



State of Idaho
Department of Environmental Quality
Air Quality Division

**AIR QUALITY PERMIT
STATEMENT OF BASIS**

Tier I Operating Permit No. T1-2009.0123

Final

Idaho Forest LLC

Athol, Idaho

Facility ID No. 055-00024

October 5, 2009

Robert Baldwin

A handwritten signature in black ink, appearing to be "RB", written over the name Robert Baldwin.

Permit Writer

The purpose of this Statement of Basis is to set forth the legal and factual basis for the Tier I operating permit terms and conditions including references to the applicable statutory or regulatory provisions for the terms and conditions as required by IDAPA 58.01.01.362

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Acronyms, Units and Chemical Nomenclature

acfm	actual cubic feet per minute
AFS	AIRS Facility Subsystem
AIRS	Aerometric Information Retrieval System
AQCR	Air Quality Control Region
Btu	British thermal unit
CAA	Clean Air Act
CAM	Compliance Assurance Monitoring
CFR	Code of Federal Regulations
CO	carbon monoxide
DEQ	Department of Environmental Quality
dscf	dry standard cubic feet
EFB	electrified filter bed
EPA	U.S. Environmental Protection Agency
gpm	gallons per minute
HAPs	hazardous air pollutants
IDAPA	a numbering designation for all administrative rules in Idaho promulgated in accordance with the Idaho Administrative Procedures Act
IFG	Idaho Forest Group LLC
km	kilometer
lb/hr	pounds per hour
m	meter(s)
MACT	Maximum Achievable Control Technology
MMBtu	million British thermal units
MBF	1,000 board feet
MMBF	million board feet
MRRR	Monitoring, Recordkeeping and Reporting Requirements
NESHAP	National Emission Standards for Hazardous Air Pollutants
NO ₂	nitrogen dioxide
NO _x	nitrogen oxides
NSPS	New Source Performance Standards
PM	particulate matter
PM ₁₀	particulate matter with an aerodynamic diameter less than or equal to a nominal 10 micrometers
ppm	parts per million
PCWP	Plywood and Composite Wood Products
PSD	Prevention of Significant Deterioration
PTC	Permit to Construct
PTE	Potential to Emit
Rules	Rules for the Control of Air Pollution in Idaho
scf	standard cubic feet
SIC	Standard Industrial Classification
SIP	State Implementation Plan
SM	Synthetic Minor
SO ₂	sulfur dioxide
SO _x	sulfur oxides
T/yr	tons per year
UTM	Universal Transverse Mercator
VOC	volatile organic compound

1. INTRODUCTION AND APPLICABILITY

Idaho Forest Group LLC (IFG) is a manufacturer of dimensional lumber, and is located at 4447 East Chilco Road, in Athol. The facility is classified as a major facility, as defined by IDAPA 58.01.01.008.10.c, because it emits or has the potential to emit nitrogen oxides, and volatile organic compounds (VOCs) above the major source threshold of 100 tons-per-year. At the time of this permitting action, the facility is not a major source of HAP emissions. As a major facility, IFG is required to apply for a Tier I operating permit pursuant to IDAPA 58.01.01.301. The application for a Tier I operating permit must contain a certification from IFG as to its compliance status with all applicable requirements (IDAPA 58.01.01.314.09).

IDAPA 58.01.01.362 requires that as part of its review of the Tier I application, DEQ shall prepare a technical memorandum (i.e., statement of basis) that sets forth the legal and factual basis for the Tier I operating permit terms and conditions including reference to the applicable statutory provisions. This document provides the basis for the Tier I operating permit for IFG.

The format of this Statement of Basis follows that of the permit with the exception of the facility's information discussed first followed by the scope, the applicable requirements and permit shield, and finally the general provisions.

IFG Tier I operating permit is organized into sections. They are as follows:

Section 1 – Tier I Operating Permit Scope

The scope describes this permitting action.

Section 2 – Facility-Wide Conditions

The facility-wide conditions section contains the applicable requirements (permit conditions) that apply facility-wide. Where required, monitoring, recordkeeping and reporting requirements sufficient to assure compliance with each permit condition follows the permit condition.

