

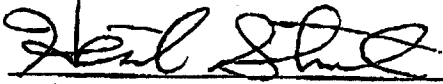
received
3/27/2014

Clerk of the Board
U.S. Environmental Protection Agency
Environmental Appeals Board
1200 Pennsylvania Avenue, NW
Mail Code 1103M
Washington, DC 20460-0001
FAX: 202-233-0121 Phone: 202-233-0122

Dear Clerk of the Board,

Please forgive us. We are having problems with our electronic filing account.
We humbly ask for leave to file via FAX.

Respectfully submitted,



Heidi Strand,
Citizens For Clean Air
P.O. Box 172
Whitmore, CA 96096
(530) 472-1355

Date: 3/27/2014

PRO SE – Petitioner Celeste Draisner

BEFORE THE ENVIRONMENTAL APPEALS BOARD
UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

_____)
In Re:)
Sierra Pacific Industries, Anderson)
PSD Permit No.94-VP-18b)
PSD Permit 94-PO-18)
_____)

Appeal No. PSD 14-01

Respondents:
EPA Region 9 ("Region"), Shasta County Air Quality Management District ("Shasta County AQMD")

MOTION FOR LEAVE TO FILE REPLY TO RESPONSE

Petitioner seeks permission to reply to assertions made by EPA REGION 9's RESPONSE TO PETITION AND NOTICE OF INTENT TO APPEAL.

In an effort to comply with requirements by the Environmental Appeals Board ("Board"), Petitioner will list arguments by Region and explain why allowing a reply will promote a fair and equitable resolution in this matter.

Petitioner asserts the Board has jurisdiction in this case and that jurisdiction is well founded.

The Region Argues:

1. The Board lacks jurisdiction.
2. Petitioner lacks merit.
3. Shasta County AQMD held a public hearing 6 months prior to issuance of a final permit.
4. Region revoked Shasta County's AQMD PSD authority, denying Board jurisdiction retroactively.
5. Petitioner had no right to notification under 40 C.F.R. § 124.19.
6. Petitioner failed to demonstrate procedural or substantive errors associated with the permit.

Allowing Petitioner a REPLY TO RESPONSE will promote an equitable outcome for the public and ensure both sides in this appeal have an opportunity to present evidence vital to the outcome.

Respectfully Submitted,



Celeste Draisner

Executed on this Day: March 27, 2014

PRO SE – Petitioner Celeste Draisner

BEFORE THE ENVIRONMENTAL APPEALS BOARD
UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

_____)
In Re:)
Sierra Pacific Industries, Anderson)
PSD Permit No.94-VP-18b)
PSD Permit 94-PO-18)
_____)

Appeal No. PSD 14-01

Respondents:

EPA Region 9 ("Region"), Shasta County Air Quality Management District ("Shasta County AQMD")

I hereby certify that this **REPLY TO RESPONSE** submitted by this statement of compliance and the attached certificate of service contains an estimate of 817 words.

REPLY TO RESPONSE

This is a reply to assertions made by Region on March 18, 2014.

In an effort to comply with requirements of the Environmental Appeals Board ("Board"), Petitioner will list arguments by Region and provide counter-arguments.

ARGUMENTS

1. Region argues Board lacks jurisdiction (because PSD Permit No.94-VP-18b/PSD Permit 94-PO-18 is not a PSD permit).

"The Board lacks jurisdiction to review the Petition because it does not concern a matter within the scope of 40 C.F.R. § 124.19. ... [Permit] 94-VP-18b was issued pursuant to title V of the Clean Air Act ("CAA" or "Act") by Shasta County Air Quality Management District ("Shasta County AQMD"), which has a title V operating permit program approved by EPA." (Page 1, EPA REGION 9's **RESPONSE TO PETITION AND NOTICE OF INTENT TO APPEAL** filed March 18, 2014)

The Board had full jurisdiction over PSD permit 94-VP-18b/PSD Permit 94-PO-18 when Shasta County AQMD issued it in 1994 as a full designee of Region.

According to Region, this PSD/Authority to Construct/Title V permit was the very permit Region is proposing to modify, using Shasta County AQMD as the federally designated lead agency for the environmental review process:

"EPA Region 9 is proposing to modify the 1994 PSD permit issued by SCAQMD to incorporate the proposed cogeneration unit and auxiliary equipment." Page 2 of Region's - Public Notice - S.P.I Notice of Extension 11/22/2013 (Submitted as Reply to Response Exhibit 1)

Region argues the Board has no jurisdiction because PSD permit 94-VP-18b/PSD Permit 94-PO-18 is *only* a Title V permit. Simultaneously, Region states that: "In 1995, SPI received a PSD permit from Shasta County AQMD to construct and operate a 4 megawatt ("MW") wood-fired stoker boiler cogeneration unit." (Page 2 of EPA REGION 9'S RESPONSE TO PETITION AND NOTICE OF INTENT TO APPEAL filed March 18, 2014.

