Excerpt 6

USEPA Comments
SPI Anderson Completeness Letter
dated October 4, 2010, AR I.06

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION IX
75 Hawthorne Street
San Francisco, CA 94105

October 4, 2010

Eric Albright
Senior Manager
ENVIRON International Corporation
19020 33rd Ave. W, Suite #310
Lynwood, WA 98036

Subject: Application Completeness Determination for Sierra Pacific Industries- Anderson Prevention of Significant Deterioration (PSD) Permit Application

Dear Mr. Albright:

We are writing in response to your PSD permit application for an Environmental Protection Agency PSD Approval to Construct and operate a new cogeneration unit capable of generating 23 megawatts of electricity through the utilization of biomass fuels at Sierra Pacific Industries- Anderson. We received your initial application on March 29, 2010 and your updates to the application on July 1, 2010 and September 8, 2010.

We have reviewed your application and determined that it is administratively complete. However, this notification of completeness does not imply that the EPA agrees with any analyses, conclusions, or positions contained in the application. In addition, we may need supplemental information on one or more parts of the application before we can issue a proposed permit. If you submit new information indicating a significant change in the project design, ambient impact or emissions, or if you request a suspension in the processing of the application, this determination of completeness may be revised.

We are drafting a proposed determination, which will include an Ambient Air Quality Impact Report and proposed permit. When we issue our proposed decision, we will publish a public notice that sets a public comment period that will last at least 30 days.

Please be advised that at anytime anyone may have full access to the application materials and other information you provide to us in connection with this permit action. Therefore, we are informing you of your rights to claim business confidentiality under 40 CFR 2, Subpart B for any part of or all of the information you provide us. If you do not make a claim of confidentiality for any of this material within 15 days of the date you receive this letter you will have waived your right to do so. Please note that the facility name and address may not

be claimed as confidential. If you wish to claim confidentiality, you must substantiate your claim. Your substantiation must address the points enumerated in the attachment to this letter, in accordance with 40 CFR 2.204(e).

If you have any questions concerning a claim of confidentiality or the review of your application, please contact Omer Shalev at (415) 972-3538 or shalev.omer@epa.gov; or call me at (415) 972-3974 or rios.gerardo@epa.gov.

Sincerely,

Gerardo C. Rios
Chief, Permits Office
Air Division

cc: Ross Bell, SCAQMD
John Waldrop, SCAQMD
Dave Brown, Sierra Pacific Industries
Cedric Twight, Sierra Pacific Industries
Michael Tollstrup, California Air Resources Board

Excerpt 7

SPI Anderson Proposed PSD Permit Modification, dated September 12, 2012 ("Proposed Permit"), AR III.01

PREVENTION OF SIGNIFICANT DETERIORATION PERMIT PROPOSED PURSUANT TO THE REQUIREMENTS AT 40 CFR § 52.21

U.S. ENVIRONMENTAL PROTECTION AGENCY, REGION IX

PSD PERMIT NUMBER: SAC 12-01

PERMITTEE: Sierra Pacific Industries
P.O. Box 496028
Redding, CA 96049-6028

FACILITY NAME: Sierra Pacific Industries- Anderson

FACILITY LOCATION: 19758 Riverside Avenue
Anderson, California 96007

Pursuant to the provisions of the Clean Air Act (CAA), Subchapter I, Part C (42 U.S.C. Section 7470, *et. seq.*), and the Code of Federal Regulations (CFR) Title 40, Section 52.21, the United States Environmental Protection Agency Region 9 (EPA) is issuing a *Prevention of Significant Deterioration* (PSD) air quality permit to Sierra Pacific Industries (SPI). This Permit applies to the approval to construct and operate a new stoker boiler capable of generating 31 MW of gross electrical output from the combustion of clean cellulosic biomass, and related auxiliary equipment.

SPI is authorized to construct and operate the 31 MW cogeneration unit at SPI-Anderson as described herein, in accordance with the permit application (and plans submitted with the permit application), the federal PSD regulations at 40 CFR § 52.21, and other terms and conditions set forth in this PSD Permit. Failure to comply with any condition or term set forth in this PSD Permit may be subject to enforcement action pursuant to Section 113 of the Clean Air Act. This PSD Permit does not relieve SPI from the obligation to comply with applicable federal, state, and Shasta County Air Quality Management District (District) air pollution control rules and regulations.

This PSD Permit becomes effective on the *<date of issuance pursuant to 40 CFR ' 124.15(b)(3)>*.

Deborah Jordon
Director, Air Division

Date

SIERRA PACIFIC INDUSTRIES - ANDERSON (SAC 12-01)
PREVENTION OF SIGNIFICANT DETERIORATION PERMIT
PERMIT CONDITIONS

PROJECT DESCRIPTION

Sierra Pacific Industries, Inc. (SPI) has applied for the approval to construct and operate a new stoker boiler capable of generating 31 MW of gross electrical output from the combustion of clean cellulosic biomass, and related auxiliary equipment. The original Prevention of Significant Deterioration (PSD) permit for this lumber manufacturing facility was issued in 1994 by the Shasta County Air Quality Management District (District). The site currently contains a wood-fired boiler cogeneration unit with associated air pollution control equipment and conveyance systems that produce steam to dry lumber in existing kilns. On March 3, 2003, USEPA revoked and rescinded the District's authority to issue and modify federal PSD permits for new and modified major sources of attainment pollutants in Shasta County. Therefore, EPA is proposing the PSD permit for this additional boiler to incorporate the proposed facility modifications. The PSD permit previously issued by the District to SPI is still in effect and applies to existing equipment at the SPI-Anderson site.

Fuel for the new stoker boiler will be generated on site and received from other fuel sources, mainly other SPI facilities, to produce roughly 250,000 pounds per hour of steam. This steam will be used to dry lumber in existing kilns for the lumber operation, as well as feed a turbine that will drive a generator to produce electricity for use on site or for sale to the grid. A closed-loop two-cell cooling tower will be used to dispose of waste heat from the steam turbine.

This PSD permit for the proposed modification requires the use of Best Available Control Technology (BACT) to limit emissions of nitrogen oxides (NO_x), carbon monoxide (CO), total particulate matter (PM), PM under 10 micrometers (μm) in diameter (PM_{10}) and PM under 2.5μm in diameter ($PM_{2.5}$) to the greatest extent feasible. Air pollution emissions from the proposed modification 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 permit.

Additional equipment includes the construction of an additional cooling tower and an emergency natural gas engine to power the emergency boiler recirculation pump.

EQUIPMENT LIST

Table 1 lists the new equipment that will be regulated by the proposed PSD permit:

Table 1: New Equipment List Regulated by the PSD Permit

ID	Unit	Description
U1	One Stoker Boiler with Vibrating Grate	• Biomass-fired with natural gas burners for start-up • Maximum annual average heat input of approximately 468 MMBtu/hr and steam generation rate of 250,000 lbs/hr • Equipped with two natural gas burners, each with a maximum rated heat input of 62.5 MMBtu/hr • Equipped with selective non-catalytic reduction (SNCR) system to reduce NO_x, and multiclone with an electrostatic precipitator (ESP) to control PM emissions
U2	Cooling Tower	• Composed of two-cells with an expected water load of 4.24 gallons per minute per square foot.
U3	Emergency Engine	• 256hp at 1,800 rpm • Natural gas-fired • Powers emergency boiler recirculation pump

Table 2 lists the existing equipment that is not included in this PSD permit. The equipment listed below is permitted by the District and the Permittee must comply with all applicable requirements. *Table 2* is provided for reference purposes only:

Table 2: Existing Equipment List

ID	Unit	Description
U4	One Wellons Stoker Boiler	• Biomass-fired with natural gas burners for start-up • Maximum annual average heat input of approximately 116.4 MMBtu/hr • Equipped with SNCR system to reduce NO_x, and multiclone with ESP to control PM emissions • Equipped with one 30,400 ft^3, 2 hog fuel bins, 2 wood chip fuel bins
U5	One Conveyance System	• 2 Cyclones with combined flow rate of 51.004 scfm • 1 7,118 ft^2 MAC Pulse Jet Baghouse with 300hp Blower • 1 35" x 45" Rotary Airlock • 1 Buhler en-masse, 19", 22tph Conveyor • 2 Each overhead storage bins with enclosed sides
U6	One Spray Unit	• Closed loop unit equipped with integrated, negative pressure, mist collection system and 65' exhaust stack
U7	One Wood Chip Loading Facility	• 1 Platform truck dumper • 1 Wood chip conveying system with dust containment hood • 1 200hp, 59,000CFM Rader blower
U8	Seven De-greasing Tanks	• Non-solvent based
U9	One Gas Storage Tank	• Above ground with 10,000 gallon capacity
U10	One Painting Operation	

PERMIT CONDITIONS

I. PERMIT EXPIRATION

As provided in 40 CFR § 52.21(r), this PSD permit shall become invalid if construction:

A. is not commenced (as defined in 40 CFR § 52.21(b)(9)) within 18 months after the approval takes effect; or

B. is discontinued for a period of 18 months or more; or

C. is not completed within a reasonable time.

II. PERMIT NOTIFICATION REQUIREMENTS

Permittee shall notify EPA Region IX by letter or by electronic mail of the:

A. date construction is commenced, postmarked within 30 days of such date;

B. actual date of initial startup, as defined in 40 CFR § 60.2, postmarked within 15 days of such date;

C. date upon which initial performance tests will commence, in accordance with the provisions of *Conditions X.G and H*, postmarked not less than 30 days prior to such date. Notification may be provided with the submittal of the performance test protocol required pursuant to *Conditions X.G and H*; and

D. date upon which initial performance evaluation of the continuous emissions monitoring system (CEMS) will commence in accordance with 40 CFR § 60.13(c), postmarked not less than 30 days prior to such date. Notification may be provided with the submittal of the CEMS performance test protocol required pursuant to *Condition X.H.*

III. FACILITY OPERATION

A. At all times, including periods of startup, shutdown, shakedown, and malfunction, Permittee shall, to the extent practicable, maintain and operate the Facility, including associated air pollution control equipment, in a manner consistent with good air pollution control practice for minimizing emissions. Determination of whether acceptable operating and maintenance procedures are being used will be based on information available to EPA, which may include, but is not limited to, monitoring results, opacity observations, review of operating maintenance procedures and inspection of the Facility.

B. The Permittee shall operate and maintain U1 in a manner consistent with good engineering practices for its full utilization.

C. As soon as practicable following initial startup of the facility (as defined in 40 CFR § 60.2) but prior to commencement of commercial operation (as defined in 40 CFR § 72.2), and thereafter, the Permittee shall develop and implement an operation and maintenance plan for U1, U2 and U3. At a minimum, the plan shall identify measures for assessing the performance of U1, U2, and U3, the acceptable range of performance measures for achieving the desired output, the methods for monitoring the performance measures, and the routine procedures for maintaining U1, U2 and U3 in good operating condition.

IV. MALFUNCTION REPORTING

A. Permittee shall notify EPA at R9.AEO@epa.gov within two (2) working days following the discovery of any failure of air pollution control equipment or process equipment, or failure of a process to operate in a normal manner, which results in an increase in emissions above the allowable emission limits stated in *Section X* of this permit.

B. In addition, Permittee shall provide an additional notification to EPA in writing or electronic mail within fifteen (15) days of any such failure described under *Condition IV.A*. This notification shall include a description of the malfunctioning equipment or abnormal operation, the date of the initial malfunction, the period of time over which emissions were increased due to the failure, the cause of the failure, the estimated resultant emissions in excess of those allowed in *Section X*, and the methods utilized to mitigate emissions and restore normal operations.

C. Compliance with this malfunction notification provision shall not excuse or otherwise constitute a defense to any violation of this permit or any law or regulation such malfunction may cause.

V. RIGHT OF ENTRY

The EPA Regional Administrator, and/or an authorized representative, upon the presentation of credentials, shall be permitted:

A. to enter the premises where the Facility is located or where any records are required to be kept under the terms and conditions of this PSD Permit;

B. during normal business hours, to have access to and to copy any records required to be kept under the terms and conditions of this PSD Permit;

C. to inspect any equipment, operation, or method subject to requirements in this PSD

Permit; and

D. to sample materials and emissions from the source(s).

VI. TRANSFER OF OWNERSHIP

In the event of any changes in control or ownership of the Facility, this PSD Permit shall be binding on all subsequent owners and operators. Within 14 days of any such change in control or ownership, Permittee shall notify the succeeding owner and operator of the existence of this PSD Permit and its conditions by letter. Permittee shall send a copy of this letter to EPA Region IX within 30 days of its issuance.

VII. SEVERABILITY

The provisions of this PSD Permit are severable, and, if any provision of the PSD Permit is held invalid, the remainder of this PSD Permit shall not be affected.