Sections 3 through 6 – Emissions Unit/Source Name

The emissions unit-specific sections of the permit contain the applicable requirements that specially apply to each regulated emissions unit. Some requirements that apply to an emissions unit (e.g., opacity limits) may be contained in the facility-wide conditions. As with the facility-wide conditions, monitoring, recordkeeping and reporting requirements sufficient to assure compliance with each applicable requirement immediately follows the applicable requirement.

Section 7 – Non-Applicable Requirements and Insignificant Activities

This section lists those requirements that the applicant has requested as non-applicable, and DEQ proposes to grant a permit shield in accordance with IDAPA 58.01.01.325.

If requested by the applicant, this section also lists emissions units and activities determined to be insignificant activities based on size or production as allowed by IDAPA 58.01.01.317.01.b.

Section 8 – General Provisions

The final section of the permit contains standard terms and conditions that apply to all major facilities subject to IDAPA 58.01.01.300. This section is the same for all Tier I sources. These conditions have been reviewed by EPA and contain all terms required by IDAPA 58.01.01 et al as well as requirements

from other air quality laws and regulations. Each general provision has been paraphrased so it is more easily understood by the general public; however, there is no intent to alter the effect of the requirement. Should there be a discrepancy between a paraphrased general provision in this statement of basis and the rule or permit, the rule or permit shall govern.

2. FACILITY INFORMATION

2.1 Facility Description

IFG produces dimensional lumber. The primary processes at the facility are the sawmill, steam plant (i.e., hog fuel boiler), drying lumber kilns, planer mill, and by-products handling.

Logs are stored in the log yard until they can be processed. Logs are debarked then cut to dimension in the sawmill. Bark from the debarker is hogged and pneumatically transferred to hog fuel storage or to the hog fuel boiler. Surplus bark is sold as a by-product. Green lumber is cut to length in the sawmill, dried in the facility's kilns, and planed in the planer mill. The finished lumber is packaged and shipped by truck or by railcar. By-products include bark, sawdust, sawmill chips, planer chips, and shavings.

2.2 Facility Permitting History

2.2.1 Tier I Operating Permit History -- Previous 5-year permit term October 2, 2004 to October 5, 2009

The following information is the permitting history of this Tier I facility during the previous five-year permit term which was from October 5, 2004 to October 5, 2009. This information was derived from a review of the permit files available to DEQ. Permit status is noted as active and in effect (A) or superseded (S).

01/13/2009	T1-2008-0202 administrative amendment to change the facility name, facility contact and responsible official.
05/02/2008	T1-050123 the initial Tier I operating permit was issued.
09/01/2005	PTC modification No. P-050116 was issued. This PTC replaced PTCs No. P-040100, issued August 20, 2004 and P-030132, issued February 18, 2004.

2.2.2 Underlying Permit History -- Includes every underlying permit issued to this facility

The following information is the comprehensive permitting history of all underlying applicable permits issued to this Tier I facility. This information was derived from a review of the permit files available to DEQ. Permit status is noted as active and in effect (A) or superseded (S).

01/13/2009	T1-2008-0202 administrative amendment to change the facility name, facility contact and responsible official
05/02/2008	T1-050123 the initial Tier I operating permit was issued.
09/01/2005	PTC modification No. P-050116 was issued. This PTC replaced PTCs No. P-040100, issued August 20, 2004 and P-030132, issued February 18, 2004
08/20/2004	Permit No. P-040100 was issued to Riley Creek for the construction of a hog fuel boiler with EFB, hog fuel and boiler ash handling equipment, EFB baghouse, natural gas boiler, lumber drying kilns, planer mill, planer chipper, planer chip bin, and planer shavings bin with cyclone and baghouse.

02/18/2004 Permit No. P-030132 was issued to transfer ownership from Louisiana-Pacific Corporation to Chilco Lake Lumber Company, LLC.