2. Region argues Petitioner lacks merit.

"...the merits of Petitioner's allegations regarding the procedures used by Shasta County AQMD, which in any case are wrong legally and factually." (See Page 1, EPA REGION 9'S RESPONSE TO PETITION AND NOTICE OF INTENT TO APPEAL filed March 18, 2014)

When Shasta County AQMD failed to notify petitioner of their final decision to renew PSD 94-VP-18b, which was issued under C.F.R. §124.19, they violated federal PSD notification procedures.

3. Region argues Shasta County AQMD held a public hearing 6 months prior to issuance of a final permit (therefore notification requirements were satisfied).

"In addition, Shasta County AQMD held a public hearing regarding the permit renewal on April 11, 2013. According to a sign-in sheet for the public hearing, it appears that Petitioner was in attendance at the hearing regarding the renewal of SPI's title V permit. Attachment 4." (See Page 5, EPA REGION 9'S RESPONSE TO PETITION AND NOTICE OF INTENT TO APPEAL filed March 18, 2014)

Petitioner concedes that Shasta County AQMD held a public hearing before renewing PSD permit 94-VP-18b/PSD Permit 94-PO-18.

However, this does not excuse the failure of Region or Shasta County AQMD to meet notification requirements when a final decision on the permit in question was made.

4. Region argues Region revoked Shasta County's AQMD PSD authority, denying Board jurisdiction retroactively (therefore notification requirements were satisfied).

"The Board must dismiss the Petition because it lacks jurisdiction to review it... As can be immediately ascertained from the cover page of Petitioner's Exhibit 1, the allegations in the Petition concern a part 70 permit issued by Shasta County AQMD. Shasta County AQMD has an EPA-approved title V operating permit program. Therefore, the Board lacks jurisdiction to review the Petition." (See Pages 3-4 EPA REGION 9'S RESPONSE TO PETITION AND NOTICE OF INTENT TO APPEAL filed March 18, 2014)

The Board can not lack jurisdiction retroactively.

The PSD permit under review by the Board was first issued by Shasta County AQMD when it had full authority as a designee of Region to issue and modify PSD permits.

Petitioner asserts it is important to explain how PSD permit 94-VP-18b/PSD Permit 94-PO-18 came into being as explained by Shasta County AQMD

Petition asks leave to include as evidence the Shasta County "Draft Evaluation Report Regarding Proposed Issuance of a Renewed Title V Operating Permit to Sierra Pacific Industries, Anderson Division," dated December 12, 2012, (Respectfully submitted as REPLY TO RESPONSE Exhibit 2) :

Shasta County December 12, 2012 Draft Evaluation SCAQMD
Prevention of Significant Deterioration (PSD) Permitting

This regulation sets the procedure for the review of new sources of modifications to existing major stationary emissions sources. Since the Wellons Wood-fired boiler was issued a PSD permit as the Authority to Construct for the facility [PSD permit 94-PO-18], the conditions of Authority to Construct are incorporated in the proposed Title V permit unless a specific condition is revised (or added) in subsequent issued permits to operate. [PSD permit 94-PO-18 'incorporated' a Title V permit and became 94-VP-18b]. (Please see Page 7 of REPLY TO RESPONSE Exhibit 2)

5. Region argues Petitioner had no right to notification under 40 C.F.R. § 124.19.

"The Petitioner also alleges that the District failed to provide public notice when the final permit was issued. Other than a citation to 40 C.F.R. § 124.19, which does not apply to this title V operating permit issued by Shasta County AQMD, Petitioner provides no legal authority or reasoning to support for her assertion that such an obligation exists, or that the Shasta County AQMD did not meet the public participation requirements set forth in 40 C.F.R. §70.7(h)" (See Page 5 EPA REGION 9's RESPONSE TO PETITION AND NOTICE OF INTENT TO APPEAL filed March 18, 2014)

Region incorrectly asserts that this is *only* a Title V operating permit.

