with safety and good air pollution control practices for minimizing emissions. The general duty to minimize emissions does not require you to make any further efforts to reduce emissions if levels required by this standard have been achieved. Determination of whether such operation and maintenance procedures are being used will be based on information available to the Administrator that may include, but is not limited to, monitoring results, review of operation and maintenance procedures, review of operation and maintenance records, and inspection of the source.

Section 63.11210 (c) specifies the initial compliance requirements and the dates by which compliance must be demonstrated. These requirements which are found in Section 63.11196 have been incorporated into the permit as Conditions G2 and G3. (ABOVE)

Section 63.11214 contains two applicable requirements on how a source may demonstrate initial compliance with work practice standards, emission reduction measures, and management practices. These requirements have been previously addressed above. See evaluation for Conditions G1 and G4.

Section 63.11220 specifies performance test requirements that not apply to this facility.

Section 63.11221 specifies monitoring data collection requirements that do not apply to this facility.

Section 63.11222 specifies emission limit data collection requirements that do not apply to this facility.

Section 63.11223 specifies how an affected source will demonstrate continuous compliance with the work practice and management practice standards. This requirement applies to SPI Anderson and it outlines the minimum requirements for conducting a performance tune-up according to paragraph (b) of this section and how to maintain records as required in 63.11225(c) demonstrating continuous compliance. This requirement has been added to the proposed Title V Permit 94-VP-18 as Condition G5;

Condition G5.

SPI Anderson will conduct boiler tune-up's while burning the type of fuel that provided the majority of the heat input to the boiler over the 12 months prior to a tune-up. A tune-up shall include at a minimum;

(a) As applicable, inspect the burner, and clean or replace any components of the burner as necessary.*

(b) Inspect the flame pattern, as applicable, and adjust the burner as necessary to optimize the flame pattern. The adjustment should be consistent with the manufacturer's specifications, if available.

(c) Inspect the system controlling the air-to-fuel ratio, as applicable, and ensure that it is correctly calibrated and functioning properly.*

(d) Optimize total emissions of CO. This optimization should be consistent with the manufacturer's specifications, if available, and with any nitrogen oxide requirement to which the unit is subject.

(e) Measure the concentrations in the effluent stream of CO in parts per million, by volume, and oxygen in volume percent, before and after the adjustments are made.

(f) Maintain on-site and submit, if requested by the Administrator, a report containing the following information;

(i) The concentrations of CO in the effluent stream in parts per million, by volume, and oxygen in volume percent, measured at high fire or typical operating load, before and after the tune-up of the boiler.

(ii) A description of any corrective actions taken as a part of the tune-up of the boiler.

(iii) The type and amount of fuel used over the 12 months prior to the tune-up of the boiler, but only if the unit was physically and legally capable of using more than one type of fuel during that period.

** SPI Anderson may delay the burner inspection until the next scheduled unit shutdown, not to exceed 36 months from the previous inspection). Units that produce electricity for sale may delay the burner inspection until the first outage, not to exceed 36 months from the previous inspection. If the unit is not operating on the required date for a tune-up, the tune-up must be conducted within 30 days of startup.*

Section 63.11224 specifies monitor installation and operation requirements that do not apply to this facility.

Section 63.11225 specifies notification, reporting, and recordkeeping requirements

(a) SPI Anderson must submit the notifications specified in paragraphs (a)(1) through (a)(5) of this section to the administrator.

(1) SPI Anderson must submit all the notification in §63.7(b): 63.8(e) and (f); 63.9(b) through (e); and 63.9(g) and (h) that apply to the facility by the dates specified in those sections except as specified in paragraphs (a)(2) and (4) of this section.

(2) As specified in §63.9(b)(2), SPI Anderson must submit the Initial Notification no later than January 20, 2014 or within 120 days after the source becomes subject to the standard.

(3) This requirement does not apply to this facility because a performance stack test is not required under this subpart.

(4) SPI Anderson must submit the Notification of Compliance Status in accordance with §63.9(h) no later than 120 days after the applicable compliance date specified in §63.11196.

In addition to the information required in §63.9(h), the notification must include the following certification(s) of compliance in paragraphs (a)(4)(i) through (vi) of this section, as applicable, and signed by a responsible official:

(i) “This facility complies with the requirements in §63.11214 to conduct an initial tune-up of the boiler.”