VIII. ADHERENCE TO APPLICATION AND COMPLIANCE WITH OTHER ENVIRONMENTAL LAWS

Permittee shall construct the Project in compliance with this PSD permit, the application on which this permit is based, and all other applicable federal, state, and local air quality regulations. This PSD permit does not release the Permittee from any liability for compliance with other applicable federal, state and local environmental laws and regulations, including the Clean Air Act.

IX. RESERVED

X. SPECIAL CONDITIONS

A. Boiler Annual Emission Limits

Annual emissions, in tons per year (tpy) on a 12-month rolling average basis, shall not exceed the following:

Table 3- U1 Rolling 12-Month Emission Limits

ID	NO_x	CO	PM	PM_{10}	$PM_{2.5}$
U1	267	472	41	41	41

B. Air Pollution Control Equipment and Operation

As soon as practicable following initial startup of U1 (startup as defined in 40 CFR § 60.2) but prior to commencement of commercial operation (as defined in 40 CFR § 72.2), and thereafter, Permittee shall continuously operate, and maintain the SNCR system for control of NO_x and multiclone collectors and ESP for the control of PM, PM_{10} and $PM_{2.5}$, and good combustion practices for the control of CO. Permittee shall also perform any necessary operations to minimize emissions so that emissions are at or below the emission limits specified in this permit.

The Permittee shall employ the multiclone collectors, ESP and good combustion practices at all times when the combustion process is occurring in U1.

C. Steam Production and Emission Limitations

1. Except as noted below under *Condition X.D.*, on and after the date of initial startup, Permittee shall not discharge or cause the discharge from each unit into the atmosphere in excess of the following:

Table 4- U1 Short-Term Emission Limits

	U1
NO_x	• 60.9 lbs/hr (3-hour block average) • 0.13 lbs/MMBtu (12-month rolling basis) • 0.15 lbs/ MMBtu (3-hour block average) • EPA Method 1-4 and 7
CO	• 107.7 lbs/hr (3-hour block average) • 0.23 lb/MMBtu (3-hour block average) • EPA Method 1-4 and 10
PM, PM_{10}, $PM_{2.5}$	• 0.02 lb/MMBtu (3-hour block average) • 9.4 lbs/hr (hourly average)

2. Steam production from U1 shall not exceed 275,000 lbs/hr (24 hour block average).

3. Visible emissions from U1, except for uncombined water vapor or during periods defined in *Condition X.D.*, shall not exceed 20% opacity in any six minute period, as verified by the continuous opacity monitoring system (COMS).

4. Visible emissions from the U1 shall not exceed 40% opacity for more than three minutes out of any one 60-minute period.

5. At all times, including equipment startup and shutdown, Permittee shall minimize the cause or discharge of the following emissions:
   a. dust from unpaved roads or any other non-vegetation-covered area;
   b. fugitive sawdust from fuel-handling devices and/or storage areas.
   c. char and/or bottom ash which is processed by the char handling systems or removed from U1 by other means.
   d. accumulation of sawdust or ash on outside surfaces including, but not limited to, the main building, U1, ESP, support pads, road areas. Surfaces shall be cleaned on a regular basis to prevent the build-up of ash and/or fugitive dust.
   e. fuel dust or ash spilled due to an upset condition shall be cleaned up in a timely manner. In no event shall spilled dust or ash be allowed to exist beyond 24 hours of the upset.

D. Requirements during Startup and Shutdown

1. Only clean cellulosic biomass, as defined in *Condition X.F.*, and Public Utilities Commission (PUC)-quality pipeline natural gas shall be fired during startup and shutdown. PUC-quality pipeline natural gas shall not exceed a sulfur content of 0.20 grains per 100 dry standard cubic feet (dscf) on a 12-month rolling average basis and shall not exceed a sulfur content of 1.0 grains per 100 dscf, at any time.

2. For U1, normal operating temperature shall be defined as the normal operating temperature specified by the unit manufacturer.

3. For U1, startup shall be defined as the period beginning with U1 not in operation and concluding when U1 has reached a normal operating temperature. During startup, the generator shall be separated from the electrical grid.

4. For U1, shutdown shall be defined as the period beginning with curtailment of fuel feed and concluding when the recorded superheater outlet temperature reaches 150°F and remains so for at least one hour. During shutdown, the generator shall be separated from the electrical grid.

5. For U1, the duration of startup and shutdown periods and emissions of NO_x, CO, PM, PM_{10} and $PM_{2.5}$ shall not exceed the following, as verified by the CEMS and fuel usage data:

Table 5- U1 Startup and Shutdown Limitations

	NO_x (hourly average)	CO (hourly average)	PM, PM_{10}, $PM_{2.5}$ (24- hour average)	SO_2 (hourly average)	Duration
Startup	70.2 lb/hr	108 lb/hr	8.93 lb/hr	2.34 lb/hr	24 hours
Shutdown	70.2 lb/hr	108 lb/hr	8.93 lb/hr	2.34 lb/hr	24 hours

6. For U1, the Permittee must operate the CEMS during startup and shutdown periods.

7. For U1, the Permittee must record the time, date, and duration of each startup and shutdown event.

8. For U1, the Permittee must keep records that include calculations of NO_x, CO, PM, PM_{10}, $PM_{2.5}$ and SO_2 emissions in lb/hr and lb/MMBtu during each startup and shutdown event based on the CEMS and fuel usage data.

E. Auxiliary Equipment Emissions Limitations

1. Permittee shall not discharge or cause the discharge from each unit into the atmosphere in excess of the following:

Table 6- U2 and U3 Emissions Limits

	U2	U3
NO_x		• 4.0 g/kW-hr (3-hour block average) • 0.78 lb/hr
CO		• 3.5 g/kW-hr (3-hour block average) • 6.11 lb/hr
PM/ PM_{10}	• 0.26 lbs/hr (hourly average)	• 0.20 g/kW-hr (3-hour block average) • 0.0216 lb/hr

2. Except during an emergency, U3 shall be limited to operation for maintenance and testing purposes, including as required for fire safety testing. Annual hours of operation for U3, for maintenance and testing, shall not exceed 100 hours per 12-month rolling average.

F. Operating Conditions and Work Practices

1. *Low SNCR activation temperature* shall be defined as the lowest operating temperature for U1 at which the SNCR system is recommended for operation to reduce NO_x emissions as defined by the SNCR manufacturer. This temperature value shall be included in the operation and maintenance plan required by *Condition III.C.*

2. For U1, SNCR systems for the control of NO_x shall be in operation at all times that U1 exceeds the *low SNCR activation temperature*.

3. For U1, the multiclones and ESP for the control of PM, PM_{10} and $PM_{2.5}$ shall be in operation at all times during the combustion process.

4. U3 shall not operate during startup of U1, except when required for emergency operations.

5. Wood waste collection and storage bin leaks shall be minimized at all times.

6. Wood waste collection and storage bins shall be emptied on a schedule that ensures that the cyclone-separator system does not become plugged.

7. Wood waste collection and storage bins shall remain enclosed to mitigate the fugitive emissions from the unloading process.

8. All ash shall be transported in a wet condition in covered containers or stored in closed containers at all times

9. Fugitive dust generated from access and on-site roads shall be minimized by application of water, dust palliative, chip-sealing, or paving.

10. Fugitive dust from storage piles, processing area, and disturbed areas shall be minimized by periodic cleanup and/or use of sprinklers, tarps, or dust palliative agents.

11. During periods of high winds, Permittee shall take immediate action to correct fugitive dust emissions from the chip processing area.

12. All necessary surfaces shall be cleaned or washed sufficiently to prevent wind-blown dust from leaving the property boundaries.

13. All truck loading and unloading conducted at the facility shall be done in a manner that minimizes spillage, and fugitive emissions.

14. All leaks, spills and upsets of any kind shall be corrected or cleaned with 4 hours.

15. For U2, the drift rate shall not exceed 0.0005%.

16. Each container holding volatile organic waste shall be labeled with the contents identified and information noting the date when waste material was added.

17. The Permittee shall inspect all containers holding VOCs or waste, at least weekly, for

leaks and for deterioration caused by corrosion or other factors.

18. Containers holding ignitable or reactive waste must be located within the property boundary at least 50 feet from the facility's property line.

19. Incompatible wastes must not be placed in the same container. The treatment, storage, and disposal of ignitable or reactive waste, and the commingling of wastes, or wastes and materials, must be conducted so it does not:
    a. Generate extreme heat, pressure, explosion, or violent reaction;
    b. Produce uncontrolled toxic mists, fumes, dusts or gases in sufficient quantities to threaten human health;
    c. Produce flammable fumes or gases in sufficient quantities to pose a risk of fire or explosions;
    d. Damage the structural integrity of the device or facility containing the waste; or
    e. Through other means threaten human health or the environment.

F. Fuel Restrictions

1. *Clean cellulosic biomass* shall constitute the only fuel allowed for use as fuel in U1, except during periods defined in X.D. and to counteract upset conditions.

2. *Clean cellulosic biomass* shall have the meaning as defined in 40 CFR Part 241.2. In particular, clean cellulosic means those residuals that are akin to traditional cellulosic biomass such as forest-derived biomass (*e.g.,* green wood, forest thinnings, clean and unadulterated bark, sawdust, trim, and tree harvesting residuals from logging and sawmill materials), corn stover and other biomass crops used specifically for energy production (*e.g.,* energy cane, other fast growing grasses), bagasse and other crop residues (*e.g.,* peanut shells), wood collected from forest fire clearance activities, trees and clean wood found in disaster debris, clean biomass from land clearing operations, and clean construction and demolition wood. These fuels are not secondary materials or solid wastes unless discarded. Clean biomass is biomass that does not contain contaminants at concentrations not normally associated with virgin biomass materials.

3. The heat input from pipeline natural gas shall not exceed 10% of the total heat input to U1 on a 12-month rolling basis.

G. Monitoring Conditions

1. For U1, Permittee shall maintain the following equipment at all times when the combustion process is occurring
    a. Permittee shall install, calibrate, operate and quality assure a CEMS that measures CO, NO_x, and CO_2 in ppmv.
    b. Permittee shall conduct initial certification of the CEMS in accordance with

Condition X.G.2.

c. Permittee shall operate and maintain a COMS capable of measuring stack gas opacity
d. Permittee shall install a stack gas volumetric flowrate monitor and steam production rate monitor.

2. The CEMS for U1 shall meet the applicable requirements of 40 CFR Part 60.13 and 40 CFR Part 60 Appendix B, and 40 CFR Part 60 Appendix F, Procedure 1.

3. Each CEMS shall complete a minimum of one cycle of operation (sampling, analyzing, and data recording) for each successive 15-minute clock-hour period.

4. Data sampling, analyzing, and recording of the CEMS shall also be adequate to demonstrate compliance with emission limits during startup and shutdown.

5. The initial certification of the CEMS may either be conducted separately or as part of the initial performance test of U1. The CEMS must undergo and pass initial performance specification testing on or before the date of the initial performance test.

6. The CEMS shall be audited quarterly and tested annually to demonstrate that it meets the specifications in *Condition X.G.2.* Permittee shall perform a full stack traverse during the initial run of annual relative accuracy test auditing of the CEMS, with testing points selected according to 40 CFR Part 60 Appendix A, Method 1.

7. Permittee shall submit a CEMS performance test protocol to the EPA no later than 30 days prior to the test date to allow review of the test plan and to arrange for an observer to be present at the test. The performance test shall be conducted in accordance with the submitted protocol and any changes required by EPA.

8. For U1, opacity shall be monitored by a COMS that meets the applicable requirements of 40 CFR Part 60 Appendix B, Procedure 1.

9. The COMS shall have a span value of 100% and utilize a computer or other facility which has the capability of interpreting sampling data and producing output to demonstrate compliance with applicable standards. The span value for the continuous measuring system for measuring opacity shall be between 60 and 80%. The span for the recording instrumentation for the opacity meter shall be 0 to 100%.

10. The operator/owner shall monitor the following combustion and control parameters for U1 on a continuous basis unless otherwise noted:
    a. combustion temperature (at the superheater tube area);
    b. temperature at air heater outlet;
    c. steam production rate;

11. Permittee shall furnish the EPA with a written report of the results of tests within 60

days of completion.

12. Permittee shall continuously monitor the ESP for transformer/rectifier (T/R set) On/Off status and Rapper On/Off status.

13. Permittee shall record hourly readings of ESP zone voltage (minimum 10 kilovolts, maximum 60 kilovolts) and amps on the operator log.

14. For U3, permittee shall install and maintain an operational non-resettable elapsed time meter to record the operating time of the emergency engine.

