



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 5
77 WEST JACKSON BOULEVARD
CHICAGO, IL 60604-3590

APR 18 2008

REPLY TO THE ATTENTION OF:

(AE-17J)

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Kevin J. Sauder
President - CEO
Sauder Woodworking Cogeneration Facility
502 Middle St.
Archbold, OH 43502

Dear Mr. Sauder:

This is to advise you that the U.S. Environmental Protection Agency has determined that the Sauder Woodworking Cogeneration Facility (Sauder) at 502 Middle Street, Archbold, OH 43502 (facility) is in violation of the Clean Air Act (CAA), its implementing regulations and associated State or local regulatory requirements. A list of the requirements violated is provided below. EPA is today issuing to you a Notice of Violation and Finding of Violation (NOV/FOV) for these violations.

The CAA requires the development of Primary and Secondary National Ambient Air Quality Standards (NAAQS) to protect public health and welfare. To attain and maintain these standards, each State is required to develop an implementation plan. Among other things, each implementation plan must include a permit program to regulate the modification and construction of any stationary source of air pollution as necessary to assure that NAAQS are achieved. The State of Ohio has incorporated such a permitting program into its State Implementation Plan (SIP). Under this program, owners or operators must obtain a permit to install (PTI) from the director of the Ohio Environmental Protection Agency (OEPA) before beginning installation of a new source of air pollutants or the modification of an existing air containment source.

Section 111 of the CAA requires EPA to implement the New Source Performance Standards (NSPS) program. These standards are codified in 40 C.F.R. Part 60. 40 C.F.R. Part 60 includes a standard of performance for Small Industrial-Commercial-Institutional Steam Generating Units (40 C.F.R. Part 60, Subpart Dc). The NSPS are nationally uniform emission standards for new or modified stationary sources falling within industrial categories that significantly contribute to air pollution.

Ohio's SIP, 40 C.F.R. Part 60, Subpart Dc and Sauder's PTI and Title V permit include the following:

- 1) Visible particulate emissions from stacks must not exceed 20% opacity, as a six-minute average. This limit is found in the Ohio SIP and 40 C.F.R. Part 60, Subpart Dc. The regulation is incorporated into Sauder's PTI (Issued in August 1992 and modified October 4, 2007) and its Title V Permit (Most recently issued March 1, 2005). The purpose of the opacity limit is to help protect the public from unhealthy exposure to particulate. Particulate emissions, in particular fine particulate, contribute to respiratory problems, lung damage and premature deaths.
- 2) There are limitations on the quantity of nitrogen oxide (NO_x) emissions which Sauder can emit from its stacks. This limit was established in Sauder's PTI 03-05740 and is found in Sauder's Title V Permit. The purpose of this limit is to help reduce acid rain, ground level ozone and help protect the public from exposure which could aggravate cardiovascular disease. NO_x contributes to acid rain formation and formation of ground level ozone, which can cause respiratory inflammation.
- 3) There are limitations on the quantity of carbon monoxide (CO) emissions which Sauder can emit from its stacks. This limit was established in Sauder's PTI 03-05740 and is found in Sauder's Title V Permit. The purpose of this limit is to help protect the public from unhealthy exposure to CO, which can enter the bloodstream reducing oxygen delivery and can aggravate cardiovascular disease.
- 4) Sauder is required to continuously run its continuous opacity monitoring systems (COMS) and continuous emission monitoring systems (CEMS) for NO_x at B008 and B009 in accordance with the General Provisions of 40 C.F.R. Part 60. This requirement is found in Sauder's PTI 03-05740 as well as in Sauder's Title V Permit.
- 5) Sauder is required to submit quarterly excess emission and monitoring systems performance reports containing specific information in accordance with the General Provisions of 40 C.F.R. Part 60. This requirement is found in Sauder's PTI 03-05740 as well as in Sauder's Title V Permit.

EPA finds that Sauder has violated the above listed Ohio SIP, NSPS, PTI and Title V requirements as incorporated into Sauder's Title V Permit. Violations of the above requirements are also violations of the CAA and its implementing regulations, including: Sections 111 and 502 of the CAA and 40 C.F.R. § 70.7. In violating its Title V permit, Sauder has violated Title V of the CAA and its associated regulations, which require compliance with the terms and conditions of Title V permits. Additionally, in violating the Ohio SIP requirements and PTI 03-05740, the facility has violated Title I of the CAA and its implementing regulations, which require compliance with the terms and conditions of the Ohio SIP and permits to install.