Region's assertion that 40 C.F.R. § 124.19 does not apply to Petitioner or the public is a convenient argument. However, Region would then be asserting they possess discretion to modify Title V operating permits in order to build new 31 mw biomass factories, without triggering federal notification requirements of state permitting programs the Region would be utilizing to authorize new construction.

Region made a statement in Region's November 8, 2013 Public Notice SPI Anderson Division Announcement of Proposed Permit Modification: "If EPA issues a final decision granting the PSD permit modification, and there is no appeal, construction of the modification may commence, subject to the conditions of the PSD permit and other applicable permit and legal requirements."

Page 3

Should we infer that Region is modifying a PSD permit or a Title V operating permit?
How can Shasta County AQMD separate PSD permit 94-VP-18b/PSD Permit 94-PO-18 into both a Title V operating permit and a PSD permit when their authority to issue or modify PSD permits was revoked by Region?

6. Region argues Petitioner failed to demonstrate procedural or substantive errors associated with the permit.

"Petitioner has failed to demonstrate that there are procedural or substantive errors associated with the permit." (See Page 6, EPA REGION 9's RESPONSE TO PETITION AND NOTICE OF INTENT TO APPEAL filed March 18, 2014)

Shasta County AQMD failed to notify the public of final renewal of PSD permit 94-VP-18b/PSD Permit 94-PO-18, a fatal flaw.

No environmental review of the 4 MW project was conducted, a fatal flaw.

Rather, Shasta County AQMD conducted three Environmental Impact Reports (EIRs) for a proposed 31 MW biomass facility to be constructed next door. Although Shasta County was lead agency on these EIRs, these EIRs have no relevance to the 4 MW permit, a different project.

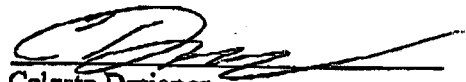
Since Shasta County AQMD was delegated lead agency for the 31 MW environmental review process (a federal action), the 4 MW project and the 31 MW project can not be considered separate permitting actions, another fatal flaw.

CONCLUSION

Petitioner requests review by the Board.

Petitioner has concern over how an EPA process that both denies public notification and fair appellate review of administrative decisions benefits society.

Respectfully Submitted,



Celeste Draiser
Citizens For Clean Air
P.O. Box 172
Whitmore, CA 96096
(530) 223-0197

Executed on this Day: March 27, 2014

Reply To Response
Exhibit 1

*** PUBLIC NOTICE ***

SIERRA PACIFIC INDUSTRIES - ANDERSON DIVISION

**NOTICE OF EXTENSION OF PUBLIC COMMENT PERIOD;
ANNOUNCEMENT OF PROPOSED PERMIT ~~APPLICATION~~
REQUEST FOR PUBLIC COMMENT, AND PUBLIC HEARING ON
CLEAN AIR ACT PREVENTION OF SIGNIFICANT DETERIORATION PERMIT**

PERMIT APPLICATION NO. SAC 12-01

Proposed Action: The United States Environmental Protection Agency (EPA) Region 9 provides notice of EPA Region 9's proposed action to authorize air pollutant emissions from the expansion of a facility operated by Sierra Pacific Industries-Anderson Division (SPI or SPI-Anderson). EPA Region 9 is proposing a modification of the Prevention of Significant Deterioration (PSD) permit for this facility that would grant conditional approval, in accordance with the PSD regulations (40 CFR 52.21), to SPI to construct and operate a new cogeneration unit and ancillary equipment at its existing lumber manufacturing facility in Anderson, California. EPA previously issued public notice regarding this proposed permit on November 8, 2013. We are extending the public comment period for this proposed permit, and all comments on the proposed permit must be received by email or postmarked by **January 10, 2014**.

EPA Region 9 accepted public comment on a previous version of this PSD permit modification from September 14, 2012 to October 17, 2012. On November 8, 2013, we announced a new version of the permit, which addresses emissions of greenhouse gases (GHGs), as well as criteria pollutant emissions. We also announced a new public comment period and our intention to hold a public hearing. We are now announcing an extension to the public comment period to **January 10, 2014**; the date of the public hearing is unchanged and remains December 10, 2013. Please see below for details on the comment period and the public hearing date.

Background Information: The SPI-Anderson Division facility is located at: 19758 Riverside Avenue, Anderson, California 96007 (Assessor's Parcel No. 050-110-025). The site is approximately 0.5 mile west of Interstate 5, and approximately 2 miles north of the City of Anderson. The facility is bordered on the northeast by the Sacramento River, on the northwest by a private parcel, on the southwest by Union Pacific Railroad tracks and State Route (SR) 273 and on the southeast by private parcels. The SPI facility is located within the jurisdiction of the SCAQMD. The mailing address for SPI-Anderson is P.O. Box 496028, Redding, CA 96049-6028.