H. Performance Tests

1.. Performance tests shall be conducted in accordance with the test methods set forth in 40 CFR Part 60.8 and 40 CFR Part 60- Appendix A, as modified below:
   a. EPA Methods 1-4, 18 and 25A for VOC emissions. Methods 18 and 25A may both be used simultaneously to quantify the annual emissions of the organic compounds listed in 40 CFR 51.100(s)(1) (using Method 18) and subtract this amount from the annual total VOC emissions (as determined from Method 25A).
   b. EPA Methods 1-4 and 6(c) for SO_2 emissions.
   c. EPA Methods 1-4 and 10 for CO emissions.
   d. EPA Methods 1-4 and 7 for NO_x emissions.
   e. EPA Methods 1-3 and 29 for Pb emissions.
   f. EPA Methods 1-4 and 5 for PM emissions.
   g. EPA Methods 1-4, 5 and 202 with a two-hour test run period for each test for PM_{10} and $PM_{2.5}$ emissions. In lieu of Method 5, the Permittee may use Other Test Method 27. In lieu of Method 202, the Permittee may use Other Test Method 28.
   h. The provisions of 40 CFR Part 60.8(f).
   i. In lieu of the specified test methods, alternative methods may be used with prior written approval from EPA.

2. For U1,
   a. Within 60 days after achieving normal operation, but not later than 120 days after the modification, Permittee shall conduct initial performance tests (as described in 40 CFR Part 60.8) for NO_x CO, PM, PM_{10}, $PM_{2.5}$, VOC, SO_2 and Pb emissions.
   b. For performance test purposes, sampling ports, platforms, and access shall be provided on the emission unit exhaust system in accordance with the requirements of 40 CFR Part 60.8(e).
   c. Annual performance tests of PM_{10} shall be conducted at the facility's maximum steam production rate.
   d. Performance tests for NO_x and CO shall be conducted at least every five years beginning ten years after the initial performance test (within 30 days of the tenth anniversary of the initial performance test date).
   e. Permittee shall submit a performance test protocol to EPA no later than 30 days prior

to a performance test to allow review of the test plan and to arrange for an observer to be present at the test. The performance test shall be conducted in accordance with the submitted protocol, and any changes required by EPA.

3. For U2, the Permittee shall do the following:
   a. Perform weekly tests of the blow-down water quality using an EPA-approved method. The operator shall maintain a log that contains the date and result of each blow-down water quality test, the water circulation rate at the time of the test, and the resulting mass emission rate. This log shall be maintained onsite for a minimum of five years and shall be provided to EPA and District personnel upon request.
   b. Calculate PM, PM_{10}, and $PM_{2.5}$ emission rate using an EPA-approved calculation based on the total dissolved solids (TDS) and water circulation rate.
   c. Conduct all required cooling tower water quality tests in accordance with an EPA-approved test and emissions calculation protocol. Thirty (30) days prior to the first such test, the operator shall provide a written test and emissions calculation protocol for EPA review and approval, with a copy to the District as specified in *Condition XII*.
   d. Establish a maintenance procedure that states how often and what procedures will be used to ensure the integrity of the drift eliminators, to ensure that the TDS limits are not exceeded, and to ensure compliance with recirculation rates. This procedure is to be kept onsite and made available to EPA and District personnel upon request. Permittee shall promptly report any deviations from this procedure.

4. For U3, the Permittee shall conduct an initial performance test (as described in 40 CFR Part 60.8) for NO_x, CO and PM_{10} emissions and at least every five years beginning ten years after the initial performance test (within 30 days of the tenth anniversary of the initial performance test date).

5. Upon written request from the Permittee, and adequate justification, EPA may waive a specific annual test and/or allow for testing to be done at less than maximum operating capacity.

6. Permittee shall take monthly samples of the natural gas combusted. The samples shall be analyzed for sulfur content using an ASTM method. As an alternative, Permittee may obtain laboratory analysis of sulfur content from the fuel supplier on a monthly basis, if Permittee can demonstrate that the fuel tested is representative of fuel delivered to the facility.

I. Recordkeeping and Reporting

1. Permittee shall maintain a file of all records, data, measurements, reports, and documents related to the operation of the Facility, including, but not limited to, the following: all records or reports pertaining to adjustments and/or maintenance performed on any system or device at the facility; initial performance test data for U1, documents from the fuel

supplier certifying compliance with fuel sulfur content *Condition X.H.6.*; and all other information required by this permit recorded in a permanent form suitable for inspection.

2. Permittee shall record the efficiency of U1 daily. The heat input, as determined from the U1 efficiency and steam production rate, shall not exceed 468 MMBtu/hr on a monthly basis.

3. For U1, Permittee shall maintain the following records:
   a. The total monthly hours of operation;
   b. 3-hour averages of CO and NO_x emissions in units of lbs/MMBtu and lbs/hour dry basis. All time periods when the boiler is not in operation shall be excluded from the averages. The monthly average of CO and NO_x emissions expressed in lbs/hour shall also be included;
   c. 3-hour average calculations of PM_{10} emissions in units of lbs/MMBtu and lbs/hour dry basis using the most recent annual PM_{10} source test;
   d. notification of all periods the continuous monitors were not functioning and the reasons for the same;
   e. steam production rate averaged over a daily (24-hour) period.

4. Permittee shall maintain CEMS and COMS records that include the following:
   a. the occurrence and duration of any startup, shutdown, or malfunction, performance testing, evaluations, calibrations, checks, adjustments maintenance, duration of any periods during which a CEMS or COMS is inoperative, and corresponding emission measurements.
   b. date, place, and time of measurement or monitoring equipment maintenance activity;
   c. operating conditions at the time of measurement or monitoring equipment maintenance activity;
   d. date, place, name of company or entity that performed the measurement or monitoring equipment maintenance activity and the methods used; and
   e. results of the measurement or monitoring equipment maintenance.

5. Permittee shall maintain records and submit a written report of all excess emissions and opacity measurements to EPA and the District semi-annually, except when more frequent reporting is specifically required by an applicable subpart; or the Administrator, on a case-by-case basis, determines that more frequent reporting is necessary to accurately assess the compliance status of the source. The report is due on the 30th day following the end of each semi-annual period and shall include the following:
   a. Time intervals, data and magnitude of the excess emissions, the nature and cause (if known), corrective actions taken and preventive measures adopted;
   b. Applicable time and date of each period during which the CEMS or COMS was inoperative (monitor down-time), except for zero and span checks, and the nature of CEMS or COMS repairs or adjustments;
   c. A statement in the report of a negative declaration; that is, a statement when no excess emissions occurred or when the CEMS or COMS has not been inoperative,

repaired, or adjusted;

d. Any failure to conduct any required source testing, monitoring, or other compliance activities; and
e. Any violation of limitations on operation, including but not limited to restrictions on hours of operation.

6. A period of monitor down-time shall be any unit operating clock hour in which sufficient data are not obtained by the CEMS to validate the hour for NO_x, CO, or CO_2.

7. Excess emissions shall be defined as any period in which emissions exceed the emission limits and standards set forth in *Conditions X.C.1 and X.C.2*.

8. Excess emissions indicated by the CEMS, COMS, source testing, or compliance monitoring shall be considered violations of the applicable emission limit or standard for the purpose of this permit.

9. For U1, daily records of fuel received other than natural gas shall be maintained. These records shall include a detailed description of the fuel supplier, fuel type and tons received.

10. Unless otherwise specified herein, all records required by this PSD Permit shall be retained for not less than five years following the date of such measurements, maintenance, reports, and/or records.

XI. ACROYNMS AND ABBREVIATIONS

ASTM	American Society for Testing and Materials
BACT	Best Available Control Technology
BTU	British Thermal Unit
CAA	Clean Air Act
CEMS	Continuous Emissions Monitoring System
CFR	Code of Federal Regulations
CO	Carbon Monoxide
CO_2	Carbon Dioxide
CTG	Combustion Turbine Generator
CTM	Conditional Test Method
COMS	Continuous Opacity Monitoring System
CU	Cogeneration Unit
District	Shasta County Air Quality Management District
DLN	Dry Low NO_X
(d)scf	(dry) Standard Cubic Feet
EPA	Environmental Protection Agency
ESP	Electrostatic Precipitator
gpm	Gallons Per Minute
gr	Grains
HHV	Higher Heating Value
hr	Hour
lbs	Pounds
MMBtu	Million British Thermal Units
MW	Megawatt
NAAQS	National Ambient Air Quality Standards
NO_2	Nitrogen Dioxide
NO_X	Oxides of Nitrogen
NSPS	New Source Performance Standards
PM	Total Particulate Matter
$PM_{2.5}$	Particulate Matter with aerodynamic diameter less than 2.5 micrometers
PM_{10}	Particulate Matter with aerodynamic diameter less than 10 micrometers
ppm	Parts Per Million
ppmvd	Parts Per Million by Volume, Dry basis
ppmv	Parts Per Million by Volume
PSD	Prevention of Significant Deterioration
RATA	Relative Accuracy Test Audit
SCR	Selective Catalytic Reduction
SO_2	Sulfur Dioxide
SO_X	Oxides of Sulfur
TDS	Total Dissolved Solids
tpy	Tons Per Year
yr	Year

XII. AGENCY NOTIFICATIONS

All correspondence as required by this Approval to Construct must be sent to:

A. Director, Air Division (Attn: AIR-5)
EPA Region IX
75 Hawthorne Street
San Francisco, CA 94105-3901

Email: R9.AEO@epa.gov
Fax: (415) 947-3579

With a copy to:

B. Air Pollution Control Officer
Shasta County Air Quality Management District
1855 Placer Street, Suite 101
Redding, CA 96001
Fax: (661) 723-3450

Excerpt 8

Public Notice for Proposed Permit,
dated September 12, 2012, AR III.03;

Public Notice for Final Permit,
dated February 21, 2013, AR VI.05

* * * PUBLIC NOTICE * * *

SIERRA PACIFIC INDUSTRIES - ANDERSON DIVISION

ANNOUNCEMENT OF PROPOSED PERMIT MODIFICATION AND
REQUEST FOR PUBLIC COMMENT ON PROPOSED CLEAN AIR ACT PREVENTION
OF SIGNIFICANT DETERIORATION PERMIT
PERMIT APPLICATION NO. SAC 12-01

The United States Environmental Protection Agency (EPA) provides notice of, and requests public comment on, EPA's proposed action relating to the major modification of the Prevention of Significant Deterioration (PSD) permit for Sierra Pacific Industries (SPI) - Anderson Division. EPA is issuing a proposed PSD permit 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 at its existing Anderson facility. The mailing address for SPI-Anderson is P.O. Box 496028 Redding, CA 96049-6028. The proposed location for the modification is 19758 Riverside Ave., Anderson, CA 96007.

SPI has applied for approval to construct and operate an additional new cogeneration unit capable of generating 31 MW of gross electrical output from the combustion of clean cellulosic biomass. The original PSD Permit for this lumber manufacturing facility was issued in 1994 by the Shasta County Air Quality Management District (SCAQMD). 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. The proposed new cogeneration unit will be constructed at the existing SPI-Anderson Division facility which is located at 19758 Riverside Avenue in 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 city of Anderson is located within the SCAQMD.

On March 3, 2003 USEPA 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. Therefore, EPA is proposing to modify the 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 comply with all existing permits issued by SCAQMD.

This modification to the PSD permit 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 (PM_{10}) and particulate matter under 2.5 μm in diameter ($PM_{2.5}$) to the greatest extent feasible for the new cogeneration unit. 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.

Pursuant to 40 CFR 124.12, EPA has discretion to hold a Public Hearing if we determine there is a significant amount of public interest in the proposed permit. Requests for a Public Hearing

must state the nature of the issues proposed to be raised in the hearing. If a Public Hearing is to be held, a public notice stating the date, time and place of the hearing will be made at least 30 days prior to the hearing. Reasonable attempts will be made to notify directly any person who has commented on this proposal of any pending Public Hearing, provided contact information has been given to the EPA contact person listed below.

Any interested person may submit written comments or request a Public Hearing regarding EPA's proposed PSD permit for this modification. All written comments and requests on EPA's proposed action must be received by EPA via e-mail by October 17, 2012, or postmarked by October 17, 2012**.** Comments or requests must be sent or delivered in writing to Omer Shalev at one of the following addresses:

E-mail: R9airpermits@epa.gov

U.S. Mail: Omer Shalev (AIR-3)
U.S. EPA Region 9
75 Hawthorne Street
San Francisco, CA 94105-3901
Phone: (415) 972-3538

Comments should address the proposed permit modification and facility, including 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.

All information submitted by the applicant is available as part of the administrative record. The proposed air permit, fact sheet/ambient air quality impact report, 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 Omer Shalev at (415) 972-3538 at least 24 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's proposed PSD permit for the proposed modification and the accompanying fact sheet/ambient air quality impact report are also available for review at the Shasta County Air Quality Management District at 1855 Placer St., Suite 101 in Redding, CA 96001, and the Redding Public Library at 1100 Parkview Ave. in Redding, CA 96001.

