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DEPARTMENT OF ENVIRONMENTAL QUALITY
STATE A Q PROGRAM

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Blackfoot, ID 83221
Tel: 208.785.3200
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baf.com

October 13, 2011

BAF-SY-11-013

Mr. Bill Rogers
Air Quality Program Office
Department of Environmental Quality
1410 N. Hilton
Boise, ID 83706-1255

SUBJECT: Request for Conversion of Tier II Operating Permit No. T2-2008.0145 to Permit to Construct - Shelley Facility of Basic American Foods, A Division of Basic American Inc.

Dear Mr. Rogers:

Thank you to you and Darrin Pampaian for conferring with Basic American Foods (BAF) by phone on Thursday, October 6, regarding conversion to Permit to Construct (PTC) of each of the Tier II Permits issued to BAF's Rexburg and Shelley facilities. We appreciate your time and effort to work with us on this matter.

In accordance with our conversation, this letter transmits BAF's formal request for conversion to PTC of Tier II Operating Permit No. T2-2008.0145 (the Tier II Permit), issued to the Shelley Facility on June 4, 2009. A completed DEQ Form GI including certification by a Responsible Official of BAF is attached to the letter, and a check for the \$1000 application fee is also included. Additional information on this request is summarized below.

The Tier II Permit (which is actually a "Facility-wide Tier II Operating Permit and Permit to Construct with Facility Emission Cap" (FEC)), was issued in accordance with provisions of Tier I Operating Permit No. 011-00020, issued to BAF on December 11, 2002. As required by Conditions 6.2 and 6.3 of that Tier I Permit BAF applied for a facility-wide Tier II Operating Permit and PTC with FEC. The application encompassed the construction or modification of emissions sources for which a PTC was required but was not obtained (aka "legacy PTCs"), as well as including provisions necessary for issuance of the FEC. This application became the basis on which the Tier II permit was issued.

We understand that at the time the initial Tier I Operating Permit was issued to the Shelley Facility, DEQ had adopted this approach of using the Tier II permitting process to address legacy PTCs because DEQ management believed the Tier II permitting process would be the most efficient means of dealing with multiple legacy PTC issues in a single permitting action. In the intervening years, issues inherent in using a Tier II operating permit instead of a PTC permit have become evident. The most significant issue is that because operating permits have a fixed term and require periodic renewal, by incorporating new source review program elements into a Tier II permit the affected emissions units are subject to continual review and repermitting even though there have

been no changes to the source since the Tier II permit was issued. This creates an unnecessary and cumbersome burden on both the permittee and DEQ and is inconsistent with an underlying premise of the Clean Air Act New Source Review Program, that a PTC is static until the facility modifies an emissions unit. We appreciate that DEQ recognizes these distinctions, as reflected in your concurrence with BAF's desire to convert the Tier II Permit to a PTC and in DEQ's previous actions to convert Tier II permits issued to other facilities to PTCs.

We believe that the process of converting this Tier II Permit to a PTC should be straightforward. Most of the enforceable provisions in the Tier II Permit are identified as either "PTC" based or FEC based, enabling ready conversion of the Tier II Permit to PTC permit with FEC.

In addition, pursuant IDAPA 58.01.01, Section 181 and the FEC provisions of the permit, BAF has made two changes at the Shelley Facility for which it has submitted "*Notices of Review of Ambient Concentration Analysis*". These projects include:

- Alterations in stack locations and discharge heights for Stacks P6-1 and P6-2 from those included in BAF's Tier II Permit application for the Shelley Facility.
- Re-commissioning of Process P8 in conjunction with temporary mothballing of other plant processes.

BAF is also evaluating a project for which it may submit a third "*Notice of Review of Ambient Concentration Analysis*" sometime in the coming months. This potential project would involve modifications to Processes P9, P10, and P11.