3. APPLICATION SCOPE AND APPLICATION CHRONOLOGY

3.1 Application Scope

This permit is an administrative amendment of the facility's currently effective Tier I operating permit. This Tier I operating permit amends the Tier I operating permit issued on May 2, 2008, to designate a new responsible official for the facility.

3.2 Application Chronology

9/10/09 DEQ received a letter application requesting a name change of the responsible official for the Idaho Forest Group LLC, Athol facility.

4. EMISSIONS UNITS, PROCESS DESCRIPTION(S), AND EMISSIONS INVENTORY

This section lists the emissions units, describes the production or manufacturing processes, and provides the emissions inventory for this facility. The information presented was provided by the applicant in its permit application. Also listed in this section are the insignificant activities based on size or production rate.

4.1 Process No. 1 – Hog Fuel Fired Boiler

This permitting action did not change any permit conditions. The process description of the hog fuel fired boiler can be found in the statement of basis for the T1 operating permit T1-050123 issued on May 2, 2008.

4.2 Process No. 2 – Dry Kilns (5 total)

This permitting action did not change any permit conditions. The process description of the dry kilns can be found in the statement of basis for the T1 operating permit T1-050123 issued on May 2, 2008.

4.3 Process No. 3 – Sawmill

This permitting action did not change any permit conditions. The process description of the sawmill can be found in the statement of basis for the T1 operating permit T1-050123 issued on May 2, 2008.

4.4 Process No. 4 – Hog Fuel Cyclone

This permitting action did not change any permit conditions. The description of the hog-fuel cyclone can be found in the statement of basis for the T1 operating permit T1-050123 issued on May 2, 2008.

4.5 Insignificant Emissions Units Based on Size or Production Rate

This permitting action did not change any permit conditions. The description of the insignificant emissions and their applicability can be found in the statement of basis for the T1 operating permit T1-050123 issued on May 2, 2008.

4.6 Emissions Inventory

This permitting action did not change any permit conditions. The description of the emission inventory can be found in the statement of basis for the T1 operating permit T1-050123 issued on May 2, 2008.

5. EMISSIONS LIMITS AND MRRR

This section contains the applicable requirements for this major facility. Where applicable, monitoring, recordkeeping and reporting requirements (MRRR) follow the applicable requirement and state how compliance with the applicable requirement is to be demonstrated.

This permitting action did not change any permit conditions. The description of the emission limits and the applicable monitoring, recordkeeping and reporting requirements can be found in the statement of basis for the T1 operating permit, T1-050123, issued on May 2, 2008.

5.1 Facility-Wide Conditions

This permitting action did not change any permit conditions. The description of the facility-wide conditions can be found in the statement of basis for the T1 operating permit, T1-050123, issued on May 2, 2008.

5.2 Emissions Unit-Specific Emissions Limits and MRRR

This permitting action did not change any permit conditions. The description of the emission units and specific emission limits can be found in the statement of basis for the T1 operating permit, T1-050123, issued on May 2, 2008.

5.3 General Provisions

This permitting action did not change any permit conditions. The description of the general provisions can be found in the statement of basis for the T1 operating permit, T1-050123, issued on May 2, 2008.

6. REGULATORY REVIEW

This permitting action did not change any permit conditions. The description of the regulatory review can be found in the statement of basis for the T1 operating permit, T1-050123, issued on May 2, 2008.

7. PUBLIC COMMENT

DEQ may incorporate administrative permit amendment changes without providing notice to the public or affected States provided that the Department designates any such administrative permit amendment as having been made pursuant to Section 381.

8. EPA REVIEW OF REVISED PERMIT

The Department shall submit a copy of the amended permit, or an addendum, to the EPA and send the original to the permittee.

Appendix A – AIRS Information

The description of the AIRS information can be found in the statement of basis for the T1 operating permit, T1-050123, issued on May 2, 2008.

Appendix B – Emissions Inventory

The description of the emissions inventory review can be found in the statement of basis for the T1 operating permit, T1-050123, issued on May 2, 2008.

Appendix C – Facility Comments for Draft Permit

The description of the facility comments can be found in the statement of basis for the T1 operating permit, T1-050123, issued on May 2, 2008.