The original PSD permit for this facility was issued in 1994 by the Shasta County Air Quality Management District (SCAQMD). On March 3, 2003 EPA revoked and rescinded SCAQMD's authority to issue and modify federal PSD permits for new and modified major sources of attainment pollutants in Shasta County.

The site currently contains a wood-fired boiler cogeneration unit with associated air pollution control equipment and conveyance systems that produces steam to dry lumber in existing kilns.

SPI has applied for approval to construct and operate an additional new cogeneration unit capable of generating 31 megawatts (MW) of gross electrical output from the combustion of clean cellulosic biomass, a 256 horsepower (hp) natural gas-fired emergency engine, and a two-cell cooling tower. EPA Region 9 is proposing to modify the 1994 PSD permit issued by SCAQMD to incorporate the proposed cogeneration unit and auxiliary equipment. All existing equipment at the SPI-Anderson facility is still subject to all existing permits issued by SCAQMD.

On September 13, 2012, EPA Region 9 proposed to issue a previous version of the PSD permit modification we are announcing today, and we accepted comments from September 14, 2012 through October 17, 2012. On February 19, 2013, after consideration of the public comments received, EPA Region 9 issued a PSD permit modification and explained that it would be effective in 30 days unless our action was appealed to the EPA's Environmental Appeals Board (EAB). Within that 30 day time frame, various parties filed appeals with the EAB, which suspended the permit's effective date. On July 18, 2013, the EAB remanded the permit to EPA Region 9 because it determined that our decision not to hold a public hearing prior to issuing the permit was contrary to applicable regulations. The EAB directed EPA Region 9 to reopen the permit proceedings to hold a public hearing, issue a final permit decision and respond to any new comments received during the hearing. *See In re Sierra Pacific Industries*, PSD Appeal Nos. 13-01 to 13-04, slip op. at 67 (EAB July 18, 2013).

A separate legal proceeding regarding EPA's deferral of biogenic carbon dioxide emissions from PSD requirements has also influenced the action we are proposing today. On July 12, 2013, the Court of Appeals for the District of Columbia issued a decision that will, upon the date it becomes final and effective, invalidate EPA's regulation deferring from the PSD requirements the carbon dioxide emissions resulting from the combustion of certain biological materials, including materials such as wood, wood waste, forest residue, and agricultural material. (*See Ctr. for Biological Diversity v. EPA*, 722 F.3d 401 (D.C. Cir. 2013)). As of this notice, the D.C. Circuit's decision is not yet final and effective and could be subject to additional legal proceedings. To facilitate EPA's ability to proceed on this permit application in the interim, SPI has submitted material regarding greenhouse gas (GHG) emissions from the proposed new equipment and requested that EPA review such materials and include GHG emission limits and related requirements in the proposed permit modification. The proposed permit modification that EPA Region 9 is announcing today is similar to the proposed permit modification that we announced in September 2012 and issued in February 2013 (subject to the filing of EAB petitions); however, it now includes GHG emission limits and related requirements. We have also taken this opportunity to revise certain other conditions (primarily related to monitoring, performance testing, and recordkeeping) to address minor technical issues we identified since February 2013.

The PSD permit modification we are proposing today requires the use of Best Available Control Technology (BACT) to limit emissions of nitrogen oxides (NO_x), carbon monoxide (CO), total particulate matter (PM), particulate matter under 10 micrometers (µm) in diameter (PM₁₀) and particulate matter under 2.5 µm in diameter (PM_{2.5}), and GHGs, to the greatest extent feasible. Air pollution emissions from the new cogeneration unit will not cause or contribute to violations of any National Ambient Air Quality Standards (NAAQS) or any applicable PSD increments for the pollutants regulated under the PSD permit.

Request for Public Comment: Any interested person may submit written comments regarding today's proposed PSD permit modification. All written comments on today's proposed action must be received by EPA Region 9 via e-mail by **January 10, 2014**, or postmarked by **January 10, 2014**. Comments must be sent or delivered in writing to Shaheerah Kelly at one of the following addresses:

E-mail: R9airpermits@epa.gov

U.S. Mail: Shaheerah Kelly
U.S. Environmental Protection Agency, Region 9 (AIR-3)
75 Hawthorne Street
San Francisco, CA 94105-3901
Phone: (415) 947-4156

Alternatively, written comments may be submitted to EPA Region 9 at the Public Hearing for this matter that will be held on December 10, 2013 as described below.