All comments that are received 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. 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 will consider all written and oral comments submitted during the public comment period before taking final action on the PSD permit modification and will send notice of the final decision to each person who submitted comments and contact information during the public comment period or requested notice of the final permit decision. EPA will respond to all 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. The decision is appealed to EPA's Environmental Appeals Board pursuant to 40 CFR Part 124.19; 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 for this 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 Omer Shalev at (415) 972-3538 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 contact Omer Shalev at (415) 972-3538 or send an e-mail to 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.

* * * PUBLIC NOTICE * * *

SIERRA PACIFIC INDUSTRIES-ANDERSON

ANNOUNCEMENT OF FINAL DECISION TO ISSUE A CLEAN AIR ACT PREVENTION OF SIGNIFICANT DETERIORATION PERMIT THAT REGULATES THE EMISSION OF AIR POLLUTANTS
PERMIT APPLICATION NO. SAC 12-01

In September of 2012, the United States Environmental Protection Agency, Region 9 (EPA) provided notice of, and requested public comment on, EPA's proposal to issue a Prevention of Significant Deterioration (PSD) major permit modification authorizing the construction of a new cogeneration unit (Project) at the existing Sierra Pacific Industries (SPI) – Anderson facility location. EPA's final decision grants conditional approval, in accordance with the PSD regulations (40 CFR 52.21), to SPI to construct and operate a new 31 megawatt (MW, nominal) biomass boiler with auxiliary equipment that includes an emergency engine and cooling tower.

The mailing address for SPI is P.O. Box 496028, Redding, CA 96049-6028. The proposed location for the Project is on the existing SPI-Anderson site located at 19758 Riverside Ave. Anderson, CA 96007. The Project is located within the Shasta County Air Pollution Control District (District).

During the public comment period, EPA received written comments regarding its proposed PSD permitting action for the Project. EPA has carefully reviewed each of the comments submitted and, after consideration of the expressed views of all commenters, the pertinent Federal statutes and regulations, and additional material relevant to the application and contained in our Administrative Record, EPA has made a decision in accordance with 40 CFR 52.21 to issue a final PSD permit to SPI.

Key portions of the Administrative Record for this decision (including the final permit, all public comments, EPA's responses to the public comments, and additional supporting information) are available through a link at our website, www.epa.gov/region09/air/permit/r9-permits-issued.html#psd, or at www.regulations.gov (Docket ID # EPA-R09-OAR-2012-0634).

Hard copies of the final permit and EPA's responses to the public comments, and the Administrative Record for this action, may also be viewed in person, Monday through Friday from 9:00 AM to 4:00 PM, at the EPA Region 9 address below. Due to building security procedures, please call Omer Shalev at (415) 972-3538 to arrange a visit at least 24 hours in advance. Hard copies of the final permit and EPA's responses to the public comments are available upon request at the following:

E-mail: R9airpermits@epa.gov

U.S. Mail: Omer Shalev (AIR-3)
U.S. EPA Region 9
75 Hawthorne Street
San Francisco, CA 94105-3901
Phone: (415) 972-3538

The contact information above may also be used to request copies of other portions of the administrative record for this action.

Within 30 days after the service of notice announcing this final permit decision, any person who filed comments on the proposed permit for the Project or participated in any of the public hearings for the Project may petition EPA's Environmental Appeals Board (EAB) to review any condition of the final permit. Persons who did not file comments or participate in the public hearings may petition for administrative review only to the extent of changes from the proposed to the final permit decision. The petition must include a statement of the reason(s) for requesting review by the EAB, including a demonstration that any issues being raised were raised during the public comment period to the extent required by the regulations at 40 CFR Part 124 and when appropriate, a showing that the conditions in question are based on 1) a finding of fact or conclusion of law which is erroneous, or 2) an exercise of discretion or an important policy consideration which the EAB should, in its discretion, review. Please see 40 CFR 124.19 and visit http://www.epa.gov/eab/ for important information regarding the procedures for appeal of a PSD permit decision to the EAB.

EPA's PSD permit for the Project shall take effect thirty (30) days from the date of service of notice of this permit decision unless a petition for review is properly and timely filed with the EAB. In the event that a petition for review is filed with the EAB, construction of the facility is not authorized under this PSD permit until resolution of the EAB petition(s).

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

*** END OF ANNOUNCEMENT ***
Issued February 21, 2013

Excerpt 9

Public Comments
(Lawrence and Petitioners Coleman, Simpson, Strand only),
AR IV.12, IV.05, IV.09, IV.10, IV.12

Fw: Sierra Pacific Industries Sac 12-01
R9AirPermits to: Omer Shalev 10/18/2012 03:57 PM
Sent by: Omer Shalev

----- Forwarded by Omer Shalev/R9/USEPA/US on 10/18/2012 03:57 PM -----

From: "Patricia Lawrence" <adventures@AudioJourneys.org>
To: R9AirPermits@EPA
Date: 10/17/2012 01:46 PM
Subject: Sierra Pacific Industries Sac 12-01

To US EPA Region 9
re: Sierra Pacific Industries Anderson, Sac 12-01 application

Based on the following reasons I would like the EPA to conduct a hearing regarding the proposed biomass cogeneration unit permit.

1. Cumulative impacts of total air pollution in California's upper central valley have not been completely evaluated to include pollution from wildfires, increased vehicle and stationary sources of pollution, and air traffic pollution including chemtrails from jets in the federal weather modification program.

2. There is only so much clean air in the upper central valley where inversion layers are prevalent. Who gets the clean air and for what purpose. Why should a biomass plant be first over a solar panel manufacturer.

3. There may or may not be a steady or long lasting supply of biomass from the forests and wildlands. The applicant states that wood and 'other' biomass is proposed to be burned that will include household and industrial waste such as car tires. Even best available technology will not scrub all the dioxins from waste and tire burning.

4. Loss of California's natural forests due to clearcutting and conversion to tree farms and previous wildfires is releasing a huge carbon sink in these forests that needs to be protected to help reduce carbon in the atmosphere.

What to do with accumulated biomass is a big problem in this state. Burning is not the only option. Chipping it and putting it back on the forest floor is another.

Please hold a hearing to address these and all issues that this proposal evokes.

Happy and Peaceful Travelling
Patricia Lawrence
Reporter Palo Cedro East Valley Times. www.EastValleyTimes.com
Executive Producer
Travel Radio International (TM)
AudioJourneys.org Available at Audible.com
Member Outdoor Writers Association of California
OWAC.org

7-17-12

TO, E.P.A. REP.'

RECEIVED YOUR LATEST INFO, ON THE "SIERRA PACIFIC IND.", ANDERSON CALIF. DIVISION MODIFICATION PERMIT!

THEY HAVE BEEN NOTHING SHORT OF A MAJOR POLLUTER, IN THE PAST, AND HAVE SHOWN GROSS LACK OF COMPLIANCE!

WE PROVED THIS WITH OUR OWN "CITIZENS FOR CLEANER AIR" CONTRACT WITH A PRIVATE TESTING COMPANY!

IF THE U.S. E.P.A. USES THE PROPER POLLUTION SCALE, WE FEEL THAT ENVIRONMENTAL JUSTICE IS SERVED!

C.F.C.A.
Ed W Coleman

Ed W. Coleman
741 Mussel Shoals Ave.
Shasta Lake, CA 96019

REDDING CA 960

RECEIVED
OCT 1 2 2012
Permits Office Air-3
U.S. EPA, Region 9

Library

U.S. EPA Region 9 Library
(415) 947-4406

SEP 2 5 2012

75 Hawthorne St.
San Francisco, CA 94105

U.S. E.P.A.
75 HAWTHORNE ST.
SAN FRANCISCO CA. 94105-3901

94105$3941

Fw: Sierra Pacific Industries- Docket no. EPA-R09-OAR-2012-0634
R9AirPermits
to:
shalev.omer
09/26/2012 02:13 PM
Sent by:
Omer Shalev
Hide Details
From: R9AirPermits

To: shalev.omer@epa.gov

Sent by: Omer Shalev/R9/USEPA/US

History: This message has been replied to.

----- Forwarded by Omer Shalev/R9/USEPA/US on 09/26/2012 02:12 PM -----

From: <rob@redwoodrob.com>
To: R9AirPermits@EPA
Date: 09/26/2012 11:09 AM
Subject: Sierra Pacific Industries- Docket no. EPA-R09-OAR-2012-0634

Sierra Pacific Industries- Anderson Division
Anderson, CA
Docket no. EPA-R09-OAR-2012-0634

Hi,

I am preparing to comment on the above referenced permit. I wish to contact the applicant but could not find a contact person in the record. Could you direct me to a contact person. Can you extend the comment period? This is the first such facility that I will comment on and it appears that there is more information on the docket than I could possibly review and comment about in the time allotted. Also there appears to be several applications, which would be the one considered?

Thank you

Rob Simpson
Executive Director
Helping Hand Tools (2HT)

Rob Simpson comments on;

PROPOSED PREVENTION OF SIGNIFICANT DETERIORATION PERMIT SPI - Anderson

For the forgoing reasons I request a public Hearing and extension of the public comment period. The record is too extensive to review in the allotted time period. The following clear errors are evident in the administrative record for this proceeding;

The Modification fails to consider

A No or reduced project alternative. The facility apparently requires 7 of the 23 megawatts electricity that it can generate. No state authority has, or is, required to make a determination of if this electricity, in this location, is beneficial to the system. The project will interfere with the development of superior solar and wind alternatives which would have created more jobs and a cleaner environment than this project. Clearly appropriately sized equipment 7/23 of the size of this one would result in reduced emissions.

Since it is gas and wood burning proposal; the fuel mix should be considered in BACT analysis. The BACT analysis fails to consider a different fuel mix. Increased gas use can raise the temperature and reduce emissions through more complete ignition. While the below discussion deals with GHG it should hold true for each pollutant.

In addition, EPA has observed that the application of methods, systems, or techniques to increase energy efficiency is a key GHG-reducing opportunity that falls under the category of "lower-polluting processes/practices." Use of inherently lower-emitting technologies, including energy efficiency measures, represents an opportunity for GHG reductions in these BACT reviews. EPA has encouraged permitting authorities to use the discretion available under the PSD program to include the most energy efficient options in BACT analyses for both GHG and other regulated New Source Review (NSR) pollutants…
"energy efficient measures may serve as the foundation for a BACT analysis…For facilities that are co-firing biomass with a primary fuel, the permitting record should provide a reasoned justification for basing BACT for greenhouse gases on a specific proportional allocation of fuels…See, In re: Northern Michigan University Ripley Heating Plant. PSD Appeal No. 08-02, Slip. Op at 18-23, 28 (EAB 2009) (remanding a permit for a co-fired electric generating facility where record did not contain justification for establishing BACT limits based on specific proportional allocation of wood and coal)…In cases where a permit applicant proposes to co-fire or combine biomass fuels with another primary fuel type, the list of BACT options should include the option of utilizing both types of primary fuels in different combinations. If the applicant proposes a specific proportional allocation or fuel mix (i.e., <5 percent biomass, >95 percent fossil fuel) and believes other allocations should be eliminated from consideration in the BACT analysis for GHGs, the permit application should provide an explanation as to why the particular allocation desired by the applicant is necessary to achieve a fundamental business objective of the project. If the permit applicant is unable to demonstrate that a different allocation of primary fuels would fundamentally redefine the proposed source, the options at Step 1 should

include varying allocations of the two primary fuels if the proportional allocation of fuels has the potential to affect the amount of GHGs emitted from the facility or the net atmospheric GHG concentrations." http://www.epa.gov/nsr/ghgdocs/bioenergyguidance.pdf

A solar component should be considered in in the BACT analysis. A solar component would reduce all emissions by preheating the system or augmenting the electrical output. Solar energy is an inherently lower emitting, add on control technology.

The BACT analysis fails to adequately consider energy efficiency options. There should be no need for cooling towers and their associated emissions to dissipate heat. The heat should be used in the existing Kiln or in a new Kiln or pre heater to warm the material before it enters the full temperature Kiln. The Permit should consider the existing Kiln as permitted equipment in context of this modification and the Kiln should be required to undertake a BACT analysis. The insulation, operation and even color of the Kiln will have an effect on its efficiency in reducing use of the associated emissions units.

A new cogeneration unit equipped with a stoker boiler is being proposed in order to burn additional clean cellulosic biomass fuel. Fuel will be generated on site from the lumber operations and delivered from other fuel sources to produce roughly 250,000 pounds per hour of steam. This steam be used to dry lumber in existing kilns for the lumber operation, as well as feed a turbine that will drive a generator to produce electricity for use on site or for sale to the electrical grid. A closed-loop two-cell cooling tower will be used to dispose of waste heat from the steam turbine. 4

EPA notes that energy efficiency is an option for inclusion in the set of control options in the BACT analysis at Step 1 for all facilities. EPA agrees that this should become standard practice for all facilities, and notes that the Bioenergy BACT Guidance does not intend to remove energy efficiency as a control option for bioenergy facilities. http://www.epa.gov/nsr/documents/RTC_6-30_final_comb.pdf

The permit should identify the existing equipment and require its retirement. The administrative record demonstrates that the permit should at least require that the existing emissions units do not operate concurrently with the new units. The EPA has no authority to modify the underlying State permit.