(ii) “This facility complies with the requirements in § 63.11214 to conduct an initial tune-up of the boiler.”

(iii) “This facility has had an energy assessment performed according to §63.11214(c).”

(iv) This section does not apply, no bag leak detection system.

(v) “No secondary materials that are solid waste were combusted in any affected unit”

(vi) The notification must be submitted electronically using the Compliance and Emissions Data Reporting Interface (CEDRI) that is accessed through EPA's Central Data Exchange (CDX)(www.epa.gov/cdx). However, if the reporting form specific to this subpart is not available in CEDRI at the time that the report is due, the written Notification of Compliance Status must be submitted to the Administrator at the appropriate address listed in § 63.13.

(5) This section does not apply because emission standards from this subpart do not apply to SPI Anderson.

(b) Based on the applicable biennial tune-up schedule and the fact that this boiler is not applicable to emission limits under this subpart, SPI Anderson will prepare a biennial compliance report containing the information as specified in (b)(1) and (2) below.

(1) Company name and address.

(2) Statement by a responsible official, with the official's name, title, phone number, email address, and signature, certifying the truth, accuracy and completeness of the notification and a statement of whether the source has complied with all the relevant standards and other requirements of this subpart. The notification must include the following certification(s) of compliance, as applicable, and be signed by a responsible official:

(i) "This facility complies with the requirements in § 63.11223 to conduct a biennial tune-up, as applicable, of each boiler."

(ii) For units that do not qualify for a statutory exemption as provided in section 129(g)(1) of the Clean Air Act: "No secondary materials that are solid waste were combusted in any affected unit."

(iii) "This facility complies with the requirement in §§ 63.11214(d) and 63.11223(g) to minimize the boiler's time spent during startup and shutdown and to conduct startups and shutdowns according to the manufacturer's recommended procedures or procedures specified for a boiler of similar design if manufacturer's recommended procedures are not available."

(3) Not required due to biennial reporting status.

(4) Not required due to non-applicability of emission limits under this subpart.

(c) SPI Anderson must maintain the records specified in paragraphs (c)(1) through (7) of this section.

(1) As required in § 63.10(b)(2)(xiv), SPI Anderson must keep a copy of each notification and report that was submitted to comply with this subpart and all documentation supporting any Initial Notification or Notification of Compliance Status that was submitted.

(2) SPI Anderson must keep records to document conformance with the work practices, emission reduction measures, and management practices required by § 63.11214 and § 63.11223 as specified in paragraphs (c)(2)(i) through (vi) of this section.

(i) Records must identify each boiler, the date of tune-up, the procedures followed for tune-up, and the manufacturer's specifications to which the boiler was tuned.

(ii) This requirement does not apply because SPI Anderson does not combust non-hazardous secondary materials that have been determined not to be solid waste pursuant to § 241.3(b)(1) of this chapter.

(1) This requirement does not apply because SPI Anderson does not combust a fuel that has been processed from a discarded non-hazardous secondary material pursuant to § 241.3(b)(4) of this chapter.

(iii) For each boiler required to conduct an energy assessment, SPI Anderson must keep a copy of the energy assessment report.

(iv) For each boiler subject to an emission limit in Table 1 to this subpart, you must also keep records of monthly fuel use by each boiler, including the type(s) of fuel and amount(s) used. This requirement does not apply because SPI Anderson is not subject to an emission limit under Table 1.

(v) For each boiler that meets the definition of seasonal boiler, you must keep records of days of operation per year. This requirement does not apply because SPI Anderson is not a seasonal boiler.

(vi) For each boiler that meets the definition of limited-use boiler, you must keep a copy of the federally enforceable permit that limits the annual capacity factor to less than or equal to 10 percent and records of fuel use for the days the boiler is operating. This requirement does not apply because SPI Anderson is not a limited use boiler.

(3) This requirement does not apply because SPI Anderson is not required to conduct fuel analysis.

(4) Records of the occurrence and duration of each malfunction of the boiler, or of the associated air pollution control and monitoring equipment.

(5) Records of actions taken during periods of malfunction to minimize emissions in accordance with the general duty to minimize emissions in § 63.11205(a), including corrective actions to restore the malfunctioning boiler, air pollution control, or monitoring equipment to its normal or usual manner of operation.