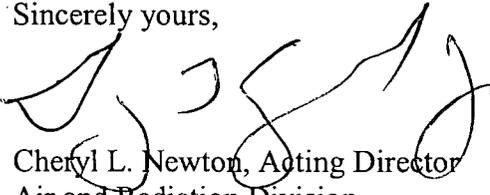
Section 113 of the CAA gives EPA several enforcement options to resolve these violations, including: issuing an administrative compliance order, issuing an administrative penalty order, bringing a judicial civil action and bringing a judicial criminal action.

Section 113 of the CAA provides you with the opportunity to request a conference with us about the violations alleged in the NOV/FOV. A conference should be requested within 10 days following receipt of this notice. A conference should be held within 30 days following receipt of this notice. This conference will provide you a chance to present information on the identified

violations, any efforts you have taken to comply, and the steps you will take to prevent future violations. Please plan for your facility's technical and management personnel to take part in these discussions. You may have an attorney represent and accompany you at this conference.

The EPA contact in this matter is Monica Onyszko. You may call her at 312-353-5139 if you wish to request a conference. EPA hopes that this NOV/FOV will encourage Sauder's compliance with the requirements of the Clean Air Act.

Sincerely yours,



Cheryl L. Newton, Acting Director *FOR*
Air and Radiation Division

Enclosure

cc: Robert Hodanbosi, Ohio EPA, DAPC
Donald Waltermeyer, Ohio EPA, NWDO

**United States Environmental Protection Agency
Region 5**

| | | |
|--|---|--------------------------------|
| IN THE MATTER OF: |) | |
| |) | |
| Sauder Woodworking Cogeneration Facility |) | NOTICE OF VIOLATION AND |
| Archbold, OH |) | FINDING OF VIOLATION |
| |) | |
| Proceedings Pursuant to |) | EPA-5-08-OH-11 |
| the Clean Air Act, |) | |
| 42 U.S.C. § 7401, et seq. |) | |
| |) | |

NOTICE OF VIOLATION AND FINDING OF VIOLATION

Sauder Woodworking Cogeneration Facility (you or Sauder) owns and operates two wood/natural gas-fired boilers at 502 Middle Street, Archbold, OH 43502 (facility). The boilers are identified as Boiler #1 (B008) and Boiler #2 (B009). Each boiler has a heat input capacity of 57.0 million British Thermal Units (mmBTU)/hour.

The U.S. Environmental Protection Agency is sending this Notice of Violation and Finding of Violation (NOV/FOV) to notify you that we have found visible emission/opacity and nitrogen oxide (NO_x) emissions from B008 and B009 and carbon monoxide (CO) emissions from B008 at your facility to be in excess of the limits specified in the Ohio State Implementation Plan (SIP), in the New Source Performance Standards (NSPS) for Small Industrial-Commercial-Institutional Steam Generating Units (40 C.F.R. Part 60, Subpart Dc) and/or Sauder's Title V permit and Permit to Install (PTI). Sauder also failed to continuously run continuous opacity monitoring systems (COMS) and continuous emission monitoring systems (CEMS) for NO_x at B008 and B009 in accordance with the General Provisions of 40 C.F.R. Part 60 and Sauder's Title V permit and PTI. Sauder did not submit quarterly excess emission reports containing all required information as specified in the General Provisions of 40 C.F.R. Part 60 and Sauder's Title V permit and PTI. These deviations constitute violations of the Clean Air Act (the Act or CAA) and its implementing regulations. Details of these violations are provided below.

Section 113 of the Act provides you with the opportunity to request a conference with us to discuss the violations alleged in the NOV/FOV. This conference will provide you a chance to present information on the identified violations, any efforts you have taken to comply and the steps you will take to prevent future violations. Please plan for the facility's technical and management personnel to take part in these discussions. You may have an attorney represent and accompany you at this conference.

Explanation of Violations

1. The permits and permit conditions relevant to this NOV/FOV are as follows:
 - a. PTI 03-05740 issued to Sauder (Facility ID: 03-26-00-0079) by the Ohio Environmental Protection Agency (OEPA) in August 1992, and later modified on October 4, 2007.
 - b. Final Title V permit (3745-77) OEPA issued to Sauder on October 24, 2001.
 - c. Title V Minor Permit Modification OEPA issued to Sauder on February 17, 2005.
 - d. Final Title V Administrative Permit Amendment OEPA issued to Sauder on March 1, 2005.