Handling and transport emissions. The analysis fails to consider the, perhaps collateral, emissions associated with the, primarily diesel powered, collection transport and on site handling of biomass. A permit condition should require that all associated equipment operates on Methane gas, or biomass power.

The analysis fails to consider increased kiln emissions and other operational emission increases. Kiln and other facility emissions should be considered prior to final circulation of a draft permit.

The project should be based upon a Comparison to the actual baseline instead of prior permit levels.
The air quality monitoring station, 50 miles from the site fails to represent conditions in the projects impact area. The EPA should require one year of local monitoring prior to consideration of a permit request.

EJ The EPA failed to identify the environmental Justice community in the vicinity of the proposed project. This should be the first step in an EJ analysis in order for the EPA to conduct outreach and identify any stressors. It is inadequate for the EPA to skip this step and simply claim no harm to any potential community without notification. The EPA failed to issue a notice in Spanish.

Public notice participation The EPA failed to demonstrate that it notified participants in the State action(s) about this proposed permit. The EPA failed to demonstrate that it provided Notice to the appropriate elected officials. The EPA should reissue a Public Notice to the appropriate elected officials and members of the public who have expressed an interest in this project and other projects in the area. The public Notice fails to disclose any effect on air quality. A new notice should demonstrate the projects effects in relationship to the National Ambient Air Quality Standards or at least in gross pollutant weights. The Notice fails to alert the public of a reason to participate.

The analysis is misleading because it does not disclose that the project intends to burn "urban wood" or post-consumer wood which would be more appropriately burned with a DLN Burner

"In addition, there are 50,000 BDT of agricultural and urban wood
wastes available to SPI annually." Application

DLN Burner
With two or more DLN burners, the biomass combustion fuel would need to be pulverized and burned in suspension using wall-mounted burners. This presents a significant departure from SPI's proposed boiler design where combustion occurs on a moving grate. DLN burners are designed to limit the amount of fuel-bound nitrogen that is converted to NOx during combustion, and are generally suited to boilers that burn wood waste containing a high percentage of resins, such as the waste from medium density fiberboard, plywood, or veneer operations. The emission rate with DLN burners is projected to be 0.35 lb/MMBtu.

The permit fails to require appropriate Ash bunker waste disposal. It does little good if the ash is collected and then left to blow away into the air or contaminate some other resource.

EMX, SCR and Urea should be required.

Consideration of the McNeil facility are entirely speculative. If the project is to be excused from the BACT demonstrated at McNeil than additional analysis is required

Although the McNeil Generating Station has demonstrated a lower NOx emission limit on a calendar quarterly basis, it has a short term NOx emission limit of 0.23 lb/MMBtu. Moreover,

the possible economic incentives of the Class 1 Renewable Energy Credits in New England are difficult to quantify and not available to SPI- Anderson. This may allow SCR system to be more economically feasible for McNeil Generating Station and other proposed systems in the New England area than for SPI- Anderson in California.

EPA does not anticipate additional significant environmental or energy impacts from employing the SNCR or SCR technology. Both systems use ammonia as a reagent: anhydrous ammonia, aqueous ammonia, or urea mixed with water (which hydrolyzes in the hot exhaust to form ammonia). In the case of aqueous ammonia or urea mixed with water, additional fuel must be combusted to evaporate the water associated with the reagent. Moreover, energy is required to operate the injectors used by either technology to introduce the reagent into the exhaust. With either technology, the exhaust leaving the boiler stack will contain some small quantity of ammonia.

The PSD increment trigger date should have been when the original permit was issued.

"With respect to the PSD increment analysis for PM2.5, the applicable trigger date when the PM2.5 increments become effective under the Federal PSD program is October 20, 2011. The SPI- Anderson PSD permit application was determined to be administratively complete by EPA on October 4, 2010. However, EPA is requiring each source that receives its PSD permit after the trigger date, regardless of when the application was submitted, to provide a demonstration that the proposed emissions increase, along with other increment consuming emissions will not cause or contribute to a violation of the PM2.5 increments. Also the major source baseline, which precedes the trigger date is the date after which actual emissions increases associated with construction at any major stationary source consume PSD increment. That date is October 20, 2010. With this PSD permit, SPI-Anderson would begin construction after this date. In general, for PM2.5, the minor source baseline date is the earliest date after the trigger date of a complete PSD permit application for a source with a proposed increase in emissions of PM2.5 that is significant. No source has triggered the minor source baseline date in the area at issue. Other than SPI- Anderson's projected construction emissions, there have been no actual emissions changes of PM2.5 from any new or modified major stationary source on which construction commenced after October 20, 2010. Therefore, the only source to consume PM2.5 increment in the area is SPI- Anderson. The applicant considered only the allowable emissions increase from the SPI- Anderson project in the 24-hour PM2.5 increment analysis"33

The analysis must demonstrate the Nitrogen and other pollutant deposition on the adjacent Elderberry plants
SPI has confirmed that construction activities will not occur within 100 feet of the elderberry shrubs that are in the Pacific Gas and Electric power line Right of Way. The nearest construction activity to the existing elderberry plants will be the erection of the electrical power poles at the existing electrical sub-station which are 137 feet away from the nearest elderberry shrub.

My request for a hearing and full environmental review. ~Heidi Strand
hswriter@frontiernet.net
to:
R9AirPermits
09/16/2012 03:35 PM
Hide Details
From: "hswriter@frontiernet.net" <hswriter@frontiernet.net>

To: R9AirPermits@EPA

Please respond to "hswriter@frontiernet.net" <hswriter@frontiernet.net>

History: This message has been forwarded.

Dear Mr. Shalev,

Please accept this email as my official request for a hearing regarding the PSD permit change for the proposed Sierra Pacific Cogeneration plant in Anderson, CA. Please enter my letter below into the public record.

Your acknowledgment of receipt of this email would be very much appreciated.

Respectfully,

Heidi Strand

September 16th 2012

Red Emmerson
Sierra Pacific Industries
19794 Riverside Ave
Anderson, CA 96007

Dear Mr. Emmerson,

Citizens for Clean Air received a public notice regarding the construction of a Cogeneration plant at your Anderson facility.

Citizens for Clean Air participated in the Knauf Fiberglass PSD permitting process. The Environmental Appeals board of the EPA remanded Knauf's permit back to the Shasta County Air Quality Management Board because of it's lack of compliance with Environmental Justice guidelines.

These guidelines call for the permitting process in EJ communities to 'go above and beyond usual protocol to identify, involve and to help potentially effected communities from the very beginning
of a project."

The public notice stated that Sierra Pacific's existing PSD permit needs a 'major modification' in order to be in compliance once a new plant is built. Clearly this proposed building is a major polluter and anything less than a new PSD permit for this plant is highly inadequate and in flagrant violation of the intent of Executive Order #12898.

Sincerely,

Heidi Strand, Co-chair
Citizens for Clean Air
Box 1544,
City of Shasta Lake, CA 96019

CC: Omer Shalev, Region 9 E.P.A. CC: Shasta Lake City Council
CC: Anderson City Council CC: Knauf Fiberglass, Shelbyville, In.
CC: Shasta County Board of Supervisors CC: Shawn Angoria, Record Searchlight

Fw: 2nd request for a hearing and full environmental review. ~Heidi Strand
R9AirPermits to: Omer Shalev 10/04/2012 02:46 PM
Sent by: Omer Shalev

History: This message has been replied to.

----- Forwarded by Omer Shalev/R9/USEPA/US on 10/04/2012 02:46 PM -----

Subject: 2nd request for a hearing and full environmental review. ~Heidi Strand
From: "hswriter@frontiernet.net"
To: R9AirPermits
Date: 10/01/2012 08:04 PM

September 1st, 2012

Omer Shaley, Environmental Engineer, EPA Region 9

The threshold for public interest is lower in Environmental Justice Communities. Our organization only heard about this project on the day I originally wrote to you. Your agency needs to make a greater effort to comply with Executive order# . and enri Knauf

The issues our community wishes to raise are:
1) What methods of BACT (Best Available Control Technology) are being utilized by Sierra Pacific in the new construction of this Cogeneration plant?
2) Can you provide us with a discussion of the cumulative impacts of air, water and waste disposal methods proposed for this new project?
3) Can you provide any information regarding Sierra Pacific's environmental violations at their pre-existing Shasta County facilities and operations?
4)What are your agencies procedures for determining the threshold required to hold a public hearing?
5) Why doesn't EPA Region 9 require Sierra Pacific to secure a new PSD Permit for this new facility?

We deserve a public hearing. Anything less disenfranchises us from the public process.

Sincerely,
Heidi Strand, Co-coordinator
Citizens for Clean Air

From: "R9AirPermits@epamail.epa.gov" <R9AirPermits@epamail.epa.gov>
To: "hswriter@frontiernet.net" <hswriter@frontiernet.net>
Cc: Gerardo Rios <Rios.Gerardo@epamail.epa.gov>; Kara Christenson <Christenson.Kara@epamail.epa.gov>
Sent: Monday, October 1, 2012 3:19 PM

Re: Fw: 2nd request for a hearing and full environmental review. ~Heidi Strand
hswriter@frontiernet.net
to:
Omer Shalev
10/04/2012 09:52 PM
Hide Details
From: "hswriter@frontiernet.net" <hswriter@frontiernet.net>

To: Omer Shalev/R9/USEPA/US@EPA

Please respond to "hswriter@frontiernet.net" <hswriter@frontiernet.net>

History: This message has been replied to.

October 4, 2012

Dear Mr. Shalev,

You state that the fact sheet explains the basis for the proposed permit. But your agency is not proposing a permit. EPA Region 9 is proposing ALTERING AND OLD PERMIT THAT WAS ISSUED FOR A DIFFERENT BUILDING .

That appears to circumvent the entire PSD permitting process which was intended to give the public fair environmental review before a major pollution source is built. This is clearly in violation of the intent of Environmental Justice in which your agency is the lead federal agency.

Again I am requesting a pubic hearing.

Respectfully,

Heidi Strand, Co-coordinator
Citizens for Clean Air

From: Omer Shalev <Shalev.Omer@epamail.epa.gov>
To: hswriter@frontiernet.net@epamail.epa.gov
Cc: Kara Christenson <Christenson.Kara@epamail.epa.gov>; Gerardo Rios <Rios.Gerardo@epamail.epa.gov>

Re: Fw: 2nd request for a hearing and full environmental review. ~Heidi Strand
hswriter@frontiernet.net
to:
Omer Shalev
10/05/2012 10:39 AM
Hide Details
From: "hswriter@frontiernet.net" <hswriter@frontiernet.net>

To: Omer Shalev/R9/USEPA/US@EPA

Please respond to "hswriter@frontiernet.net" <hswriter@frontiernet.net>

History: This message has been replied to.

Dear Mr. Shalev,

Thank you for your prompt responses.

I do not see the difference if Sierra Pacific builds a new cogeneration plant at an "existing facility" or somewhere else. It is still a *new* facility. Please explain why you are not requiring this new (and larger) plant to undergo the full PSD Permitting process.

Your agency has taken the authority away from Shasta County to issue PSD permits. So your agency is the correct entity to also ask if there are enough air pollution credits available in Shasta County to alter an existing PSD permit.

Sincerely,

Heidi Strand, co-coordinator
Citizens for clean Air

From: Omer Shalev <Shalev.Omer@epamail.epa.gov>
To: "hswriter@frontiernet.net" <hswriter@frontiernet.net>
Cc: Kara Christenson <Christenson.Kara@epamail.epa.gov>; Gerardo Rios <Rios.Gerardo@epamail.epa.gov>
Sent: Friday, October 5, 2012 10:06 AM

Please supply all information for filing an appeal to the EAB, especially the deadline.
hswriter@frontiernet.net
to:
Omer Shalev
10/06/2012 12:04 PM
Hide Details
From: "hswriter@frontiernet.net" <hswriter@frontiernet.net>

To: Omer Shalev/R9/USEPA/US@EPA

Please respond to "hswriter@frontiernet.net" <hswriter@frontiernet.net>

History: This message has been replied to and forwarded.

Dear Mr. Shalev

What is the deadline for our appeal to the EAB?
Please provide all necessary information.

Sincerely,

Heidi Strand

From: Omer Shalev <Shalev.Omer@epamail.epa.gov>
To: "hswriter@frontiernet.net" <hswriter@frontiernet.net>
Sent: Friday, October 5, 2012 2:27 PM
Subject: Re: Fw: 2nd request for a hearing and full environmental review. ~Heidi Strand

Dear Ms. Strand,
Thank you again for your interest. Please be sure to submit written comments regarding your concerns by the end of the public comment period on October 17, 2012.