(6) SPI Anderson must keep the records of all inspection and monitoring data required by § 63.11221 and 63.11222, and the information identified in paragraphs (c)(6)(i) through (vi) of this section for each required inspection or monitoring.

(i) The date, place, and time of the monitoring event.

(ii) Person conducting the monitoring.

(iii) Technique or method used.

(iv) Operating conditions during the activity.

(v) Results, including the date, time, and duration of the period from the time the monitoring indicated a problem to the time that monitoring indicated proper operation.

(vi) Maintenance or corrective action taken (if applicable).

(7) SPI Anderson does not use a bag leak detection system, therefore, this section does not apply.

(d) All records must be in a form suitable and readily available for expeditious review. SPI Anderson must keep each record for 5 years following the date of each recorded action. SPI Anderson must keep each record on-site or be accessible from a central location by computer or other means that instantly

provide access at the site for at least 2 years after the date of each recorded action. SPI Anderson may keep the records off site for the remaining 3 years.

(e) Performance testing under subpart JJJJJ does not apply to SPI Anderson, therefore, this requirement does not apply.

(f) SPI Anderson does not combust solid waste, therefore this requirement is not applicable.

(g) If you have switched fuels or made a physical change to the boiler and the fuel switch or change resulted in the applicability of a different subcategory within subpart JJJJJ, in the boiler becoming subject to subpart JJJJJ, or in the boiler switching out of subpart JJJJJ due to a change to 100 percent natural gas, or you have taken a permit limit that resulted in you being subject to subpart JJJJJ, you must provide notice of the date upon which you switched fuels, made the physical change, or took a permit limit within 30 days of the change. The notification must identify:

(1) The name of the owner or operator of the affected source, the location of the source, the boiler (s) that have switched fuels, were physically changed, or took a permit limit, and the date of the notice.

(2) The date upon which the fuel switch, physical change, or permit limit occurred.

The applicable requirements of Section 63.11225 have been compiled and have been incorporated into the proposed Title V Permit 94-VP-18 as Condition G6

Condition G6.

SPI Anderson shall comply with the following applicable notification, reporting, and recordkeeping requirements found at Section 63.11225:

a. SPI Anderson must submit all notification in §63.7(b): 63.8(e) and (f); 63.9(b) through (e); and 63.9(g) and (h) that apply to the facility by the dates specified in those sections. [40 CFR Part 63.11225(a)(1)]

b. As specified in §63.9(b)(2), SPI Anderson must submit the Initial Notification no later than January 20, 2014 or within 120 days after the source becomes subject to the standard. [40 CFR Part 63.11225(a)(2)]

c. SPI Anderson must submit the Notification of Compliance Status in accordance with §63.9(h) no later than 120 days after the applicable compliance date specified in §63.11196. In addition to the information required in §63.9(h), the notification must include the certification(s) of compliance in paragraphs 63.11225(a)(4)(i) through (vi) as applicable, and be signed by a responsible official. [40 CFR Part 63.11225(a)(4)]

d. SPI Anderson will prepare a biennial compliance report containing the information as specified in 63.11225(b)(1) and (2). [40 CFR Part 63.11225(b)]

e. *SPI Anderson must maintain the records specified in 63.11225(c)(1) through (7).*

[40 CFR Part 63.11225(c)]

f. *All records must be in a form suitable and readily available for expeditious review. SPI Anderson must keep each record for 5 years following the date of each recorded action. SPI Anderson must keep each record on-site or be accessible from a central location by computer or other means that instantly provide access at the site for at least 2 years after the date of each recorded action. SPI Anderson may keep the records off site for the remaining 3 years.*

[40 CFR Part 63.11225(d)]

g. *In the event that SPI Anderson switches fuels or makes a physical change to the boiler and the fuel switch or change results in the applicability of a different subcategory within subpart JJJJJJ, SPI Anderson must provide to the administrator notice of the date upon which the change was made within 30 days of the change. The notification must identify the information required in 40 CFR Part 63.11225(g)(1) and (2). [40 CFR Part 63.11225(g)]*

§ 63.11226 Affirmative defense for violation of emission standards during malfunction.

This section establishes the requirements for facilities to assert an affirmative defense to a claim for civil penalties for violations of standards set forth under this subpart which are caused by malfunction. The entirety of this section has been added to the proposed Title V Permit 94-VP-18 as Condition G7.

Condition G7.