Opacity

- e. Sauder's PTI, by establishing applicability to 40 C.F.R. Part 60, Subpart Dc, prohibits B008 and B009 from emitting visible emissions over 20 percent opacity, as a six-minute average.
 - 40 C.F.R. § 60.43c(c) states that no owner or operator of an affected facility that combusts coal, wood or oil and has a heat input capacity of 30 mmBtu/hr or greater shall cause to be discharged into the atmosphere from that affected facility any gases that exhibit greater than 20 percent opacity (6-minute average), except for one six-minute period per hour of not more than 27 percent opacity.
- f. Ohio Administrative Code (OAC) Rule 3745-17-07(A)(1)(a) prohibits visible emissions over twenty percent, as a six-minute average.
- g. Part III.A.I.1. of Sauder's Title V Permit (Page 12 of 27) prohibits B008 from emitting visible emissions over 20 percent opacity, as a six-minute average.
- h. Part III.A.I.1. of Sauder's Title V Permit (Page 20 of 27) prohibits B009 from emitting visible emissions over 20 percent opacity, as a six-minute average.

NO_x

- i. Sauder's PTI states that units B008 and B009 at the facility shall not exceed 0.20 pound (lb) NO_x/mmBTU of actual heat input.
- j. Part III.A.I.1. of Sauder's Title V Permit (Page 12 of 27) incorporates Sauder's PTI NO_x limit, prohibiting B008 is from emitting greater than 0.20 lb NO_x/mmBTU of actual heat input.
- k. Part III.A.I.1. of Sauder's Title V Permit (Page 20 of 27) incorporates Sauder's PTI NO_x limit, prohibiting B009 from emitting greater than 0.20 lb NO_x/mmBTU of actual heat input.

CO

- l. Sauder's PTI states that unit B008 at the facility shall not exceed 0.45 lb CO/mmBTU of actual heat input.
- m. Part III.A.I.1. of Sauder's Title V Permit (Page 12 of 27) incorporates Sauder's PTI CO limit, prohibiting B008 from emitting greater than 0.45 lb CO/mmBTU of actual heat input.

Additional Conditions

- n. Part I.A.1.c.i. of Sauder's Title V Permit states that "in accordance with OAC Rule 3745-15-06, a malfunction constitutes a violation of an emission limitation (or control requirement) and, therefore, is a deviation of the federally enforceable permit requirements."
- o. Part I.A.2. of Sauder's Title V Permit states that "any scheduled maintenance, as defined in OAC Rule 3745-15-06(A)(1), that results in a deviation from a federally enforceable emission limitation (or control requirement) shall be reported in the same manner as described for malfunctions" in Part I.A.1.c.i of Sauder's Title V Permit.
- p. The Ohio SIP provides specific exemptions from the visible particulate emission limit during startup, shutdown and malfunction at OAC Rule 3745-17-07.

Continuous Emission Monitoring System Downtime

- q. Sauder's Title V Permit states that units B008 and B009 are subject to 40 C.F.R. Part 60, Subpart Dc requirements.
- r. 40 C.F.R. § 60.13(e) states that except for system breakdowns, repairs, calibration checks, and zero and span adjustments required under paragraph (d) of this section, all continuous monitoring systems shall be in continuous operation and shall meet minimum frequency of operation requirements.

Notification and Record Keeping

- s. Sauder's Title V Permit states that units B008 and B009 are subject to 40 C.F.R. Part 60, Subpart Dc requirements.
- t. 40 C.F.R. § 60.7(c) states, in part, that "Each owner or operator required to install a continuous monitoring device shall submit excess emissions and monitoring systems performance report ... and/or summary report form ... Written reports of excess emissions shall include the following information:
 - (1) The magnitude of excess emissions computed in accordance with §60.13(h), any conversion factor(s) used and the date and time of commencement and completion

of each time period of excess emissions. The process operating time during the reporting period.