Omer Shalev
Environmental Engineer
Air Permits Office (Air-3)
Environmental Protection Agency, Region 9
75 Hawthorne St.
San Francisco, CA 94105

Excerpt 10

Certified Index to the Administrative Record

BEFORE THE ENVIRONMENTAL APPEALS BOARD
UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
WASHINGTON, D.C.

In re:	
Sierra Pacific Industries, Anderson	Appeal Nos. PSD 13-01, PSD 13-02, PSD 13-03, and PSD 13-04
PSD Permit No. Sac 12-01	

CERTIFIED INDEX TO THE ADMINISTRATIVE RECORD

I, Deborah Jordan, am the Director of the Air Division for U.S. EPA Region 9 ("Region 9"). I hereby certify that the attached index lists the documents that constitute the administrative record required by 40 C.F.R. §124.18 for Region 9's final Prevention of Significant Deterioration permit issued to Sierra Pacific Industries, Inc., Anderson, which is the subject of the above-captioned petitions for review.

In witness whereof, I have signed my name this 12th day of April, 2013 at San Francisco, California.

Deborah Jordan
Director, Air Division
U.S. Environmental Protection Agency, Region 9

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

SPI Anderson (SAC 12-01) Administrative Record

Index #	Record Section or Item	Date of Item
I. PSD Permit Application and Related Documents		
I.01	SPI-Anderson PSD Permit Modification Application_25MAR10	25-Mar-10
I.02	USEPA Comments on Sierra Pacific Industries- Anderson PSD application 11MAY10	11-May-10
I.03	SPI-Anderson_response_to_EPA_incomplete_letter-final_01JUL10	01-Jul-10
I.04	USEPA Comments on SPI Anderson PSD Application 16AUG10	16-Aug-10
I.05	SPI-Anderson_response_to_2nd_EPA_incomplete_letter-final_07SEP10	07-Sep-10
I.06	USEPA Comments- SPI-Anderson Completeness Letter 04OCT10	04-Oct-10
I.07	SPI-Anderson Response to EPA request 02DEC10	02-Dec-10
I.08	SPI-Anderson_response_to_Jan_2011_EPA_information_request-final_08JUN11	08-Sep-11
I.09	USEPA Comments on Sierra Pacific Industries- Anderson PSD application_05AUG11	05-Aug-11
I.10	SPI-Anderson_response_to_EPA_BACT_request-final_23JAN12	23-Jan-12
I.11	SPI-Anderson_updated_modeling_and_SUSD_analysis-final_30MAY12	30-May-12
I.12	USEPA BACT memo 23AUG77	23-Aug-77
I.13	SPI-Anderson PSD 2007 Permit Modification Application	20-May-10
I.14	SPI-Anderson Email Body re Modeling Surface Characteristics, Land Use & Receptor Locations 27JUN12	27-Jun-12
I.15	SPI-Anderson Modeling Surface Characteristics, Land Use & Receptor Locations 27JUN12	27-Jun-12
I.16	SPI-Anderson Email to EPA re Background concentration monitoring 28JUN12	28-Jun-12
I.17	SPI-Anderson Letter to SCAQMD 23APR10	23-Apr-10
I.18	SPI-Anderson to EPA re QD discussion 20MAY10	20-May-10
I.19	SPI-Anderson EPA Meeting 25MAY10	25-May-10
I.20	SPI-Anderson to EPA perceived permit timeline 10JUN10	10-Jun-10
I.21	SPI-Anderson email to EPA re application information 08APR10	08-Apr-10
I.22	EPA request to SPI-Anderson 01NOV10	01-Nov-10
I.23	Environ discussion with boiler manufacture 15MAR12	15-Mar-12
I.24	EPA email question regarding operating scenarios 15MAR12	15-Mar-12
I.25	SPI-Anderson to EPA re Class II visibility rev2 20JUL12	20-Jul-12
I.26	SPI-Anderson to EPA re Class II visibility 20JUL12	20-Jul-12
I.27	EPA to Environ re Class II visibility 06JUL12	06-Jul-12
I.28	SPI-Anderson to EPA re Conf Call Disc Board Meeting 05APR12	05-Apr-12
I.29	ABJC Comments to SPI 2nd RDEIR 02APR12	02-Apr-12
I.30	CBD Comments on Sierra Pacific 2nd RDEIR 02APR12	02-Apr-12
I.31	SPI-Anderson to EPA re Emergency Engine Emissions 26APR12	26-Apr-12
I.32	SPI- Anderson to EPA email re Public Meeting 15JUN12	15-Jun-12
I.33	SPI- Anderson to EPA email re SUSD emissions clarification 27JUN12	27-Jun-12
I.34	SPI- Anderson to EPA email re Background concentration monitoring station 28JUN12	28-Jun-12
I.35	SPI- Anderson to EPA email re Class II Additional Impacts Analysis 16JUL12	16-Jun-12
I.36	Beaver Wood Power Biomass Permit	
I.37	Beaver Wood Power Biomass TSD	
I.38	McNeil Generating Station Title V Permit	
I.39	Modeling Procedures for PM25-Pege_23MAR10	23-Mar-10
I.40	Additional Clarification 1hr NO2 Modeling-Fox_01MAR11	01-Mar-11
I.41	SPI-Anderson Annual Emissions MEMO_05SEP12	05-Sep-12
I.42	SJValley 2007 Ozone Plan Photochemical Modeling	
I.43	SJValley 2011 Ozone SIP Plan Revisions	
I.44	Environmental Justice Pre-Screen, SPI-Anderson	Aug-12

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

SPI Anderson (SAC 12-01) Administrative Record

Index #	Record Section or Item	Date of Item
II. Endangered Species Act (ESA) Section 7 Consultation Related Documents		
II.01	SPI-Anderson to EPA re Biological Assessment 01APR10	01-Apr-10
II.02	Biol Rpt for EPA review_Complete pkg-R 15APR10	15-Apr-10
II.03	USFWS Conservation Guidelines of Elderberry Longhorn Beetle	09-Jul-99
II.04	EPA email questions regarding Biological resources 16JUL10	16-Jul-10
III. Proposed Permit and Related Documents		
III.01	SPI-Anderson Proposed PSD Permit Modification_12SEP12	12-Sep-12
III.02	SPI-Anderson Ambient Air Quality Impact Report_12SEP12	12-Sep-12
III.03	SPI-Anderson Public Notice_12SEP12	12-Sep-12
III.04	SPI-Anderson Public Info Sheet_012EP12	12-Sep-12
IV. Public Comments		
IV.01	Wade Public Comments_19SEP12	19-Sep-12
IV.02	Knauss Public Comments_23SEP12	23-Sep-12
IV.03	Archuleta Public Comments_23SEP12	23-Sep-12
IV.04	Carden Public Comments_24SEP12	24-Sep-12
IV.05	Coleman Public Comments_25SEP12	25-Sep-12
IV.06	Newcom Public Comments_01OCT12	01-Oct-12
IV.07	SPI Public Comments_11OCT12	11-Oct-12
IV.08	Olswang Public Comments_12OCT12	12-Oct-12
IV.09	Simpson Public Comments	Various
IV.10	Strand Public Comments	Various
IV.11	JColeman Public Comments_16OCT12	16-Oct-12
IV.12	Lawrence Public Comments_17OCT12	17-Oct-12
IV.13	A&SWayman Public Comments_17OCT12	17-Oct-12
IV.14	HHT Public Comments_17OCT12	17-Oct-12
IV.15	CBD Public Comments_17OCT12	17-Oct-12
IV.15A	CBD Public Comments-Exhibit_17OCT12	17-Oct-12
IV.15B	CBD Public Comments-ExhibitB_17OCT12	17-Oct-12
IV.15C	CBD Public Comments-ExhibitC_17OCT12	17-Oct-12
IV.15D	CBD Public Comments-ExhibitD_17OCT12	17-Oct-12
IV.15E	CBD Public Comments-ExhibitE_17OCT12	17-Oct-12
IV.15F	CBD Public Comments-ExhibitF_17OCT12	17-Oct-12
IV.15G	CBD Public Comments-ExhibitG_17OCT12	17-Oct-12
IV.15H	CBD Public Comments-ExhibitH_17OCT12	17-Oct-12
IV.15I	CBD Public Comments-ExhibitI_17OCT12	17-Oct-12
IV.15J	CBD Public Comments-ExhibitJ_17OCT12	17-Oct-12
IV.15K	CBD Public Comments-ExhibitK_17OCT12	17-Oct-12
IV.15L	CBD Public Comments-ExhibitL_17OCT12	17-Oct-12
IV.15M	CBD Public Comments-ExhibitM_17OCT12	17-Oct-12
IV.15N	CBD Public Comments-ExhibitN_17OCT12	17-Oct-12