Comments should address the proposed PSD permit modification including, but not limited to, such matters as:

1. The Best Available Control Technology (BACT) determinations;
2. The effects, if any, on Class I areas;
3. The effect of the proposed facility on ambient air quality; and
4. The attainment and maintenance of the NAAQS.

Public Information Meeting: To facilitate opportunities for interested persons to provide informed oral presentations at the public hearing describe below, EPA Region 9 will hold a Public Information Meeting for the purpose of providing interested parties with additional information and an opportunity to ask questions and obtain answers to questions about for informal discussion of the proposed Project. The date, time and location of the Public Information Meeting are as follows:

Date: December 10, 2013
Time: 4:30 PM – 6:00 PM
Location: City of Anderson Community Center
1887 Howard Street
Anderson, California 96007

Public Hearing: Pursuant to 40 CFR 124.12, EPA Region 9 also intends to hold a Public Hearing to provide the public with further opportunity to comment on today's proposed PSD permit modification. At this Public Hearing, any interested person may provide written or oral comments and data pertaining to today's PSD permit modification. The date, time and location of the Public Hearing are as follows:

Date: December 10, 2013
Time: 7:00 PM – 9:00 PM
Location: City of Anderson Community Center
1887 Howard Street
Anderson, California 96007

If you are a person with a disability and require a reasonable accommodation for this event, please contact Philip Kum at kum.philip@epa.gov or at (415) 947-3566. If possible, requests should be made at least 5 business days in advance of the event to ensure proper arrangements can be made.

Additional Information: All information submitted by the applicant is available as part of the administrative record. EPA Region 9's proposed PSD permit modification, a Supplemental Fact Sheet/Ambient Air Quality Impact Report (AAQIR) dated November 2013, the AAQIR dated September 2012, the permit application and other supporting information are available on the EPA Region 9 website at <http://www.epa.gov/region09/air/permit/r9-permits-issued.html#pubcomment>. The administrative record may also be viewed in person, Monday through Friday (excluding federal holidays) from 9:00 AM to 4:00 PM, at the EPA Region 9 address above. Due to building security procedures, please call Shaheerah Kelly at (415) 947-4156 at least 72 hours in advance to arrange a visit. Hard copies of the administrative record can be mailed to individuals upon request in accordance with Freedom of Information Act requirements as described on the EPA Region 9 website at <http://www.epa.gov/region9/foia/>.

EPA Region 9's proposed PSD permit modification, the Supplemental AAQIR dated November 2013, and the AAQIR dated September 2012 are also available for review at the (1) Shasta County Air Quality Management District at 1855 Placer St., Suite 101 in Redding, CA 96001; (2) Anderson Public Library at 3200 W. Center Street in Anderson, CA 96007; (3) Redding Public Library at 1100 Parkview Ave. in Redding, CA 96001; and (4) Shasta Lake Gateway Library at 4150 Asby Court in Shasta Lake, CA 96019.

All written comments that are received on today's proposed action will be included in the public docket without change and will be available to the public, including any personal information provided, unless the comment includes Confidential Business Information (CBI) or other information whose disclosure is restricted by statute. Information that you consider CBI or otherwise protected should be clearly identified as such and should not be submitted through e-mail. A transcript of the public hearing will also be included in the public docket. If you send e-mail directly to the EPA, your e-mail address will be automatically captured and included as part of the public comment. Please note that an e-mail or postal address must be provided with your comments if you wish to receive direct notification of EPA's final decision regarding the permit.

EPA's Final Permit Decision: EPA Region 9 will consider all new written and oral comments submitted during the public comment period, including those provided at the public hearing, before taking final action on the PSD permit modification. EPA Region 9 will send notice of the final decision to each person who provides contact information and who: (i) submits comments during the public comment period, including oral comments provided at the public hearing; or

(ii) requests notice of the final permit decision. EPA Region 9 will respond to all new substantive comments in a document accompanying EPA's final permit decision.