In response to an action to enforce the standards set forth in § 63.11201 you may assert an affirmative defense to a claim for civil penalties for violations of such standards that are caused by malfunction, as defined at 40 CFR 63.2. Appropriate penalties may be assessed if you fail to meet your burden of proving all of the requirements in the affirmative defense. The affirmative defense shall not be available for claims for injunctive relief.

(a) Assertion of affirmative defense. To establish the affirmative defense in any action to enforce such a standard, you must timely meet the reporting requirements in paragraph (b) of this section, and must prove by a preponderance of evidence that:

(1) The violation:

(i) Was caused by a sudden, infrequent, and unavoidable failure of air pollution control equipment, process equipment, or a process to operate in a normal or usual manner; and

(ii) Could not have been prevented through careful planning, proper design or better operation and maintenance practices; and

(iii) Did not stem from any activity or event that could have been foreseen and avoided, or planned for; and

(iv) Was not part of a recurring pattern indicative of inadequate design, operation, or maintenance; and

(2) Repairs were made as expeditiously as possible when a violation occurred; and

- (3) *The frequency, amount, and duration of the violation (including any bypass) were minimized to the maximum extent practicable; and*
- (4) *If the violation resulted from a bypass of control equipment or a process, then the bypass was unavoidable to prevent loss of life, personal injury, or severe property damage; and*
- (5) *All possible steps were taken to minimize the impact of the violation on ambient air quality, the environment, and human health; and*
- (6) *All emissions monitoring and control systems were kept in operation if at all possible, consistent with safety and good air pollution control practices; and*
- (7) *All of the actions in response to the violation were documented by properly signed, contemporaneous operating logs; and*
- (8) *At all times, the affected source was operated in a manner consistent with good practices for minimizing emissions; and*
- (9) *A written root cause analysis has been prepared, the purpose of which is to determine, correct, and eliminate the primary causes of the malfunction and the violation resulting from the malfunction event at issue. The analysis shall also specify, using best monitoring methods and engineering judgment, the amount of any emissions that were the result of the malfunction.*
- (b) Report. The owner or operator seeking to assert an affirmative defense shall submit a written report to the Administrator with all necessary supporting documentation, that it has met the requirements set forth in paragraph (a) of this section. This affirmative defense report shall be included in the first periodic compliance, deviation report or excess emission report otherwise required after the initial occurrence of the violation of the relevant standard (which may be the end of any applicable averaging period). If such compliance, deviation report or excess emission report is due less than 45 days after the initial occurrence of the violation, the affirmative defense report may be included in the second compliance, deviation report or excess emission report due after the initial occurrence of the violation of the relevant standard. [40 CFR Part 63.11225]*

This concludes the evaluation and application of 40 CFR Subpart JJJJJ as it applies to the Sierra Pacific Anderson biomass fired cogeneration plant. The District believes that the incorporation of these conditions into proposed Title V Permit 94-VP-18 will ensure compliance with Subpart JJJJJ.

MACT Standards for Industrial Process Cooling Towers, Section 63.400

This regulation applies to major source cooling towers utilizing chromium compounds for water treatment. SPI, Anderson does not use chromium compounds for water treatment in its cooling water.

MACT Standards for Reciprocating Internal Combustion Engines, Subpart ZZZZ

This rule applies to reciprocating internal combustion engines over 500 hp. SPI, Anderson does not operate an internal combustion engine that is greater than 500 hp.

SPECIFIC PERMIT ACTIONS AND MODIFICATIONS

1. Modification of Equipment List-

On September 22, 2011, the District issued an Authority to Construct/Modify the fuel handling system for the wood fired boiler. SPI was given authority to install one electronically powered, hydraulic, portable, truck trailer dumper near the wood fuel storage area. This truck dumper has the capability to tip a wood chip trailer and pour the wood fuel contents out the open end of the trailer. The purpose of this modification was to increase the efficiency of wood fuel intake capabilities. This permitting action is considered insignificant by the District and did not require the addition of any new permit conditions as this piece of equipment is covered by Conditions 27 and 30 in ATC 94-PO-18f requiring the control of fugitive emissions from all equipment at the facility. These conditions are included in this proposed Title V permit as Operating Conditions 12 and 13. As a result the only minor modification to this proposed Title V permit will be the addition of this piece of equipment to the equipment list.