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

SPI Anderson (SAC 12-01) Administrative Record

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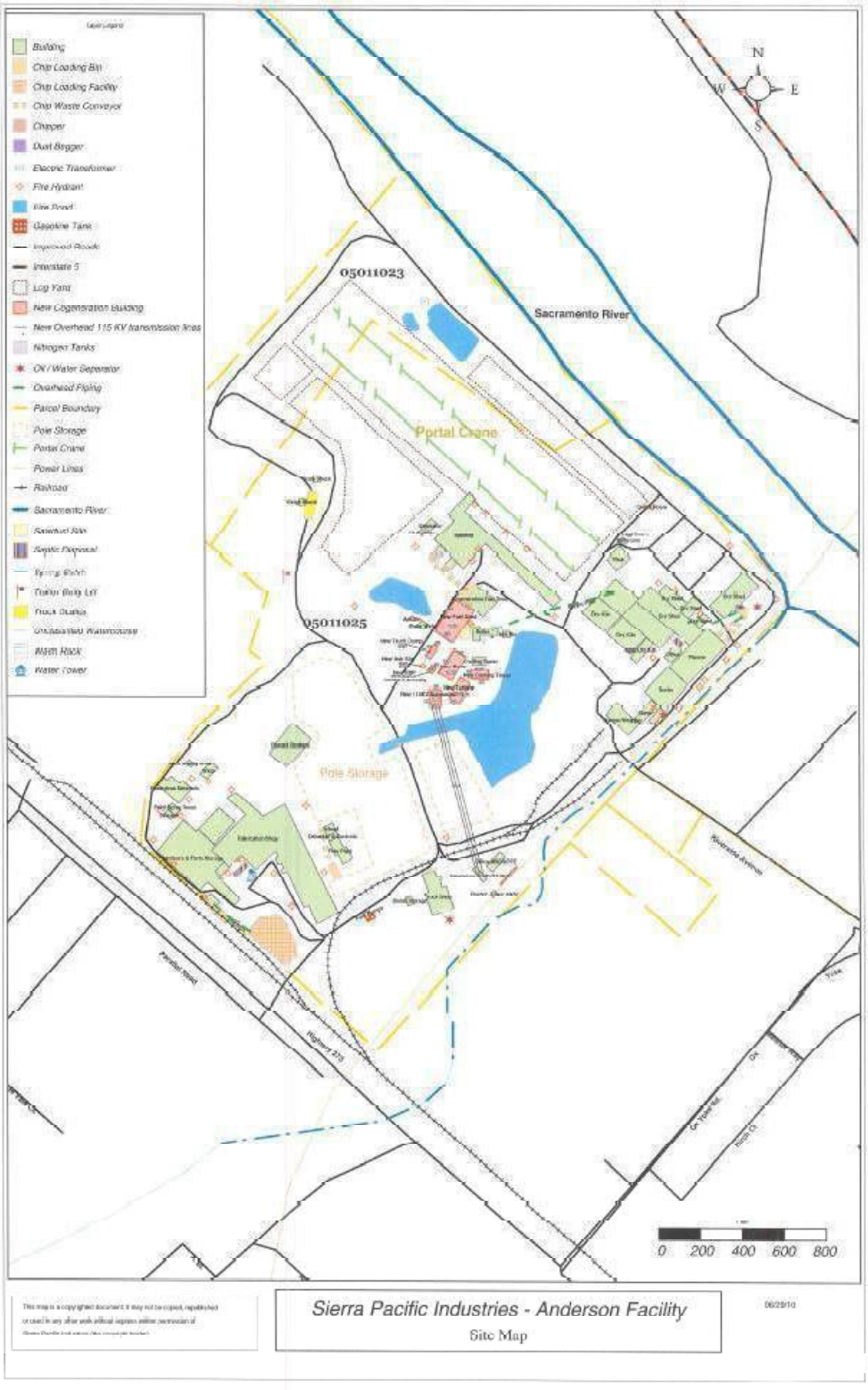
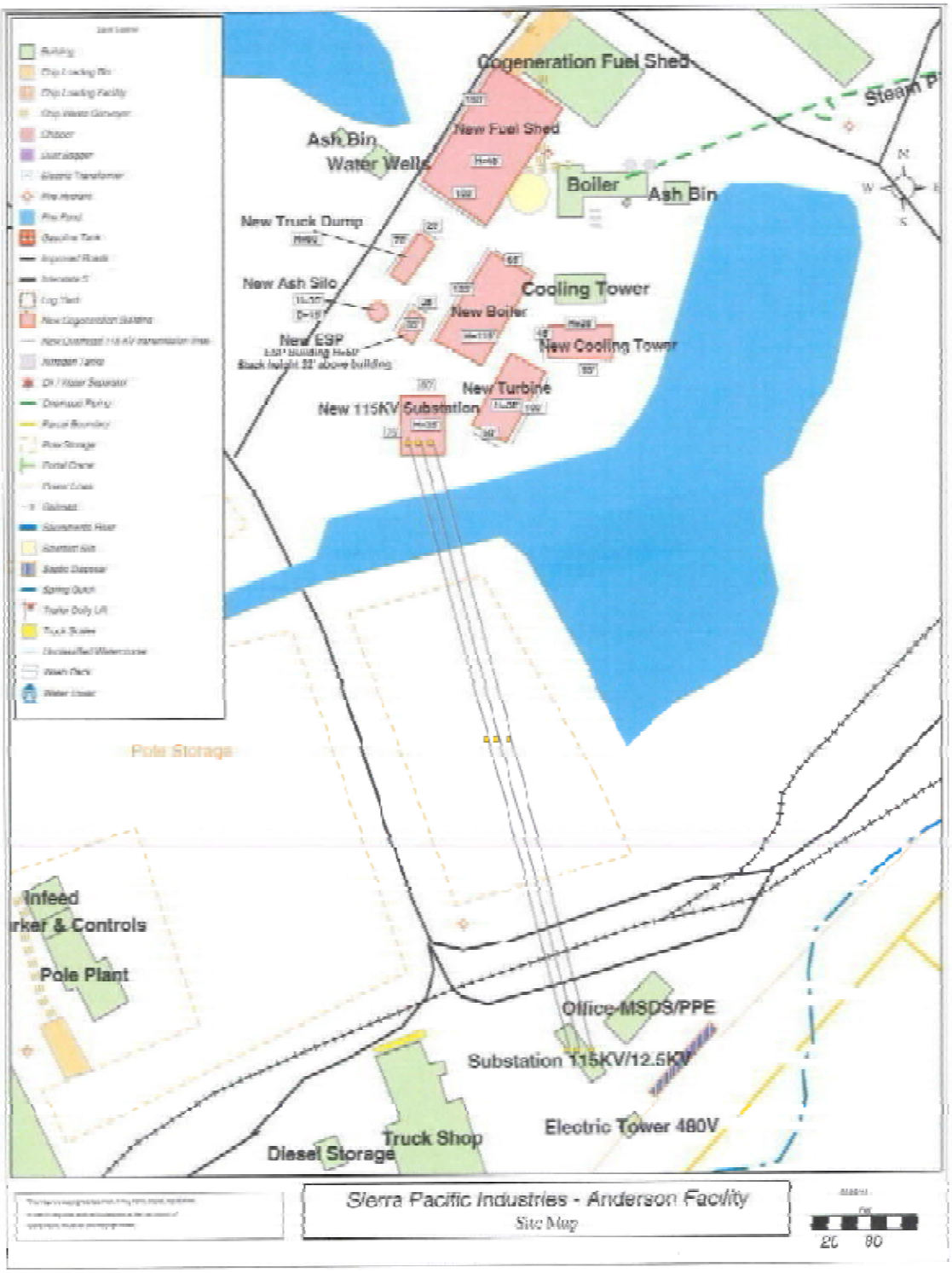
V.02	FLM Interagency Guidance for Nitrogen and Sulfur Deposition Analyses_November 2011	01-Nov-11
V.03	Ammonia Discussion with SPI_13NOV12	13-Nov-12
V.04	Report to Shasta Planning Commission_14JUN12	14-Jun-12
V.05	FMCSA Risks of Hazardous Material Truck Shipment_March 2001	01-Mar-01
V.06	ECR Mobile Source Risk Estimate Report_30JUL12	30-Jul-12
VI.	**Notice of Final Permit**	
VI.01	SPI-Anderson PSD Permit 12-01 Cover Letter_19FEB13	19-Feb-13
VI.02	SPI-Anderson Final PSD Permit SAC 12-01_19FEB13	19-Feb-13
VI.03	SPI-Anderson Final Response to Comments 19FEB13	19-Feb-13
VI.04	SPI-Anderson PSD Permit SAC 12-01_Strikethru_15FEB13	19-Feb-13
VI.05	SPI-Anderson Final Permit Notice_21FEB13	19-Feb-13

Excerpt 11

SPI Anderson response to EPA incomplete letter, dated July 1, 2010,
AR I.03 (partial -- maps only)


Building
Chip Loading Bin
Chip Loading Facility
Chip Waste Conveyor
Chipper
Dust Bagger
Electric Transformer
Fire Hydrant
Fire Pond
Gasoline Tank
Improved Roads
Interstate 5
Log Yard
New Cogeneration Building
New Overhead 115 KV transmission lines
Nitrogen Tanks
Oil / Water Seperator
Overhead Piping
Parcel Boundary
Pole Storage
Portal Crane
Power Lines
Railroad
Sacramento River
Sawdust Silo
Septic Disposal
Spring Switch
Station Bldg Lot
Truck Scales
Unimproved Watercourse
Wash Rack
Water Tower
N
W
E
S
05011023
Sacramento River
Portal Crane
05011025
Pole Storage
Roseanne Avenue
Parallel Road
Highway 273
0
200
400
600
800
Sierra Pacific Industries - Anderson Facility
Site Map
06/23/10


Cogeneration Fuel Shed
New Fuel Shed
Ash Bin
Water Wells
Boiler
Ash Bin
New Truck Dump
New Ash Silo
Cooling Tower
New Boiler
New ESP
New Cooling Tower
New Turbine
New 115KV Substation
Pole Storage
Infeed
Pole Plant
Office-MSDS/PPE
Substation 115KV/12.5KV
Electric Tower 480V
Truck Shop
Diesel Storage
Sierra Pacific Industries - Anderson Facility
Site Map
20
80

Excerpt 12

Report to Shasta County Planning Commission, dated June 14, 2012
AR V.04 (pages 1-7 only)

REPORT TO THE SHASTA COUNTY PLANNING COMMISSION

PROJECT IDENTIFICATION: REGULAR AGENDA	MEETING DATE	AGENDA ITEM #
USE PERMIT 07-021 (SIERRA PACIFIC INDUSTRIES) ANDERSON AREA	06/14/2012	R2

RECOMMENDATION: That the Planning Commission:

1) Adopt CEQA Findings of Fact and certify the Environmental Impact Report (EIR) for the Sierra Pacific Cogeneration Power Project; and
2) Adopt the related Mitigation Monitoring and Reporting Program; and
3) Approve Use Permit 07-021, based on the findings and subject to the conditions listed in the attached resolution.

PROJECT SUMMARY: The request is for construction and operation of a new 31-megawatt (MW) cogeneration power facility (Cogen Facility) on the site of an existing lumber mill and 4-MW cogeneration facility located in the Anderson area on a 121.39-acre parcel at the end of Riverside Avenue, approximately 0.5 miles west of Interstate 5. The Cogen Facility would burn biomass fuel generated by the existing mill, regional lumber mills, and other biomass fuel sources to produce up to 250,000 pounds of steam. The steam would be used to dry lumber and to produce up to 31 megawatts (MW) of electricity. Approximately 7 MW of electricity would be used to meet on site demands and the excess would be offered for sale on the open market via the local power grid. The boiler proposed with the Cogen Facility would not be operated simultaneously with the boiler at the existing cogeneration facility.

BACKGROUND: General Plan and Zoning - The property is located in the South Central Region Planning Area and borders the City of Anderson. The land use designation for the property is Industrial (I). The property is in the Industrial (M) zone district. The proposed use is consistent the existing use of the property and the Industrial land use designation. A cogeneration facility is permitted in the M zone district with approval of a Use Permit.

Access and Services - Vehicular access to the project site is from Riverside Avenue. The site has access to Southern Pacific railway facilities. Water and sewage disposal are provided by on-site wells and septic systems. Electric utility infrastructure in the area is maintained by Pacific Gas and Electric Company. Liquid propane, ammonia, and other industrial products used at the site are available from local and regional vendors. The Anderson Landfill and other local and regional facilities are available for solid waste disposal. The City of Anderson and Shasta County Fire Department respond to emergencies in the area.

Project Site and Surrounding Land - The new Cogen Facility would be developed next to the existing co-generation facility which is near the center of the project site. This area has been developed with industrial facilities associated with current and historic use of the site for lumber manufacturing and cogeneration. A forest products manufacturing facility (Siskiyou Forest Products) and vacant industrially designated lands are located to the northwest of the project site. The City of Anderson abuts a portion of the southeastern project boundary. City lands adjacent to the project site are industrially designated. The Sierra Pacific Industries administrative offices are also located southwest of the project site. The Sacramento River runs along the northeast boundary of the property and would be approximately 1000 feet from the location of the new Cogen Facility. Properties across the river from the project site are primarily used for recreational vehicle and residential mobile home parks. There are a number of existing residences located within a half-mile of the project site with the closest residences being those located across the Sacramento River and those to the southwest and across State Route 273.

ENVIRONMENTAL DETERMINATION: An Environmental Impact Report (EIR) has been prepared for this project. The EIR discusses potentially significant environmental impacts in the following areas of concern: aesthetics, agricultural resources, air quality, biological resources, hydrology and water quality, land use and

planning, noise, traffic and circulation, utilities and service systems, and global climate change along with the cumulative effects of the proposed project in the areas of aesthetics, air quality and traffic.

Decision to Certify the EIR

CEQA Guidelines Section 15151, Standards for Adequacy of an EIR, states:

> *"An EIR should be prepared with a sufficient degree of analysis to provide decision-makers with information which enables them to make a decision which intelligently takes account of environmental consequences. An evaluation of the environmental effects of a proposed project need not be exhaustive, but the sufficiency of an EIR is to be reviewed in the light of what is reasonably feasible. Disagreement among experts does not make an EIR inadequate, but the EIR should summarize the main points of disagreement among the experts. The courts have looked not for perfection but for adequacy, completeness, and a good faith effort at full disclosure."*

The Draft EIR (DEIR), Re-circulated Draft EIR (RDEIR), and Second Re-circulated Draft EIR (2nd RDEIR) have been prepared according to the CEQA guidelines and has concluded that the project would have the following impacts:

Impacts found to be less-than-significant for which mitigation is not required: substantial damage to scenic or historic resources; adverse effects from exposure of sensitive receptors to toxic air contaminants; adverse effects on special-status invertebrate species; adverse effects on special-status reptile and amphibian species; adverse effects on special-status bird species; adverse effects on special-status mammal species; adverse effects on riparian habitat or protected wetlands; adverse impacts from hazardous emissions or handling of hazardous materials, substances or waste within 0.25 miles of a school; substantial depletion of groundwater supplies or substantial interference ground water recharge; substantial alteration of the existing drainage pattern of the site or substantially increase the rate or amount of surface run-off in a manner that would result in flooding; expose people or structures to significant risk from flooding; adverse effect from noise produced in excess of applicable noise standards; significant increases in traffic noise; adverse impacts from exposure to or generation of ground-borne vibration; reduction to unacceptable levels of service at study intersections under Existing Plus Project traffic conditions; adverse impacts related to project related increases of greenhouse gas which may contribute to global warming.

Discussion:

Greenhouse Gas and Climate Change

Significant public comment for this project was centered on potential for the project to emit greenhouse gases and impacts to global warming and therefore warrants discussion here. The EIR includes a quantitative analysis and reasonable estimate of the volume of greenhouse gas that would be emitted during construction and operations of the Cogen Facility (329,848 metric tons (MT)/year). In determining the significance of the impact from these emissions, the EIR considers the biomass emissions from the project in the context of the biological processes by which carbon is exchanged among the land, water, air and living things (known as the "biogenic carbon cycle"). In short, the proposed Cogen Facility fuel sources are derived from forest management activities, agricultural operations, and other sources which are considered to be "carbon neutral" as supported by science and the approaches taken in Federal, State, and international rulemaking relating to climate change mitigation.

Taking this approach, the EIR excludes the volume of greenhouse gas that would be generated by the combustion of the proposed biomass fuels which are considered carbon neutral. The result is a net greenhouse gas emission of 12,351 MT/year from the project. Since there is no local or state CEQA threshold of significance established for greenhouse gas emissions, the County is permitted by CEQA guidelines, to establish a reasonable threshold. In this case the County used 25,000 MT/year based on the existing threshold for participation in the State of California Air Resources Board (CARB) greenhouse gas cap and trade program. Although not specifically established as a formal CEQA threshold, CARB identified 25,000 MT/year as a potential and appropriate threshold for use in a CEQA document. The 12,351 MT/year of greenhouse gas that would result from the project is well below this threshold. Therefore, the potential greenhouse gas and global warming impacts from the project would be considered less-than-significant and less than cumulatively considerable.