- (2) Specific identification of each period of excess emissions that occurs during startups, shutdowns and malfunctions of the affected facility. The nature and cause of any malfunction (if known), the corrective action taken or preventative measures adopted.
 - (3) The date and time identifying each period during which the continuous monitoring system was inoperative except for zero and span checks and the nature of the system repairs or adjustments.”
2. Based on the evaluation of quarterly excess emission reports spanning 2003 through 2005 that a responsible facility official at Sauder certified as true, accurate and complete and submitted to OEPA, EPA has determined that emissions from units B008 and B009 exceeded the emission limits identified in Paragraph 1, above, as follows:

B008 & B009: Visible Emissions

Limit - 20%, as a six-minute average

| Quarter - Year | Excess Emission Duration (Minutes) |
|----------------|------------------------------------|
| 3Q - 2003 | 72 |
| 4Q - 2003 | 192 |
| 1Q - 2004 | 108 |
| 2Q - 2004 | 204 |
| 3Q - 2004 | 510 |
| 4Q - 2004 | 144 |
| 1Q - 2005 | 162 |
| 2Q - 2005 | 714 |
| 3Q - 2005 | 426 |
| 4Q - 2005 | 144 |
| Total | 2,676 |

NOTE: Emission durations include all values reported in excess emission reports as submitted to OEPA.

B008: NO_x

Limit - 0.20 lb NO_x/mmBTU of actual heat input

| Quarter - Year | Excess Emission Duration (Minutes) |
|----------------|------------------------------------|
| 4Q - 2003 | 3,420 |
| 1Q - 2004 | 7,200 |
| 2Q - 2004 | 1,080 |
| 3Q - 2004 | 540 |
| 4Q - 2004 | 1,260 |
| 2Q - 2005 | 720 |
| 3Q - 2005 | 360 |
| Total | 14,580 |

NOTE: Emission durations include all values reported in excess emission reports as submitted to OEPA.

B009: NO_xLimit - 0.20 lb NO_x/mmBTU of actual heat input

| Quarter - Year | Excess Emission Duration (Minutes) |
|----------------|------------------------------------|
| 4Q - 2003 | 2,700 |
| 1Q - 2004 | 5,400 |
| 2Q - 2004 | 900 |
| 4Q - 2004 | 900 |
| 1Q - 2005 | 360 |
| 2Q - 2005 | 180 |
| 4Q - 2005 | 720 |
| Total | 11,160 |

NOTE: Emission durations include all values reported in excess emission reports as submitted to OEPA.

3. Based on the evaluation of stack tests performed at the Sauder facility by Air Compliance Testing, Inc., EPA has determined that CO emissions from unit B008 exceeded the emission limit identified in Paragraph 1, above, as follows:

B008: CO

Limit - 0.45 lb CO/mmBTU of actual heat input

| Date | Excess Emissions (lb CO/mmBTU of actual heat input) |
|---------------|---|
| June 14, 2006 | 0.58 lb CO/mmBTU |
| June 16, 2006 | 0.47 lb CO/mmBTU |

4. Based on the evaluation of quarterly excess emission reports spanning 2003 through 2005 that a responsible facility official at Sauder certified as true, accurate and complete and submitted to OEPA, EPA has determined that the COMS and CEMS for NO_x for units B008 and B009 violated the provision identified in Paragraph 1, above, as follows:

B008 and B009: Continuous Opacity Monitoring System Downtime

| Quarter - Year | Downtime During Operation (Minutes) |
|----------------|-------------------------------------|
| 3Q - 2003 | 732 |
| 3Q - 2004 | 1,532 |
| 4Q - 2004 | 3,576 |
| 1Q - 2005 | 90 |
| 2Q - 2005 | 672 |
| Total | 6,602 |

NOTE: Durations include all values reported in excess emission reports as submitted to OEPA except quality assurance calibration data.

B008: Continuous Emission Monitoring System for NO_x Downtime

| Quarter - Year | Downtime During Operation (Minutes) |
|----------------|-------------------------------------|
| 1Q - 2004 | 693 |
| 2Q - 2004 | 2,280 |
| 3Q - 2004 | 1,595 |
| 4Q - 2004 | 1,350 |
| 1Q - 2005 | 90 |
| 2Q - 2005 | 1,462 |
| Total | 7,470 |

NOTE: Durations include all values reported in excess emission reports as submitted to OEPA except quality assurance calibration data.

B009: Continuous Emission Monitoring System for NO_x Downtime

| Quarter - Year | Downtime During Operation (Minutes) |
|----------------|-------------------------------------|
| 1Q - 2004 | 741 |
| 2Q - 2004 | 3,060 |
| 3Q - 2004 | 1,466 |
| 1Q - 2005 | 90 |
| 2Q - 2005 | 1,518 |
| Total | 6,875 |

NOTE: Durations include all values reported in excess emission reports as submitted to OEPA except quality assurance calibration data.