EPA's final permit decision will become effective 30 days after the service of notice of the decision unless:

1. A later effective date is specified in the decision; or
2. Our decision is appealed to the EAB pursuant to 40 CFR Part 124.19. Please note that the EAB's July 18, 2013 decision remanding EPA Region 9's February 19, 2013 permit modification stated: "Once [EPA Region 9] issues a final permit decision following the public hearing required by the remand, that final permit decision and the Board's decision in this matter become final agency action subject to judicial review. 40 C.F.R. §124.19(l). . . . The Board is not requiring, and will not accept, an appeal to the Board of the final permit decision for the Project following remand in this case." *In re Sierra Pacific Industries*, PSD Appeal Nos. 13-01 to 13-04, slip op. at 67 (EAB July 18, 2013);
or
3. There are no comments requesting a change to the proposed permit decision, in which case the final decision shall become effective immediately upon issuance.

If EPA issues a final decision granting the PSD permit modification, and there is no appeal, construction of the modification may commence, subject to the conditions of the PSD permit and other applicable permit and legal requirements.

If you have questions, please contact Shaheerah Kelly at (415) 947-4156 or e-mail at R9airpermits@epa.gov. If you would like to be added to our mailing list to receive future information about this proposed permit decision or other PSD permit decisions issued by EPA Region 9, please Shaheerah Kelly at (415) 947-4156 or send an e-mail at R9airpermits@epa.gov, or visit EPA Region 9's website at <http://www.epa.gov/region09/air/permit/psd-public-guidelines.html>.

Please bring the foregoing notice to the attention of all persons who would be interested in this matter.

Published: November 22, 2013

FROM :

PHONE NO. :

Mar. 28 2014 12:04AM P1

Reply to Response
Exhibit 2

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

ENVIR. APPEALS BOARD
2014 MAR 28 AM 12:04
DRAFT

DRAFT
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:
December 12, 2012

Fax (530)225-5237

Page 1 of 10

Email rebell@co.shasta.ca.us

Received 03-28-2014 01:09

From-

To-USEPA ENVIRONMENTAL

Page 001

**Evaluation Report
Regarding Proposed Renewal of a
Title V Operating Permit
Sierra Pacific Industries, Anderson Division**

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. The specific permit changes are outlined in the Specific Permit Actions and Modifications on page 9 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 37)

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 64)

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 64)

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 65-68)

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 69)

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 71)

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 1)

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 2)

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 79)

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 included in the Title V permit.

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 76, 77, and 78)

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.

NON-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.

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 DDDDD National Emission Standards for Hazardous Air Pollutants (HAP's) for Industrial/Commercial/Institutional Boilers and Process Heaters: Final Rule

This proposed rule was published in the Federal Register on January 13, 2003 and the final rule issued September 3, 2004. A public hearing was not held since the public did not request one. This rule is implemented upon any major source of HAP's with an emission unit in the category. A major source of HAP's is any facility that emits or has the potential to emit any single HAP at a rate of 10 tons or more per year, or any combination of HAPs at a rate of 25 tons or more a year. SPI, Anderson has submitted a calculation of potential Title III HAP emissions that are below these major source levels. No additional permit limits will be required to ensure that SPI, Anderson remain below the HAP major source level.

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 Conditions 21 and 22. 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-

On April 14, 2005, SPI submitted a Compliance Assurance Monitoring Plan (CAM Plan) to the District as part of a Title V Application. 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 22. Condition 22 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. 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 #39 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. As a result this Title V permitting action has been slowed and will not be complete by the January 19, 2013 deadline. Therefore, the current Title V Permit will remain in force until this renewal process becomes complete.

A 30-day notification of the proposed action was published in the Redding Record Searchlight and the Anderson Valley Post on December ~~XX~~, 2012. In addition, a copy of the proposed permit was submitted to the California Air Resources Board (CARB) on January ~~XX~~, 2013, for the required 30-day comment and review period.

The 30-day public comment period ended on ~~XXXXXX~~ 2013 with ~~XX~~ comments received.

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 ~~XXXXXX~~ 2013. This 45-day comment period will be scheduled to end on ~~XXXXXX~~ 2013.

~ Citizens For Clean Air (CCA) ~
CERTIFICATE OF SERVICE

I hereby certify, under penalty of perjury, that copies of the foregoing in the matter of Sierra Pacific Industries PSD Permit No. 94-VP-18b /94-PO-18 were sent to the following Respondents/Interested Parties in the manner indicated:

- 3.27.14 MOTION FOR LEAVE TO FILE REPLY TO RESPONSE
- 3.27.14 REPLY TO RESPONSE
- 3.27.14 REPLY TO RESPONSE Exhibit 1
- 3.12.14 REPLY TO RESPONSE Exhibit 2

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 Heidi Strand Executed: 3/27/2014