It should also be noted that the facility would be eligible for procurement through the State of California's Renewable Portfolio Standard (RPS) which requires electric corporations to increase procurement of electricity generated from renewable energy sources. The RPS is one element of the State's effort to mitigate greenhouse gas impacts and global warming through the implementation of the Global Warming Solutions Act (Assembly Bill 32). In addition, the project would also divert biomass material which if not used for fuel might otherwise be disposed of by other means, such as open burning or deposition in a landfill, which could negatively impact air quality and global warming.

Impacts found to be potentially significant, but which would be reduced to less-than-significant after mitigation: new source of substantial light and glare; adverse effects from temporary dust and vehicle emissions generated during site preparation and construction; adverse effect from the generation of objectionable odors; adverse impact from increased emissions associated with ash hauling and the movement of biomass within the project site; direct or indirect effect on special status fish and plant species, riparian habitat or sensitive natural communities, and protected wetlands; significant adverse changes to cultural resources; exposure of people or structures to potential adverse effects from seismic related ground failure; creation of a hazard to the public from routine transport, use, or disposal of hazardous materials, and/or through reasonably foreseeable upset and accident conditions involving the release of hazardous materials; the violation of water quality standards or waste discharge requirements; substantial alteration of the existing drainage pattern of the site or substantially increase the rate or amount of surface run-off in a manner that would result in substantial erosion; creation or contribution to runoff which would exceed the capacity of storm drainage systems or provide substantial additional sources of polluted run-off; adverse effects from short term and temporary elevated noise level increases due construction activities.

Discussion:

Aesthetics

The proposed facility would be lit at night to provide for nighttime operations, worker safety, and security. The applicant would be required to avoid or minimize light spillage from project lighting on adjacent properties by directing light only to the areas needed and shielding fixtures. Additionally, the surface of proposed structures and equipment taller than 75 feet would be required to be non-reflective and painted or finished in neutral colors. These measures would reduce potential light and glare impacts to a less-than-significant level.

Air Quality

The project would generate particulate matter from dust and vehicle emissions during site preparation and construction activities, and/or during the operational phase of the project. Impacts from vehicle emissions and particulate matter produced during construction would be reduced to a less-than-significant level through UP 07-021

implementation of a Construction Emissions Reduction Plan, and the conditions of approval shall contain feasible and reasonably available control measures that comply with Shasta County Air Quality Management District rules governing fugitive dust and vehicle emissions, including Standard Mitigation Measures required by the Shasta County General Plan.

The boiler would emit nitrous oxide (NOx), carbon monoxide (CO), particulate matter smaller that 10 microns (PM_{10}), sulfur dioxide (SO_2), Beryllium (Be) and volatile organic compounds (VOC). National, State, and local ambient air quality standards and thresholds have been established for NOx, CO, SO_2, and VOC (criteria pollutants). The project would utilize the Best Available Control Technology (BACT) or other control technology required by the Clean Air Act in order to minimize air pollution. Nonetheless, the project would exceed Shasta County Air Quality Management District (SCAQMD) thresholds of significance for criteria pollutants. The SCAQMD maintains a bank of emission reduction credits (ERC) which the applicant will be required to use to offset the increase in criteria pollutant emissions generated by the project thereby reducing the impacts from criteria pollutants to a less-than-significant level. Beryllium it is not included in the ERC program and there is no BACT for Beryllium. Significant impacts from Beryllium will be discussed later in the staff report.

Biomass fuel will be stored in fuel sheds and stockpiled outdoors. Stored biomass fuel has the potential to generate odor if left in place for lengthy periods of time without being managed to minimize anaerobic decomposition. In order to minimize odor issues, the Use Permit would require that fuel be stored indoors to the maximum extent feasible. Fuel would not remain idle and stored uncovered or outdoors for periods in excess of two months without approval of the Resource Management Department and then only until such time as operations could be normalized. Any fuels that show signs of decomposition would have to be burned in the boiler immediately or removed from the premises and disposed of in a permitted landfill.

Biological Resources

The area where the project improvements will be developed is barren undeveloped land that is covered with gravel and was formerly used for log storage. An osprey nest is located approximately 500 feet west of the area that would be improved. The project would have no direct impact on the nest or any osprey that may occupy the nest. A noise study determined that noise from the project would not exceed existing noise levels currently experienced near the nest. The Sacramento River which flows along the eastern boundary of the project site provides riparian habitat for special status salmon species and other wildlife. The lumber manufacturing facility does not currently discharge waste to the Sacramento River. The applicant intends to continue to operate the facility in this manner. The area where the new Cogen Facility would be developed is also relatively far from the river. Nonetheless, the applicant would erect construction fencing along the riparian zone to prevent construction personnel and equipment from entering sensitive riparian habitat; and prepare and/or maintain all applicable wastewater plans and permits for both the construction and operations of the proposed Cogen Facility. The implementation of these plans and conformance with the required permits would ensure that impacts on river habitat would be less-than-significant.

Cultural Resources

No significant cultural resources are known to exist at the site. However, there always remains the possibility that excavation and construction activities may adversely impact unknown cultural resources directly or indirectly. Therefore, project mitigation measures would require that a qualified archeologist inspect native soil once exposed during excavation and prior to backfilling, and require certain measures to be implemented if discoveries are made. These measures would minimize impacts to unknown cultural resources that may be present in the native soil to a less-than-significant level.

Geology and Soils

A geotechnical report prepared for the project indicates that soil conditions at the site present a risk of liquefaction and/or seismic settlement, if exposed to seismic ground shaking. In order to minimize any potential impact that may be associated with this risk, the structural designs and construction methods for the project would have to incorporate and implement measures that the geotechnical engineer has recommend in the report. Incorporation and implementation of these designs and measures would minimize potential impacts from seismic failures.

Hazards and Hazardous Materials

Hazardous materials, including fuel, solvents, and ammonia would be stored and used in support of Cogen Facility site preparation, construction, and operations. The applicant would be required to update their existing Hazardous Materials Business Plan/Spill Prevention Control and Countermeasure Plan (SPCC) and an Emergency Response Plan. These plans shall provide for specific Best Management Practices to be employed during construction and operation of the Cogen Facility, policies and procedures to be implemented in the storage and handling of hazards and hazardous materials and emergencies, and dissemination of information included in the plans to contractors and employees. Implementation of the plans would reduce potential impacts related to hazards and hazardous materials and in the event of an emergency to a less-than-significant level.

Noise

Constructions hours would be limited to the daytime hours and prohibited on Sunday and Federal holidays; construction equipment would be properly maintained and outfitted with the proper mufflers and engine shrouds; and equipment would be stored in an area that is the furthest as possible from the nearest residences. These measures would reduce temporary noise increases from construction to a less-than-significant level.

Impacts found to be significant and unavoidable after mitigation: degradation of the visual character of the site and its surroundings; Beryllium (Be) air emissions; delays at the northbound and southbound Riverside Avenue/I-5 intersections.

Aesthetics

The proposed 115-foot tall boiler would be significantly taller than any existing structure at the site. The boiler would be visible from a wide area surrounding the project site. The surface of proposed structures and equipment taller than 75 feet would be required to be non-reflective and painted or finished in neutral colors in order to reduce their visual contrast with the surrounding landscape. Notwithstanding the proposed mitigation measure, degradation of the existing visual character of the project site and vicinity resulting from the size of the boiler and its associated visual prominence would be significant and unavoidable because there are no other feasible mitigation measures, including a smaller boiler, that would reduced impacts to a less than significant level.

Air Quality

Although the Health Risk Assessment shows that Beryllium emissions from the project would not present significant health risks and/or effects, Beryllium emissions from the boiler would exceed Shasta County Air Quality Management District (SCAQMD) thresholds of significance. There is no Best Available Control Technology for Beryllium and it is a pollutant that is not included in the SCAQMD Emissions Reduction Credits program. Therefore, potential impacts from Beryllium would be significant and unavoidable.

Traffic and Circulation

The project would contribute to unacceptable year 2030 cumulative traffic conditions at the Southbound Interstate 5/Riverside Avenue and Northbound Interstate 5/Riverside Avenue off/on ramp intersections. Cumulative traffic impact analysis accounts for both traffic generated by the project and traffic from other land use changes that may occur during the study period. The project would contribute approximately 1.0 percent and 0.5 percent of the cumulative traffic volumes at the respective intersections. The EIR identifies improvements that would be necessary to address cumulative traffic impacts at these intersections. However, there are no current plans, programs, or specific funding mechanisms in place to implement improvement of these intersections, and these improvements would need to be carried out by Caltrans not Shasta County. For the purposes of CEQA, an assessment of fair share fees is appropriate mitigation when directly linked to a specific fee program. The County is not required to impose mitigation fees to fund public improvements that are not within the County's jurisdiction and that are not included in a mitigation fee program by the agency with the authority to make the improvements. Additionally, a commitment to pay fees is not adequate mitigation if there is no evidence that mitigation will actually result. Shasta County cannot ensure that the improvements identified in the EIR would be implemented and a funding program does not exist that would address the improvements. On these bases, Cumulative Plus Project traffic impacts would be considered significant and unavoidable.

Mitigation Monitoring and Reporting Program

In order to ensure that the mitigation measures and project revisions identified in the EIR are implemented, CEQA requires that the County adopt a program for monitoring or reporting on measures it has imposed to mitigate or avoid significant environmental effects. Chapter 4 of the Final EIR contains the Mitigation Monitoring and Reporting Program for the proposed project.

Statement of Overriding Considerations

As noted above, the EIR concludes that some of the potential impacts cannot be mitigated to a less than significant and are considered significant and unavoidable. CEQA Guidelines Section 15093(a) states:

> *"CEQA requires the decision-making agency to balance, as applicable, the economic, legal, social, technological, or other benefits of a proposed project against its unavoidable environmental risks when determining whether to approve the project. If the specific economic, legal, social, technological, or other benefits of a proposed project outweigh the unavoidable adverse environmental effects, the adverse environmental effects may be considered 'acceptable.' When the lead agency approves a project which will result in the occurrence of significant effects which are identified in the final EIR but are not avoided or substantially lessened, the agency shall state in writing the specific reasons to support its action based on the final EIR and/or other information in the record. The statement of overriding considerations shall be supported by substantial evidence in the record (see Section 15093(b) of the CEQA Guidelines). If an agency makes a statement of overriding considerations, the statement should be included in the record of the project approval ..."*

The EIR consultant and staff have prepared findings of fact and a statement of overriding considerations for the Planning Commission's consideration should the Planning Commission choose to approve the project (see attachment 10).

ISSUES: The issues regarding this project are discussed in the EIR; including several agency and public comments on the Draft EIR (DEIR), Re-circulated Draft EIR (RDEIR), and Second Re-circulated Draft EIR (2nd RDEIR). A full account of the comments and the County response is included in Final EIR Section 2.0.

ALTERNATIVES: The following alternatives are available:

1. Elect not to certify the EIR and return it to staff with recommendations for revisions.
2. Modify the conditions of approval of the Use Permit.
3. Continue the public hearing to request additional specific information.
4. Deny the Use Permit. The Commission would need to make specific findings that the Use Permit is inconsistent with the General Plan or Zoning Plan or is detrimental to the health, safety, peace, morals, comfort, or general welfare of the neighborhood or County.

CONCLUSION: Based on the information supplied by the applicant, data available to Planning staff, the Environmental Impact Report, correspondence received from the applicant, agencies and the public, and other information contained in the project record including the conditions of approval, staff is of the opinion that the EIR has been prepared and presented according to the CEQA guidelines and that the project is consistent with the General Plan policies and zoning standards for the area.

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LS/th/District 5

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DeNovo Planning Group, Attn: Ben Ritchie, 4630 Brand Way, Sacramento, CA 95819
California Department of Fish and Game, Region 1
State of California Regional Water Quality Control Board, Region 5
Caltrans, District 2
Shasta County Regional Transportation Agency
City of Anderson

Attach:
1. Vicinity Map
2. General Plan Map
3. Zone District Map
4. Site Plan Exhibit "A"
5. Site Plan Exhibit "A" (Detail)
6. *Draft EIR (previously distributed)
7. *Re-circulated Draft EIR (previously distributed)
8. *2nd Re-circulated Draft EIR (previously distributed)
9. *Final EIR including Mitigation Monitoring and Reporting Program (previously distributed)
10. EIR Resolution and CEQA Findings of Fact
11. Use Permit Resolution and Conditions

*Attachments marked with an asterisk are available at:
Department of Resource Management – Planning Division, 1855 Placer Street, Suite 103, Redding CA 96001; or On the internet at www.co.shasta.ca.us select "County Departments" then "Resource Management" then "Sierra Pacific Industries Cogeneration Power Project"