In addition to the permitting of the truck trailer dumper, this permitting action has also addressed three typographical errors on the equipment list. These administrative changes are **not** equipment changes; they are merely corrections to the existing equipment descriptions.

- a. The equipment list incorrectly list's; 1 each- 30,400 cu. ft. fuel storage bin. This should read;
1 each- 30,400 cu. ft. fuel storage shed.
- b. The equipment list incorrectly list's; 1 each- wood chip fuel bin. This should read;
2 each- wood chip fuel bins.
- c. The original Title V Permit lists; 1 each - Wellons Multiclone Ash Collector. In order to make the renewed Title V Permit correspond to the District Permit to Operate, more specific information has been added to the device description. This language is as follows;
1 each - 144 Tube Wellons Multiclone Ash Collector

2. Administrative Permit Amendments- CAM Plan Update

On April 14, 2005, SPI submitted a Compliance Assurance Monitoring Plan (CAM Plan) to the District as part of a Title V Application. The proposed CAM plan was developed using source test data from a neighboring SPI facility. This testing indicated the minimum electrostatic precipitator power requirements needed to ensure compliance with mass emission limits. Once this data had been processed, it was extrapolated to derive the performance indicator ranges for the subject ESP. These ranges were then extrapolated to the Anderson plant operating data and an ESP 2-field average of greater than 12 kV was arrived at. Since this time, SPI Anderson has operated according to this plan and has maintained continuous compliance with the opacity limit. This same plan was submitted to the District as part of its most recent Title V renewal application, dated June 23, 2011. This CAM Plan was reviewed and found to meet all current requirements for CAM plans. As a result, the applicable date of June 23, 2011 has been updated in the Testing, Monitoring and Reporting Section, Condition C22. Condition C22 now reads:

The permittee shall perform all the monitoring, recordkeeping, and other required functions delineated in the document entitled "Compliance Assurance Monitoring Plan, Sierra Pacific Industries, Anderson Division" submitted to the Shasta County Air Quality Management District as part of the Title V application, dated June 23, 2011. ~~April 14, 2005~~.

3. Administrative Permit Amendment- District Rule 3:19 requirements

During the review and evaluation process, it was noted that the current Title V Permit did not contain the requirements of District Rule 3:19 which prohibits the use of hexavalent chromium compounds in cooling towers. As a result an administrative permit amendment was made to the permit. Permit condition D39 was added to the Standard Conditions section of the proposed permit. This condition reads as follows:

No hexavalent chromium containing compounds shall be added to the circulating water of any cooling tower used at this facility.

RENEWAL PROCESS

The Title V Operating Permit renewal application was deemed administratively complete on July 19, 2011. According to District Rule 5, the District must issue a renewed permit no later than 18 months after an application is deemed complete. Therefore, the renewal deadline becomes January 19, 2013. The District had initially planned to renew this Title V Operating Permit in conjunction with the permitting process of a new, proposed cogeneration facility at the same location. The permitting process for the new cogeneration plant has not been completed by the EPA. Further delay was incurred when EPA finalized the Area Source Boiler MACT Regulation (Subpart JJJJJ) in February 2013. As a result the District spent considerable time processing the requirements of this regulation and applying federally enforceable conditions to this proposed Title V Permit. This resulted in delayed processing. The current Title V Permit has remained in force as this renewal process becomes complete.

A copy of the proposed permit was submitted to the California Air Resources Board (CARB) on December 28, 2012, for the required 30-day comment and review period. CARB placed a phone call to the District indicating that their review of the permit resulted in no comments.

A 30-day notification of the proposed action was published in the Redding Record Searchlight and the Anderson Valley Post on January 09, 2013. The 30-day public comment period ended on February 8, 2013 with comments received from two individuals. These comments have been addressed by the District in an attached document titled Compilation of Public Comments- Sierra Pacific Anderson Title V Renewal- 2013. There was also a request for the APCO to preside over a public hearing to hear comments regarding the issuance of this permit. Per District Rule 5. V.D.(6), this public hearing was conducted on April 11, 2013 at the Shasta County Administrative Center. There were no Title V specific comments submitted by the public attendees.

A 45-day notification of the proposed action and a copy of the proposed permit was submitted to the

Environmental Protection Agency, Region IX on August 8, 2013. This 45-day comment period will be scheduled to end on September 25, 2013.