- Based on the evaluation of quarterly excess emission reports spanning 2003 through 2005 that a responsible facility official at Sauder certified as true, accurate and complete and submitted to OEPA, EPA has determined that for units B008 and B009, Sauder did not specifically identify each period of excess emission of opacity and NO_x that occurred during startups and shutdowns. Sauder did not report the corrective actions taken or preventative measures adopted during periods of excess emissions of opacity and NO_x. Sauder also did not report the date and time identifying each period during which the COMS and CEMS for NO_x was inoperative and did not report the nature of the system repairs or adjustments. These requirements are described in Paragraph 1 above.

Additionally in the quarterly excess emission reports spanning 2003 through 2005, Sauder failed to consistently report the magnitude of excess emissions for NO_x, such as in 1Q-2004, 3Q-2004 and 2Q-2005 for B008 and 1Q-2004, 1Q-2005 and 2Q-2005 for B009. For these same units, pollutant and quarters, Sauder also did not report the date and time of commencement and completion of each time period of excess emissions and the nature and cause of any malfunction. These requirements are described in Paragraph 1 above.

- Failure to continuously comply with the 20 percent opacity limit for B008 and B009 during calendar years 2003 through 2005 is a violation of 40 C.F.R. Part 60, Subpart Dc, the Ohio SIP and Sauder's PTI and Title V permit. These are also violations of Sections 111 and 502 of the CAA.
- Failure to continuously comply with the applicable NO_x limit for B008 and B009 and the CO limit for B008 during calendar years 2003 through 2006 is a violation of the NO_x and CO

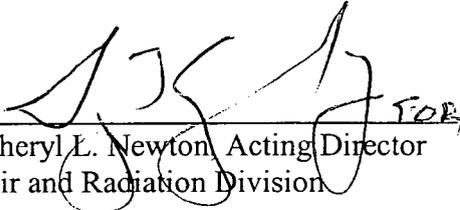
limits established in Sauder's PTI and included in its Title V permit. These are also violations of Section 502 of the CAA.

8. Failure to continuously operate COMS and CEMS for NO_x for units B008 and B009 during calendar years 2003 through 2005 is a violation of 40 C.F.R. § 60.13(e) and Sauder's PTI and Title V permit. These are also violations of Sections 111 and 502 of the CAA.
9. Sauder's omission of required information in various quarterly excess emission reports during calendar years 2003 through 2005 for units B008 and B009 excess emissions and COMS and CEMS for NO_x is a violation of 40 C.F.R. § 60.7(c) and Sauder's PTI and Title V permit. These are also violations of Sections 111 and 502 of the CAA.

Environmental Impact of Violations

10. Violation of the opacity standard increases public exposure to unhealthy particulate matter. Particulate matter, especially fine particulate, contributes to respiratory problems, lung damage and premature deaths.
11. Violation of NO_x standards increases the amount of acid rain and ground level ozone, which could cause respiratory inflammation.
12. Violation of CO standards increases public exposure to CO, which can enter the bloodstream reducing oxygen delivery and can aggravate cardiovascular disease.

4/18/08
Date


Cheryl L. Newton, Acting Director
Air and Radiation Division

CERTIFICATE OF MAILING

I, Betty Williams, certify that I sent a Notice of Violation and Finding of Violation, EPA-5-08-OH-11, by Certified Mail, Return Receipt Requested, to:

Kevin J. Sauder, President - CEO
Sauder Woodworking Cogeneration Facility
502 Middle St.
Archbold, OH 43502

I also certify that I sent copies of the Notice of Violation and Finding of Violation by first class mail to:

Robert Hodanbosi, Chief
Division of Air Pollution Control
Ohio Environmental Protection Agency
Lazarus Government Center
P.O. Box 1049
Columbus, Ohio 43216

Donald Waltermeyer, Air Pollution Control Supervisor
Ohio Environmental Protection Agency
Northwest District Office
347 North Dunbridge Road
Bowling Green, Ohio 43402

on the 18th day of April, 2008.


Betty Williams, Secretary
AECAS (IL/IN)

CERTIFIED MAIL RECEIPT NUMBER: 7001 0320 0005 8920 1347