By administratively modifying the existing Tier II Permit/FEC to a PTC/FEC, thereby retaining the same issuance date and permit conditions (We understand, however, that some of the FEC conditions will be administratively revised.), the currently submitted "*Notices of Review of Ambient Concentration Analysis*" would simply retain their current status as facility changes completed in accordance with IDAPA 58.01.01, Section 181.

In addition, as indicated on the Form GI, BAF requests that the Tier I Permit for the Rexburg Facility be administratively modified in conjunction with this permitting revision.

Again, we would like to thank you and Mr. Pampaian for taking time out of your busy schedules to meet with us. Please give me a call at 208-785-8590 if you have any questions regarding this request.

Yours truly,



Bruce Wright
Corporate Environmental Programs Manager

cc: Darrin Pampaian – DEQ
Richard Elkins – DEQ

John Kirkpatrick – BAF
Stephen Nelson – Coal Creek Environmental Associates

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DEQ AIR QUALITY PROGRAM
 1410 N. Hilton, Boise, ID 83706
 For assistance, call the
Air Permit Hotline – 1-877-5PERMIT

DEPARTMENT OF ENVIRONMENTAL QUALITY
 STATE AIR PROGRAM

General Information **Form GI**
 Revision 7
 2/18/10

Please see instructions on page 2 before filling out the form.

All information is required. If information is missing, the application will not be processed.

IDENTIFICATION

1. Company Name	2. Facility Name:
Basic American Foods (A Division of Basic American, Inc.)	Shelley Facility of Basic American Foods
3. Brief Project Description:	Conversion of Tier II Operating Permit No. T2-2008.0145 to Permit to Construct

FACILITY INFORMATION

4. Primary Facility Permit Contact Person/Title	John Kirkpatrick	Environmental Manager, Idaho Campus
5. Telephone Number and Email Address	208-785-8572	jkirkpatrick@baf.com
6. Alternate Facility Contact Person/Title	Bruce Wright	Corporate Environmental Programs Manager
7. Telephone Number and Email Address	208-785-8590	bwright@baf.com
8. Address to Which the Permit Should be Sent	415 West Collins Road	
9. City/County/State/Zip Code	Blackfoot	Bingham ID 83221
10. Equipment Location Address (if different than the mailing address above)	434 South Emerson	
11. City/County/State/Zip Code	Shelley	Bingham ID 83274
12. Is the Equipment Portable?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
13. SIC Code(s) and NAICS Code	Primary SIC: 2034	Secondary SIC: 2048 NAICS: 311423
14. Brief Business Description and Principal Product	dehydrated food products and animal feed	
15. Identify any adjacent or contiguous facility that this company owns and/or operates	NA	
16. Specify the reason for the application	<input checked="" type="checkbox"/> Permit to Construct (PTC) <div style="border: 1px solid black; padding: 5px; margin: 5px 0;"> <p>For Tier I permitted facilities only: If you are applying for a PTC then you must also specify how the PTC will be incorporated into the Tier I permit.</p> <input type="checkbox"/> Incorporate the PTC at the time of the Tier I renewal <input checked="" type="checkbox"/> Co-process the Tier I modification and PTC <input type="checkbox"/> Administratively amend the Tier I permit to incorporate the PTC upon your request (IDAPA 58.01.01.209.05.a, b, or c) </div> <input type="checkbox"/> Tier I Permit <input type="checkbox"/> Tier II Permit <input type="checkbox"/> Tier II/Permit to Construct	

CERTIFICATION

In accordance with IDAPA 58.01.01.123 (Rules for the Control of Air Pollution in Idaho), I certify based on information and belief formed after reasonable inquiry, the statements and information in the document(s) are true, accurate, and complete.

17. Responsible Official's Name/Title	Arturo Santallin	Facility Manager
18. Responsible Official's Signature		Date: 10/12/2011
19. <input checked="" type="checkbox"/> Check here to indicate that you would like to review the draft permit prior to final issuance.		